CHAPTER 4: THE CIVIL SERVICE AND ECONOMIC DEVELOPMENT IN TANZANIA

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List of abbreviations

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<td>CCM</td>
<td>Chama Cha Mapinduzi</td>
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<td>CPI</td>
<td>Corruption Perception Index</td>
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<td>CSRP</td>
<td>Civil Service Reform Programme</td>
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<td>ERP</td>
<td>Economic Recovery Programme I and II</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>ILFS</td>
<td>Integrated Labour Force Survey</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>MDA's</td>
<td>Ministries, Departments, and Agencies</td>
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<td>MTEF</td>
<td>Medium-Term Economic Framework</td>
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<td>OPRAS</td>
<td>Open Performance Review Appraisal System</td>
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<td>PO-PSM</td>
<td>President’s Office Public Service Management</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>PSRP</td>
<td>Public Service Reform Programme</td>
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<td>SAP</td>
<td>Structural Adjustment Programme</td>
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<td>SASE</td>
<td>Selective Accelerated Salary Enhancement Scheme</td>
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<td>SDI</td>
<td>Service Delivery Indicator</td>
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<td>SEE</td>
<td>Survey of Employment and Earnings</td>
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<td>TANU</td>
<td>Tanganyika African National Union</td>
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1 Introduction

The civil service affects the economic development of a country in many ways, first because its general function is to set the institutions of state power into operation. Second, and most important for our purpose, history has shown that the success since the late 19th century of what Gerschenkron (1962) called 'late industrialisers' is partly attributed to the role of the state in general and the civil service in particular. In certain circumstances, however, the civil service may be detrimental to economic development through incompetence, corruption, or being too huge, and thus requiring a large amount of material resources for its maintenance. Whether the civil service plays a positive or negative role in a particular country's quest for economic development is a hypothesis whose determination or verification depends on concrete material forces and dynamics, in particular the nature of the regime and its expectations regarding the role of the civil service.

In colonial Tanganyika, for example, the scope of state activity was narrow as the main preoccupation of the colonial state was maintenance of law and order and general administration of the colony. Following the defeat of the Germans in the First World War, Tanganyika became a trusteeship colony under the British in 1918 until her independence in 1961. During that period, state administration was informed by Sir David Cameron’s policy of indirect rule, first introduced in the country in 1926. The state relied on 'agents' to run its affairs. The colonised population, regarded as subjects rather than citizens (Mamdani, 1996), were ruled through native authorities anchored by chiefs. Most of the social services were provided by faith-based organisations, though their services were subsidised by the government. Investment in key social sectors was very minimal and was almost surpassed by that of religious institutions (Mukandala, 2015; Jamhuri ya Muungano wa Tanzania, 2011).

Economic activities were dominated by private companies based either in London or Nairobi, which was the regional centre for British East African colonies. Marketing boards and cooperative unions handled the production and marketing of major agricultural crops including cotton, coffee, and pyrethrum. For cotton, for example, the Lint and Seed Marketing Board handled marketing while the Victoria Federation of Cooperative Unions handled the production and purchase from farmers. Necessary economic service was provided by regional outfits. These included managing the currency as well as air, rail, marine, and road transportation; postal services; harbours; cargo handling; power supply; school examinations etc.

The colonial civil service played a minimal function of law and order, guaranteeing economic extraction and exploitation of resources including supply of forced labour, and overseeing the operations of colonial state corporations and private companies. According to Nyerere (1974, p. 263), 'it was designed for the administration of a nation, not for its development'. Its administrative capacity, though, was low. Therefore, at independence, the civil service faced serious challenges. It was small relative to the size of the country and was dominated by expatriates who constituted 71% of the senior officials. This was mainly because of an acute shortage of qualified indigenous Tanzanians. At independence, the country had 21 graduates, out of whom 11 were indigenous Africans. Most of the civil servants were concentrated in the few urban areas, with vast rural areas left unattended.
Not only did the colonial state leave the country with an enormity of sociopolitical, economic, and development challenges, the country lacked a strong indigenous capitalistic class to spearhead the development effort. Therefore, after independence in 1961, there was no viable option other than the state becoming a central actor in the social and economic development of the country.

This chapter addresses three questions, namely: to what extent has the civil service contributed to economic development in Tanzania? What have been the constraining factors to effective civil service performance? And, finally, what are the necessary and most promising directions for reforms to maximise civil service contribution to economic development?

The chapter draws heavily from documentary evidence, specifically government publications and reports, press reports, scholarly literature, assessments, and surveys carried out by national and international organisations including the World Bank, National Bureau of Statistics, and the World Economic Forum. In addition, select interviews with senior government officials at central, regional, and district levels were conducted. While there is extensive literature on the role of the state in development (Wade, 1992; Johnson, 1982; Gerschenkron, 1962), the economic literature on the role and the evaluation of the contribution of civil service to development is extremely scant and weak. This is partly because there is no simple way of summarising its activity by a few indices that could be compared across countries and overtime. Under these circumstances, as Bourguignon put it in his comments on an earlier draft of this chapter, ‘expert intuition and a systematic review of the main aspects of the way civil service delivers its mission is the only effective approach’.

The chapter is organised into five sections, including this introduction. Section 2 describes and assesses the civil service contribution to economic development. Section 3 draws from the preceding sections and looks at the constraints to the effective contribution of the civil service. Section 4 explores promising directions for civil service reforms and their sustainability. Section 5 concludes the chapter.

2 The role and political context of the civil service in economic development

Given the limitations and challenges of the colonial civil service, the post-independence state embarked on a serious state- and nation-building project. Practically, the idea of state building meant constructing effective public authority, establishing viable state institutions, and creating responsive and legitimate agents of governance (Chazan et al., 1999; Hyden, 1983). Next to state building was the daunting task of nation building, which entailed forging a unified political community. This was because of the arbitrary basis of colonial boundaries, where newly independent states inherited diverse populations that often became fractious as disparate groups contended for power, resources, and identity (Nnoli 2002; Hyden, 1983). This was reinforced by the colonial policy of indirect rule mentioned in the introduction, which in effect resulted in exacerbating and enhancing ethnic and racial identity differences. As a central institution of the state, the civil service took centre stage in engineering change. Tanzania’s civil service\(^1\) has been an integrated departmental system anchored by ministries.

\(^1\) Commenting on the change, then-President Mkapa wondered whether it had ‘become less civil or more public’.
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whose numbers have varied from the initial 11 in 1961 to the current 23. Permanent secretaries working under ministers are the professional heads of ministerial organisations. They generate policy proposals and alternatives for politicians to make decisions (singly in ministries or collectively in the Cabinet), implement the policies decided by the executive in all areas, and produce the public services needed for the good functioning of the economy and society. The inherited colonial civil service was transformed through Africanisation and localisation policies to reflect the national character; its role changed from being simply extractive and administrative to become developmental, thus spearheading the country’s socioeconomic development. Its role in development can be meaningfully assessed in three phases: the transitional years after independence, 1961–66; the socialist phase 1967–85; and the liberalisation phase 1986 to date.

2.1 The transitional phase, 1961–66

The civil service in the early years of post-independence was charged with a role in policymaking and execution. The inherited model of policymaking was based on the traditional dichotomy of politics and administration. It assumed that civil servants would generate ideas and draft policy proposals, which would then be presented to politicians for deliberation and approval. Immediately after independence, external consultants took a centre stage in policy drafting. The first planning document for independent Tanganyika – the Three Year Plan, 1961/62–1963/64 – was drawn up by the World Bank mission. Regarding agriculture, for example, the government emphasised that:

The Government policy for developing rural production is guided by recommendations formulated in 1961 by a World Bank Mission… This policy consists of following a twofold approach in agriculture via the improvement approach and the transformation approach. (United Republic of Tanganyika, 1964, p. 14)

Civil servants were charged with plan execution. The first Five Year Plan, 1964/65–1968/69, was drawn up by French consultants. Side-lining the civil service from policymaking prevented it from bringing important inputs into consideration, before final decisions were made by politicians. As a result, some of the policy decisions were context insensitive and therefore difficult to implement. In the early 1960s, for example, the ‘Ministry of agriculture tried to resist the transformation approach which they regarded as foreign inspired, ill-conceived and ill-advised’ (Mukandala, 1992, p. 67). The transformation approach was abandoned by 1966 (Coulson, 2015). In the same vein, the first Five Year Plan proved difficult to implement because its forecasts were based in statistical assumptions that were weak, population growth was seriously underestimated, and outside advice from the Food and Agriculture Organization and the World Bank regarding crop prices proved to be wrong. In any case, there was a serious manpower shortage to implement the plan, as already noted. Van De Laar (1973, p. 72) estimates that only about one-third of targets regarding government investments were realised.

2.2 The socialist phase, 1967–85

The Arusha Declaration, published on 05 February 1967, marked a major watershed in Tanzania’s history in general, and in her development efforts in particular. Several decisions and actions had a direct impact on the civil service role in economic development. First, it
was declared that ‘The policy of TANU [Tanganyika African National Union] is to build a socialist state, the state must have effective control over the principal means of production and it is the responsibility of the state to intervene actively in the economic life of the nation’ (Nyerere, 1968, pp. 230–232). As a result, the government formulated and implemented interventionist policies, including nationalisation of the means of production and provision of free social services. The state formally became the major engine of economic development. Consequently, many private companies were nationalised and transformed into public corporations. In the meantime, new corporations were created in other economic activities. Together with the decision that the state must control the commanding heights of the economy, it was also evident that the preferred state instrument would be the public corporation (also called parastatal or state enterprise). Thus, a lot of economic development activities and initiatives were implemented through the public enterprise sector. The number of such enterprises exploded from nine in 1966 to around 420 in 1980. The Second Five Year Plan (1969–74) projected ‘a fast rate of expansion in productive capacity through the agency of the parastatal organisations’ (Second Five Year Plan (1969) vol. 1, p. 223). The civil service was thus side-lined from direct operations of these critical economic development activities.

The civil service, however, retained the role of control and supervision over this budding sector. The exercise of that role, though, proved difficult to say the least. Parastatals proved to be too many, some of them too big and sensitive, and too complex to control. The control structure itself was a complex spaghetti maze involving the President and Ikulu, central ministries led by finance and development planning; parent ministries of particular parastatals; holding corporations, for example the National Development Corporation and Tanzania Textile Company; regulatory parastatals, for example the National Price Commission or the Tanzania Bureau of Standards; various committees, for example the Committee on Parastatal Management Agreements; the party branch at the workplace and the political commissar (beginning 1975); the party, trade unions, workers councils etc. In addition to size and complexity, many parastatals had vague objectives, areas of responsibilities were largely undefined, there were no specialised control units in ministries etc. A government official concluded that ‘both the parastatal… and the systems of the controls are beset by some of the least desirable features of bureaucratic inefficiency’ (Coulson, 1978). In the meantime, state scope and functions continued to expand, further overextending the civil service.

Secondly, it was decreed that: ‘it is the party which guides the government by providing directives which shall be implemented by government during a definite period’ (Nyerere, 1967). From then onwards, the civil service role was limited to supposed policy implementation under the watchful eye of the party. All major subsequent basic policies were initiated by the party. Even in implementation, according to Pratt (1979, p. 226):

The party, far from meekly ratifying the policy proposals of a conservative civil service, has tended instead to be resistant and unsympathetic towards those who talk the language of priorities, of moderation, of bottlenecks and of shortages.

This practice continued until the beginning of the 1980s, when the civil service took part in preparing the National Economic Survival Programme (1982) and the Structural Adjustment Programme (1983). Their implementation stalled because of lack of resources and support from donors. In 1984, changes were initiated to make the civil service more relevant in policy
initiation. The late Prime Minister Edward Sokoine issued ‘The Ministerial Circular No. 1 of 1984’. It decreed that, in addition to the party, the government could also initiate basic policy. The civil service thus played a role in all subsequent policy initiatives, although all of these had heavy donor influences.

Thirdly, in the 1970s, the government undertook several other grand decisions that had a serious impact on the civil service. For instance, in 1972, following a consultancy report by McKinsey and Co., there was a massive reorganisation of regional administration. This included the abolition of local authorities and their replacement by state structures all the way to the village level, through a policy formally called decentralisation but which was in actual fact deconcentration. This policy move entailed extension of civil service responsibilities from the centre through the regions, districts, and divisions all the way to the grassroots. There was a consequent absorption of all local government employees into the civil service. During the 1973–74 intensification of villagisation, civil servants were appointed as village managers throughout the country. This resulted in a massive recruitment of new functionaries into the civil service. Civil service numbers increased by 28.31% in 1973 and a further 29.13% the following year. This move also involved the transfer of senior and experienced administrators and professionals from the centre to the regions and districts. During 1971–72, cooperative unions, which had been the pillars of agriculture production, were supplemented by newly created Crop Authorities. Finally, in 1976, cooperative unions were abolished. All these decisions and others resulted in the expansion of state scope and functions without proper planning and sequencing. They spread the civil service and its resources too thinly for effective performance.

The civil service also did not fare very well in economic development activities under its direct supervision. Hasty policymaking without professional technical information, poor implementation mechanisms, and a poorly motivated staff all led to very poor performance. In agriculture, for example, between 1967 and 1977 there were several major policy initiatives, all of which were failures. The Socialism and Rural Development policy (1967), which called for villagisation and communal agriculture, entailed moving the rural population into Ujamaa villages, where they were to engage in communal farming and other economic activities including transportation and trading. It would also be easy for people to access social services. The implementation of the policy contributed to famine in the early 1970s, destruction of people’s housing as they were forced to move, and even deaths in some cases. The policy was eventually abandoned. The ‘Politics is Agriculture’ policy (1972) was aimed at achieving national food self-sufficiency. People were to be encouraged to abandon traditional farming methods and practices, and to use modern farming equipment, methods, and management systems. Implementation proved very difficult. Following massive food shortages, large quantities of maize (600,000 tonnes), wheat (170,000 tonnes), and rice (130,000 tonnes) were imported (Lofchie, 1989, p. 110).

After the failure of the ‘Politics is Agriculture’ policy of 1972, and the subsequent food shortages, the party attributed the problem to drought. Irrigation was deemed to be the answer. A new policy, ‘Agriculture: Life or Death’, was adopted by a hastily conveyed party National Executive Committee meeting in 1974. It was aimed at mobilising people to complement rain-fed agriculture with irrigation. According to Sokoine (1984), the decision was taken hurriedly by the party without professional and technical advice from civil servants. No organisational arrangements for implementation were made. According to Sokoine (1984, p. 53), ‘The running and management of irrigation schemes in most cases
had been practically no one's responsibility'. Sidhu (1981, p. 8) adds that there was no reliable information on the irrigation potential of the country and on prior irrigation projects etc. While the Ministry of Agriculture statistics indicated that there were 55,792 hectares under irrigation in 1975, the party headquarters indicated that there were 133,245 hectares. According to the Ministry of Agriculture (1980), there were no proper surveys and investigations done, no serious studies on soil and topography were done, no economic appraisals, nor hydrological studies were done, no studies on cropping patterns and other agroeconomic considerations were done etc.

Throughout the socialist phase, the civil service was heavily involved in several ways in the country's economic development. Its support role in policymaking was minimal. The party was supreme and all major policy decisions of the time were made by the party National Executive Committee, which had a powerful secretariat. The civil service was charged with policy implementation. Here, too, the party had its fingers in the pot. According to Sokoine (1984, p. 4), after 1977, the party also ‘acquired the power and role of supervision of the implementation process’. With the exception of social service provision, especially education and health, as well as law and order, most state initiatives in production and distribution had very low success rates. Agricultural productivity and output either stagnated or declined, industrial productivity declined, and most parastatal enterprises registered losses and required massive state subsidies to stay afloat (Mukandala, 1998; Moshi, 1995. Since the civil service was not a lone or even the key player in economic development, it can only assume limited responsibility.

Tanzania experienced rapid economic growth in the years after 1966, but this was short-lived. The economy started experiencing difficulties in the early 1970s, which grew into a crisis by the late 1970s. The official position attributes this problem to the falling crop prices in the world market, the 1978–79 oil crisis, the war with Uganda, and the 1973–74 drought (Jamhuri ya Muungano wa Tanzania, 2011). The explanations contain elements of truth as these tragedies wiped out the national foreign reserves and thus weakened the capacity of the state to deliver services, let alone undertake investment projects. However, the official position underplays the fact that economic difficulties were also nourished by economic and administrative policies the government had engaged in. In time, such grand policy decisions as nationalisation of the commanding heights of economy, pan-territorial pricing, abolition of local governments, and disbanding of cooperative unions proved to be unfavourable to economic growth. Under President Nyerere's leadership, the country underwent serious extensive administrative reorganisations. The civil service lurched from one reform initiative to another, including Africanisation, localisation, increase in scope and functions, decentralisation, retrenchment, salary squeeze etc. Implementation was the main problem, partly because of the nature of the initiatives: many were ideologically driven policies, poorly thought out, and lacking full information. Knowledge and expertise were subordinated to ideology and politics. Most of the policies that were aimed at consolidating the political base of workers and peasants, broadly defined, also generated opposition from a broad range of actors at times, including civil servants. Most of these policies were beyond the control of the civil service, since the Executive Committee of TANU had self-appointed itself as a supreme decision-making organ in the country.
2.3 The liberalisation phase, 1986 to date

The cumulative failures discussed above led the International Monetary Fund (IMF) to conclude that there was a structural failure of the Tanzanian economy. The recommended solution was a small government and an increased role for market forces. By the mid-1980s, the economic situation forced the government to accept the IMF’s Structural Adjustment Policies (SAPs) to meet the conditions for accessing international lending from international financial institutions and bilateral aid agencies. SAPs were accompanied by stringent measures for reforming the public sector. These policies called for cutbacks in state scope through such mechanisms as retrenchment, employment freeze, and withdrawal of the state from production and business sectors, as well as reducing the level of state intervention in key social sectors. As far as the civil service was concerned, the Civil Service Reform Programme (CSRP) was launched in the early 1990s to give effect to the structural adjustment endeavour. Available evidence indicates that the SAPs were successful in terms of reducing state scope and controlling budget deficits, but unsuccessful in driving economic growth, which stagnated at 1.8% of GDP between 1991 and 1995, (IMF, 2016). For instance, public service employment was reduced from 355,000 in 1992 to about 270,000 in 1999 (Ntukamazina, 2000). While many public enterprises were privatised, a good number of these were abandoned, cannibalised for parts and spares, or converted into something else. There were cutbacks in investment in social services, especially education, health, and water. Cost sharing in education was introduced in 1986. User’s fees were introduced in health in 1993.

President Mwinyi, however, given the serious economic problems when he assumed power, and under tremendous pressure from donors, was forced to govern effectively. Hard choices could not be avoided, as the harsh economic realities demanded implementation of economic and social policies, which entailed hardships for the population in the short term. He dismantled many pillars of the Arusha Declaration, imposed a pay and employment freeze, removed subsidies, and imposed cost sharing. President Mwinyi relented on the eve of presidential and parliamentary elections in 1990. He reinstated the annual salary increases, introduced a new salary structure, and increased the minimum salary by 26.14% and the top salary by 38.53% (Kiragu and Mukandala, 2005, p. 240). Several allowances were also reintroduced. In July 1991 the CSRP was launched. Following the reintroduction of competitive multiparty politics in 1992, with reinvigorated trade unions going on strikes in 1993 and 1994, and elections looming in 1995, President Mwinyi wavered. The party was worried. In 1994, the civil service average nominal wage was raised by 74%. A year later, in July 1995, it was raised by a further 75%. In the meantime, several agreed reformed benchmarks were missed and a stand-off with donors ensured.

The civil service was very involved in the preparation of various economic recovery policies and programmes together with the IMF and World Bank. These included the Economic Recovery Programme (ERP I and II), the Priority Social Action Programme, and later on the Poverty Reduction Strategy Paper (PRSP). The civil service also managed the privatisation of hundreds of parastatal enterprises, and the divestiture from ownership of other business concerns. It also oversaw the re-establishment of local government authorities in January 1984, as well as cooperative unions, liberalisation of imports and export trade, and devaluation of the currency.
The enactment in 1990 of the National Investment Promotion and Protection Act, which was reviewed in 1997, underlined the recognition of the private sector as the engine of growth. Various private sector institutions, including the Tanzania Private Sector Foundation and the Tanzania Business Council, chaired by the President, were established to give voice to private sector concerns and challenges.

President Mkapa came into power vowing to clean up the mess of corruption and allowances mania. Assured of an overwhelming control of parliament, though he supported a consolidation of allowances into salary, which led to a pay increase, and supported the Selective Accelerated Salary Enhancement Scheme (SASE), he abandoned the planned pay increase for the year 2001 (elections were over). He also abandoned plans to raise the wage bill ratios. Under his leadership many reform measures were initiated and partly implemented.

President Kikwete took over power after a fractious election within the ruling party and his majority shrunk further after the 2000 elections. His rule was marred by frequent crisis following revelations of corruption and embezzlement deals by politicians and civil servants. He thus pursued populist policies to shore up the base, which allowed reform doubters to intensify their efforts to neutralise and reverse technocratic reform initiatives. His bold reform initiative Big Results Now was expensive, unpopular outside the six select areas, attempted to short-circuit the formal civil service, and was abandoned by his successor.

All the measures taken to spur economic growth, including introduction of VAT in 1995, rated at 50%, promotion of exports (especially non-traditional), exploitation of minerals, especially after enactment of the Tanzania Investment Act in 1997, and the ensuing foreign exchange availability after the mid-1990s, led to clear signs of improvements. Real GDP improved – after a dismal 3.3% growth in 1997, it averaged 4.8% for the period 1996–2003. Inflation reduced from 21.0% in 1996 to 4.4% in 2003, and there was an increase in foreign direct investment flows, from US$148.5 million in 1996, to US$247.8 million in 2003. This positive growth has continued. Average growth of real GDP averaged 6.5% during the 10-year period 2006–15.

The IMF data show that, although Tanzania recorded increases in average growth (GDP) from 2.3% (1981–85) to 5.8% (1985–90), which was not really significant growth given that this was a post-crisis period, average growth for 1991–95 fell to 1.8% (IMF, 2016). One of the reasons for the decline was that the 1980s/1990s World Bank- and IMF-engineered reforms concentrated on cost containment and not on strengthening institutional capacity of the civil service. In short, the quantity and ultimately quality of the civil service was highly eroded. As Fukuyama correctly put it, ‘while the optimal reform path could have been to decrease scope while increasing strength…many [sub-Saharan African] countries actually decreased both scope and strength’ (Fukuyama, 2005, pp. 21–22). Highlighting the impact of SAPs on Africa’s civil service, studies revealed that the capacity of the civil service to provide basic services declined (Adepoju, 1993). African governments lost the capacity to hire, retain, and motivate the best talents. The migration of Africa’s best talents for greener pastures abroad resulted in a shortage of highly skilled human resources, while those who remained in the service resorted to all kinds of legal and illegal methods, including corruption, to survive.
2.3.1 The civil service in the post-SAP period

The unintended consequences of SAPs on the economy in general and the civil service in particular created lessons and grounds for re-examination of donor development policy. By the mid-1990s, both development partners and the government had come to the realisation that cost-containment measures were inadequate reform strategies for addressing economic crisis. Therefore, at the turn of the millennium, the focus of the reform path began to shift slightly, from cost containment to increasing institutional effectiveness. This widening of scope was formally recognised with the launch of the PRSP in the year 2000. PRSP prioritised six areas: education, health, water, judiciary, agriculture, and roads. Later on, in the Medium-Term Economic Framework (MTEF), the government expanded the priority areas and added the police and prisons. It also added new categories of key areas, including energy, manufacturing, industries, lands, mining, and tourism. With support from the World Bank, a new reform programme, the Public Service Reform Programme-I (PSRPI) was launched in 2000 and implemented for seven years, thereafter giving way to PRSP-II, which ended in 2011.

President Magufuli’s style has been somewhat different from his predecessors, probably due to a changed political environment. He came into power at a time when his ruling party had lost its heyday of high popularity. The last tenure of his predecessor experienced mounting grudges from almost every section of society, which translated into increased acceptability of and popular support to the opposition. For the first time in multiparty history, the opposition increased its seat share in the parliament from 26% in 2010–15 to about 31% after the 2015 general elections. It also scored victory in local government elections in major towns and cities. Votes for Chama Cha Mapinduzi’s (CCM)’s presidential candidate dropped from 80% in 2005 to 58% in the 2015 elections. In the move to restore legitimacy and popular support for his party and government, President Magufuli came into power promising to launch a war against embezzlement, corruption, and misbehaviour among public officials. His early years in office have witnessed a number of top officials in the civil service being held to account, removed from their positions, or sued in court. His early and consistent actions toward the civil service seem to have shaped both public and media opinion that the conduct of the civil service has improved. Also, this has been a time when civil servants have become real political scapegoats for government mistakes. The words and actions of top political executives and party stalwarts are increasingly succeeding in turning the public against the civil service. The improvement of public employees’ welfare almost seems to be a non-agenda in current government priorities and there is mounting resentment that their efforts are less appreciated.

Generally, the two public service reform programmes aimed to improve the administrative capacity of the civil service through strengthening of systems and processes with the view to enhancing civil service efficiency, effectiveness, and accountability. Similarly, a plethora of sector-specific reforms were implemented with the purpose of improving services in key social and economic sectors (Table 1). These reform interventions were accompanied by a series of capacity-building training programmes geared at enhancing the capacity of civil servants. For a detailed account of the reforms, see Mutahaba et al. (2017).
Table 1: Post-SAP Tanzania Public Sector Reforms

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<th>Institutional Reforms</th>
<th>Duration</th>
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<tr>
<td>i. Public Service Reform Programme (PSRP) I&amp;II</td>
<td>2001–2002</td>
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<td>iii. Local Government Reform Programme (LGRP) I&amp;II</td>
<td>1998–2014</td>
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<td>iv. Legal Sector Reform Programme (LSRP)</td>
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<th>Service Delivery Reforms</th>
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<tr>
<td>i. Health Sector Reform Programme (HSRP)</td>
<td>1994–2017</td>
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<td>ii. Education Sector Development Programme (ESDP)</td>
<td>1997–2015</td>
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<td>iii. Agricultural Sector Development Programme (ASDP)</td>
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<td>iv. Roads Sector Development Programme (RSDP)</td>
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<tr>
<td>v. Water Sector Development Programme (WSDP)</td>
<td>2009–2017</td>
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Specific reform interventions under the PSRP included installation of performance management systems; restructuring the civil service including introducing executive agencies; improving civil service pay systems and incentives; strengthening leadership and management; strengthening information management systems including adoption and use of information and communication technology (ICT); building policy development and management capacity of ministries, departments, and agencies (MDAs); and improving service delivery systems and accountability. Follow-up assessments regarding programme implementation have revealed the following positive developments as far as the quality of the civil service is concerned (Kariuki, 2017):

- Improvements in policymaking and regulatory capacity –79.4% of MDAs were making evidence-based policies using the standard guidelines;
- Improved use of performance management systems by MDAs and their linkages to service delivery; e.g. 85% and 80% of MDAs and local government authorities respectively were using a total of 11 core tools;
- Improved management of public servants; e.g. 99.5% of civil servants were on the Human Capital Management Information System; and
- 82% of the population reported satisfaction with central government services, up from 74% in 2004, although below the target of 85%.

Tanzania has been recording encouraging economic growth during the last 17 years. For instance, for 10 years from 2001 Tanzania sustained an average annual growth rate of 6.7% compared with 3.0% in the preceding decade. Similarly, from 2011 to 2016, the economy continued to expand at an average of 6.9% and has maintained a 7% growth for the last four years, putting Tanzania among the fastest growing economies in Africa (World Bank website) [https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=TZ](https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=TZ) (Accessed 09/11/2017).
To conclude this section, the preceding historical analysis reveals that from independence until towards the end of the 20th century, the civil service had minimal contribution to Tanzania’s economic development. In the earlier period, the inherited civil service from the colonial state supervised a mixed economic model while undergoing rapid expansion through new recruitment and localisation. The civil service played a traditional role in policy initiation, advice, and implementation. It did also resist some policy initiatives, as already noted in the case of agriculture. The year 1967 was a watershed moment for the civil service as well as the size of its role in economic development. Not only did it usher in the policy of socialism and self-reliance, but it also removed the civil service from a meaningful role in policymaking. Policymaking was now the preserve of the party. The role of the civil service became confined to policy implementation under the watchful eye of the party. As already noted, things went severely wrong, culminating in a crisis that ended with the abandonment of the Ujamaa project. The civil service was now empowered to once again play its traditional role in policymaking and implementation, though now under the watchful eyes of the IMF and World Bank. Though initially constrained by cost-containment measures and removed from direct production and commercial activities, it nevertheless participated in many policy decisions and carried out their implementation. The new millennium was ushered in with reforms geared at improving the quality of the civil service. Together with investments and economic promotion policies, an encouraging growth in the last 17 years cannot be disconnected from increased state administrative capacity, in this case, the civil service.

3 Constraints to effective civil service performance

Civil service performance in economic development has had highs and lows, as indicated in the preceding section. It performed relatively well after the Arusha Declaration in 1967, before falling to very low performance levels throughout the 1970s, 1980s, and early 1990s. Performance has improved since the late 1990s, reaching more satisfactory levels in the decade and a half since the year 2000. This section explores the factors behind this performance. Four factors explain civil service performance: civil service capacity; motivation and conduct; the policy cycle and environment; and resources and tools.

3.1 Civil service capacity

In this section, capacity refers to staffing levels, and their educational, professional, and technical skills and competence. Other capacity issues, for example, systems, tools, and resources will be discussed in subsequent sections. The issue of staffing levels has varied, from too few staff members at independence in 1961 and during the decade of the socialist project 1966–1976, through a perception of having too many, leading to retrenchments in 1976 and after 1996, to a ‘truce’ situation of having fairly adequate numbers but with neither the right nor adequate mix of educational, technical, and professional competencies and skills in the period after the year 2000.

Bureaucratic expansionism in Tanzania is a historical phenomenon because, since independence, the civil service has been characterised by rapid expansion in its size. For instance, according to the Survey of Employment and Earnings (SEE), the number of civil service posts increased from 65,708 in 1966 to 191,046 in 1976, and 295,352 in 1980. By 1976 the annual growth rate was 16.2% and the cumulative increase over the same period...
was almost fivefold. However, the overall increase in total employment was only 28.4%. The reasons for the increases in earlier periods include recruitment of necessary human resources after independence, the expanded scope and functions of the civil service, decentralisation measures and villagisation campaigns that led to more employees being brought in, and, finally, patronage and corruption that took its toll in terms of bringing unwanted people into the service. However, the increase in numbers was not matched by an increase in production. The cumulative growth of GDP at 1966 constant prices over the same period was 38%, with an average annual increase of 3.2%. Clearly this was a phenomenal growth in the size of the civil service, with a consequent increase in the size of the wage bill.

Efforts made to check the increase included retrenchments. It was concerns over the wage bill that fuelled the perception that the civil service was too large, leading to several bouts of retrenchments. A total number of 9,466 staff was retrenched in 1976, and 16,109 ghost workers were identified and purged from the payroll in 1980. A further 50,000 civil servants were retrenched in 1994. The size of the workforce was reduced by 25% from 355 in 1992 to 270 in 1997. There was also a 10-year employment freeze as part of SAP conditionality throughout the 1990s.

Concerns over the size of the wage bill continued in the period after 2001, and are discussed fully in Box 1 below. Up to the year 2010 the increase in size was probably roughly on a par with the growth in GDP. As shown in Box 1, there was a notable increase between 2010 and 2015, largely due to massive recruitment of teachers and health workers. Yet efforts to keep the wage bill in check have continued, including a tight centralised control and monitoring of the payroll, a two-year freeze on employment, suspension on salary adjustments, and increments. All these have been aimed at holding the public service size in check; consequently, not only do many public needs remain unmet, but even established posts remain unfilled in the civil service, as will be discussed below.

Also, at least for the last 15 years, growth in civil service size does not seem to have had negative implications for the economy. As shown in Figure 1 the fast rate of growth in public sector employment (of which the civil service constitutes 89.7%) expanded at an average annual rate of 8.1, slightly above formal private employment. This did not prevent GDP from growing at the rate of 6.3% of GDP in the same period. Still, about 50% of government revenue was spent on the civil service wage bill, a figure that has risen over the last 10 years.

**Box 1: Public and private formal employment and wages**

Tanzanian statistics do not permit the construction of a complete annual series of employment, and they are still weaker on wages. This box presents what are probably the best estimates available.

*Employment*

The Integrated Labour Force Surveys (ILFS) and household surveys provide a complete picture of employment at several points in time. The International Labour Organization (ILO) and World Bank World Development Indicators (WDI) series are based on these observations and the interpolation between them. For the formal sector, the SEE should give annual information on employment and wages by the government, parastatals, and
private formal firms. That survey indeed covers the whole public sector (general government, parastatals, and public agencies), all private formal establishments with more than 50 employees, and a representative sample of private formal establishments with fewer than 50 employees.

The SEE has been taken annually since 2001, although it was not taken in 2008 and 2009. Moreover, the definition of employment statistics may have changed during that interruption, as public employment figures show a 15% drop between 2007 and 2010, which corresponds to no known drastic cut in the civil service. The SEE consistently reports a drop in the real wage bill of the public sector comparable to that of employment. Yet such an evolution does not fit the 9.6% annual change in the real government wage expenditures reported by the Bank of Tanzania for the 2007–2010 period. Some figures are given in the text for public employment prior to the SEE series. They are supposed to also come from the SEE, but were unable to go into more detail. This is the reason the series prior to 2001 may not be comparable to posterior data.

The employment data for the public sector in Figure 1 is thus broken down into three partial series. A few observations for the period before 2001 and for 2001–2007 and 2010–2015: to correct for the statistical gap between 2007 and 2010, the figures for 2007 and before were scaled down to be consistent with the most recent data, under the assumption that, contrary to the SEE, public employment would have grown as GDP, i.e. roughly 5% annually, between 2007 and 2010. Observations of private formal employment are only available for the last two periods. The figure also shows the evolution of GDP and total employment.

An important institutional issue concerning public employment is whether it tends to over-grow, as is the case in countries where the public sector is used to distribute rents, buy votes, or shelter unemployment, especially among skilled workers. Such motives were clearly not relevant during the socialist era, when the growth in public employment was due to the increasing role of the state in a socialist economy. They could be relevant today in view of the recent growing divergence with GDP, taken as an indicator of the need for public services.

Yet GDP may not be a good indicator of the need for public services in a low-income country where many of these 'needs' are not satisfied. It is true that, across countries and over time, the relative size of the public sector tends to grow more than proportionally with GDP. That the growth in public employment over recent years corresponds in Tanzania to a massive recruitment of teachers is indeed evidence of unsatisfied needs. But the large number of ghost workers uncovered some years ago is evidence in the opposite direction.

That the need for public service may be increasing faster than GDP is also supported in Figure 1 by the very clear formalisation of the Tanzanian economy over recent years. Private formal employment has doubled between 2010 and 2015, growing five times faster than total employment, even though it still represents a minor share of total employment (roughly 7%). Increasing formality implies an increasing administrative burden.

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2 The source for employment is the ILO for the period 1991–2015, a series based on the ILFS and econometric estimates in between. Estimates before 1991 are based on the evolution of the population aged 15 and above in WDI.
In summary, based on available aggregate statistics, it is difficult to infer whether the civil service in Tanzania is plethoric or not. It is the case that it has grown lately at a rate that is faster than GDP, but as a proportion of total employment it remains extremely low by international standards (4% of total employment), and it is certainly the case that many needs for public services are still unsatisfied. In short, if there is a concern about the civil service, it would be more about its productivity or, possibly, its cost than its sheer size.

Wages

There are two sources of information on formal wages. The SEE shows monthly average earnings by private/public sector annually between 2005 and 2015. Presumably, this statistic is obtained by dividing the wage bill in the public sector and in private firms by the number of employees, so that it is sensitive to changes in the structure of employment by occupation and sector. The ILFS was taken in 2001, 2006, and 2014. It provides the mean and median monthly income of ‘paid employees’ by sector of employment, i.e. central/local government vs. private sector (non-agriculture). It covers a broader ground than SEE since paid employees are not necessarily all in the formal sector, this difference being more important for the private than for the public sector.

The evolution of real earnings by sector according to the two sources is summarised in the following table:
Given the differences in coverage between the two sources, it is difficult to draw firm conclusions on the evolution of wages over time, except that wage growth seems to have slowed down in the public sector since 2010, after growing fast previously. In the private sector, it is hard to believe that real wages have gone down so much, as shown by the SEE, at a time when growth of GDP per worker was more than 3% a year. Growth rates seem more reasonable with the ILFS, and it seems unlikely they are sizeable exclusively because of wages in the informal sector.

A common feature of the two sources of data is the rather high differential between the public and the private sector, which might have been increasing since 2005, according to the SEE, or has peaked in the mid-2000s, according to the ILFS. Using the ILFS 2001–06, Leyaro et al. (2014) have shown that the public/private earning differential is maintained when controlling for the education and the age of the employees. The remaining differential was estimated to be 40% in 2001 and 60% in 2006.

An important conclusion of this brief review of employment and wage data is the need to improve the collection of data, or maybe simply to get more precision from existing data.

### 3.2 Staffing levels

The above noted trend in civil service size has always been accompanied by high vacancy rates in middle and senior levels, and in professional, science, and technical fields. The vacancy rate was 10% at independence in 1961, increasing to 29% by 1972, and averaged 36% throughout the 1970s (Mukandala, 1983; Wily, 1981). The situation got worse during the difficult years of the 1980s and 1990s. The employment freeze made matters worse, as those who left for greener pastures could not be replaced. This shortage of critical skills has meant that the civil service has been unable to perform certain critical functions. In the education sector, while there is reportedly over employment, there is also a shortage of over 20,000 science and mathematics teachers, as this interviewee revealed:

> We have 7,000 arts teachers who are in excess in our schools. This means paying for civil servants who do not deliver, expanding the wage bill without returns. You
may find between three to four teachers teaching one subject in secondary schools. And because their number exceeds the required threshold (teacher–student ratio), they have to coordinate themselves to teach topics in a subject. For the science teachers, we have a shortage of about 20,000 teachers. This number is huge and means a lot if we want to seriously move forward as a nation. There is an urgent need for the government to train and hire science teachers to address this shortage. (Interview, President’s Office Public Service Management (PO-PSM) I, 12 October 2017)

In spite of these claims, a study by Twaweza (2015) reveals that the Secondary Education Development Plan target of 1:30 teacher–student ratio is far from being met. Twaweza reports that, on average, the teacher–student ratio in the schools studied is 1:88. Similarly, there is a worsening staff shortage in health, public administration, and other sectors. According to a recent employment and earnings survey:

The results reveal that there were 135,694 job vacancies in the formal sector in 2014/15, of which Technicians and associate professionals had the largest number of 72,950. Professionals had the second largest number of vacancies which was 30,880 followed by Service workers and shop sales workers with 14,472 vacancies. Education industry (47,256 vacancies) had the largest number of vacancies followed by Public administration and defence; compulsory social security with 46,067 vacancies. Human health and social work activities industry was third and had 23,668 vacancies (National Bureau of Statistics, 2015.

Inadequate staffing is also a challenge in local government authorities where real social economic activities take place. A more recent and often cited reason has been the freezing of government employment pending the verification exercise of the qualifications of civil servants. For instance, in one of the districts that we visited in Mara region, we found that only the Procurement Management Unit out of 19 departments/units was staffed to the appropriate level (Table 3). The overall district staff requirement is 3,054, but presently there are only 1,952.
Table 3: Staffing profile in Bunda district, Mara region

<table>
<thead>
<tr>
<th>S/N</th>
<th>Department</th>
<th>Staff requirement</th>
<th>Available staff</th>
<th>Shortage</th>
<th>Future recruitment plans 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Administration</td>
<td>182</td>
<td>113</td>
<td>69</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>Finance and commerce</td>
<td>25</td>
<td>12</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Water</td>
<td>23</td>
<td>12</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>Construction</td>
<td>21</td>
<td>7</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Land, natural resources, and environment</td>
<td>33</td>
<td>8</td>
<td>25</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>Hygiene and environment</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>Agriculture, irrigation, and cooperatives</td>
<td>81</td>
<td>59</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td>8</td>
<td>Livestock and fishery</td>
<td>51</td>
<td>35</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>9</td>
<td>Primary education</td>
<td>1,560</td>
<td>1,130</td>
<td>430</td>
<td>100</td>
</tr>
<tr>
<td>10</td>
<td>Secondary education</td>
<td>479</td>
<td>366</td>
<td>113</td>
<td>104</td>
</tr>
<tr>
<td>11</td>
<td>Health</td>
<td>542</td>
<td>182</td>
<td>360</td>
<td>80</td>
</tr>
<tr>
<td>12</td>
<td>Planning and statistics</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>13</td>
<td>Community development</td>
<td>29</td>
<td>11</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>14</td>
<td>Legal affairs</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>15</td>
<td>Internal audit</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>16</td>
<td>Information communication technology</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>17</td>
<td>Procurement</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>18</td>
<td>Election</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>19</td>
<td>Bees and honey</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3,060</td>
<td>1,952</td>
<td>1,108</td>
<td>357</td>
</tr>
</tbody>
</table>

Source: Field Data 2017

The shortage of staff in certain critical areas in the public service has been increased by the recent termination of staff with inappropriate educational qualifications or forged academic certificates. For instance, addressing the media, the permanent secretary of the PO-PSM reported that, by May 2017, a total of 9,932 staff were terminated on the grounds of forging academic certificates and 1,538 with questionable certificates were being investigated (IPP Media, 04 May 2017). Health and education were the sectors most affected by this exercise.

3.3 Competences and skills

The civil service capacity to administer effectively does not only depend on the numbers but also the quality of the labour force employed by the civil service: does the labour force have the requisite skills and competencies to administer effectively? The answers to this question may not be affirmative and there may well be variations between sectors or job cadres. For
example, using the health sector as a case study, and as indicated in Table 4, Service Delivery Indicators (SDIs) show that public service health providers could correctly diagnose 59.9% of case conditions compared with 65.9% of health providers in the private non-profit sector. However, they did better than the private for-profit sector. Thus, the problem may not be a public sector one, although the public sector is the main employer of healthcare professionals. Adherence to critical guidelines is low, at below 50%, and this is also the case in both the profit and non-profit sectors. Clinicians’ ability to manage maternal and neonatal complications is extremely low, as public sector providers adhered to only 31.3% of clinical guidelines in that area, while it was even lower for the two groups of private providers.

Table 4: Basic health service delivery quality

<table>
<thead>
<tr>
<th>SDI</th>
<th>Tanzania</th>
<th>Public (non-profit)</th>
<th>Private (for-profit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case load (per provider per day)</td>
<td>7.3</td>
<td>7.1</td>
<td>5.7</td>
</tr>
<tr>
<td>Absence from facility (% providers)</td>
<td>14.3</td>
<td>13.9</td>
<td>17.0</td>
</tr>
<tr>
<td>Diagnostic accuracy (% clinical cases)</td>
<td>60.2</td>
<td>59.9</td>
<td>65.9</td>
</tr>
<tr>
<td>Adherence to clinical guidelines (% clinical cases)</td>
<td>43.8</td>
<td>43.7</td>
<td>45.5</td>
</tr>
<tr>
<td>Management of maternal and neonatal complications (% clinical cases)</td>
<td>30.4</td>
<td>31.3</td>
<td>30.1</td>
</tr>
</tbody>
</table>

Source: World Bank (2015, p. 10)

The same situation exists in the education sector. For instance, results from educational sector SDIs show that primary school teachers lack the necessary academic and pedagogical skills to teach. Teachers score extremely low in content knowledge. SDI tests show that only one out of five teachers scored more than 80% (minimum knowledge cut-off point) on the combined mathematics and English test, while 1.1% of teachers scored above the 80% cut-off in English. Respectively, the average scores in English, mathematics, and pedagogy were 42%, 63%, and 36%. The SDIs also reveal that, although teachers seem to have done better in mathematics, only 26% were above the 80% cut-off point (World Bank, 2015). Evidence from these two critical sectors serves to reveal a broader picture with regard to the skills and competence levels of the civil service. As revealed elsewhere in this chapter, the poor abilities among school and college graduates indicate that the skills and levels of competencies of the civil servants in other sectors cannot be exceptional.

Apart from poor training, this low level of skills and competence in Tanzania’s civil service is partly a consequence of recruitment and promotion practices. Recruitment and the civil service career path into middle- and higher-level positions are very critical factors in determining the quality of the civil service. Experience from other countries indicates that, if one is to hire the best candidates, recruitment into the civil service should involve competitive examinations. Similarly, promotions into middle cadre and higher levels should involve competitive training and performance evaluation (Bhatt and Kim, 2000). The quality of the civil service is also improved through rigorous evaluation of the performance of civil servants’ contribution to organisational goals.

Historically, recruitment into Tanzania’s civil service has been conditioned by varying factors. Recruitment into the colonial bureaucracy was not only based on education and
professionalism but also on race, ethnicity etc. Soon after independence, there was a preference for indigenous Africans, i.e. Africanisation, and thereafter localisation. Clearly, given the shortage of qualified Tanzanians, there was a liberal interpretation of merit in order to get people into available positions. Up to the early 1980s, all graduates from the university and other tertiary institutions were recruited into the Public Service. Interviews were for placement purposes only. Relatedly, a decision was made to hire many of the former members of the militia who fought in the war against Idi Amin.

There was also a notable hiring of friends and relatives by senior civil servants to compensate for low pay, higher taxes, high costs of living, and shortages, especially in the late 1970s and early 1980s. All these factors severely challenged the application of the principle of merit in recruitment. Following several reform initiatives, in 1999 the government launched a public service management and employment policy, subtitled ‘In Pursuit of Public Services through Merit and Result Oriented Management’. Informed by the new public management theories, the policy attempted to adopt good practices from the private sector to improve the quality and process of recruitment. Some of these practices included open competitions for jobs, advertisements in the media, formal selection criteria including balancing academic and professional qualifications, non-discrimination etc. Three years later, a Public Service Employment Secretariat was established. Available data do not permit us to determine and compare the employment structure of the public sector with the rest of the formal sector.

The recent push for utilisation of explicit meritocratic criteria in recruitment has also been challenged by the nature of the available eligible pool of applicants. These are the products of an education system that has been in crisis for a long time. Extensive expansion and disorganisation, poor infrastructure, inadequate human resources, and low morale and motivation have affected all levels of education in Tanzania with few exceptions. As revealed previously, many graduates are therefore of low ability and poorly trained. Concerns for equality dictate that graduates from all institutions, no matter how unworthy, be treated equally. When some of these have found their way into the interview panels, the results have been disastrous.

Our findings reveal that the ability of the civil service in terms of hiring the best and brightest, and motivating, retaining, training, developing, and promoting them has relatively declined. One of the reasons for this is the absence of an incentive structure that attracts and retains the best minds. In most cases, however, declining civil service quality is closely related to the nature of recruitment and promotion. The practice has shown that recruitment into the civil service is still short of rigorous screening and vetting. Simply for illustration, until recently and after increasing public outcry, it was not uncommon to find that positions into prestigious public institutions were filled up with big ‘country surnames’\(^3\). Whether that was/is an outcome of competitive screening is beyond the scope of this chapter to establish. Rather, it questions the level of coincidence. Similarly, although the government’s commitment to hire all university graduates was abandoned a long time ago, all trained teachers and health professionals continued to be hired until recently.

Promotion into middle- and senior-level positions depends on seniority/longevity in service and in certain cases one’s connections and partisan attachment, rather than performance. Although over the past few years the government has introduced the Open Performance Appraisal System (OPRAS) as a performance management tool to be used for guiding promotion decisions, its utility is highly questionable. The traditional three years’ automatic promotion system remains in force. Although there are schemes of service, complaints abound of their not being followed. Similarly, in recent years, recruitment into management positions has undermined a basic ethos of the civil service, its political neutrality. In demonstration of this, an interviewee revealed:

We are witnessing a new phenomenon of partisan cadres from political parties invading the civil service, ascending to the ranks of Regional Administrative Secretary, District Administrative Secretary, and District Executive Director. This is not a good gesture for an efficient civil service. We need to professionalise instead of politicising the civil service… . (Interview, PO-PSM II, 12 October 2017)

Traditionally, promotion into such positions would require not less than 10 years of experience in the civil service as well as rigorous performance evaluation and vetting. The Public Service Commission, which stands to defend the autonomy of the civil service and at least insulate it from the mounting political surge, is rather indifferent. This lack of rigorous screening and vetting hinders the civil service from hiring the right personnel not only in terms of skills but also in terms of ethics. One of the interviewees shared his/her experience on how things used to be conducted, which deserves to be quoted at length:

… After the probation period expired, the newly employed civil servant was taken to the Public Service College, Magogoni Dar es Salaam, and trained on economics, administration, taxation minutes writing, government stores, standing orders, government finance etc. After this three-month dose, an examination would be administered and once you passed you would be vetted by government security organs and receive training on how to handle government information. Not everybody was required and/or qualified to work in the civil service. The reason why we have ethical issues in the current civil service is because we abandoned this rigorous procedure of screening, vetting and training civil servants… . (Interview, PO-PSM-III, 12 October 2017)

Connected to recruitment is the question of employee training and development, as the interviewee quote above suggests. Tanzania has an array of instruments that provide guidelines on training of civil servants, including the Public Service Management and Employment policy of 2008; the Public Service Act No. 8 of 2002 (Cap.298), the Public Service Standing Orders of 2009 and the 2013 training policy. However, these instruments have failed to translate into effective vehicles for guiding and coordinating training programmes for civil servants. This comes at a time when the skill levels of civil servants and potential recruits are under serious criticism. Coupled with coordination and resource constraints, civil service training is somewhat chaotic. Interviewee views were very illustrative on this:

\[\text{Section 3.3 provides some data on skill levels.}\]
Despite the institutional, policy, and legal strength that the ministry has, training programmes offered to civil servants have not been efficient. This is because of inadequate resources for the training of civil servants; training programmes not being structured to address different levels, cadres, responsibilities, and attitudinal transformation of civil servants; lack of systemic training geared to prepare public servants to occupy higher positions in the public service; limited training infrastructure in the public service; proliferation of training institutions whose training contents do not satisfy the needs of the public service both in terms of quality and relevance; inadequate management and coordination of training opportunities in the civil service; civil servants terminating their service after competing training sponsored by the government. (Interview, PO-PSM IV, 10 October 2017)

Political appointments into management and top leadership civil service positions are at times presented as necessary in order to keep the bureaucracy under close political control and thus guarantee democratic accountability. However, this has weakened the civil service autonomy in fulfilling its obligations professionally. The ring of political patronage has operated at the expense of civil service professionalism, such that the art of administration is overshadowing the science. A recent study has revealed that it is safer for the civil servant to trade the law for a political directive (Pastory, 2017). These findings suggest a re-examination of the system of civil service recruitment, promotion, and appointments to higher-level positions.

3.4 Civil service motivation and conduct

Motivation is a complex concept but can simply be defined as anything that influences employees’ commitment to and delivery of the job. This complexity arises from the fact that there is a complex web of factors that promote positive work behaviour and a significant number of motivational theories exist to that effect (Clark 1998; Kanfer, 1990). In short, motivation is explained as an intrinsic, extrinsic, cognitive, and environmental/contextual phenomenon. Because of this complexity and since, invariably, some of the issues have been discussed elsewhere in this chapter, this part concentrates on extrinsic and intrinsic motivation, civil service compensation, and moral incentives in particular.

3.4.1 Compensation

Compensation has been a contentious issue in the civil service. In the early years after independence, the civil servants’ pay package was considered too generous. It was one of the grievances that led to the university students’ protest in 1966 as well as trade union strikes. President Nyerere’s slashing of civil service salaries including his own was followed by more drastic action after the Arusha Declaration. Thereafter, the civil and public service compensation in general was guided by three types of policies. The first type included policies that reduced and froze the incomes of higher officials while restricting their capacity to earn income from other outside engagements. These policies included a policy of ‘The top to stand still until the gap between the lower and higher salaries is narrowed’, increased progressive taxation of high income, and a leadership code that forbade leaders from outside earnings and property ownership, especially houses. The second type of policies entailed increasing lower incomes. This involved raising the minimum wage; paying special allowances to those in the lowest two salary scales; and several salary increases that
favoured the lowest earners. The third type of policies included abolishing some of the privileges enjoyed by senior officials while extending other privileges to everybody in the civil service. As a consequence, real wages went down after the Arusha Declaration in 1967, and in the crisis period between 1979 and 1984.

According to an ILO study (1989), Tanzania experienced a 65% drop in real wages from 1979 to 1984. It was one of the sharpest declines in real income in Africa (Ghai, 1987). The compression of wages within the public sector, from 33:1 in 1967, to 5:1 in 1981 (Kiragu and Mukandala, 2005) has been a disincentive for senior servants and professionals, hence the brain drain, corruption, and non-monetary compensation of all types. This spiral would continue until the hefty pay increases in the late 1990s. A series of further salary increases have continued to be made, which, combined with low inflation, have made the lot of civil servants tolerable.

According to the available studies, public wages in real terms seem to have improved since 2001, outcompeting those in the private sector (Leyaro et al., 2014, p. 10). There was no change in private wages between 2001 and 2006, while there was a 50% increase for central government employees. There was also a 20% drop in private sector wages between 2010 and 2015, while there was no change in public sector wages. Public sector employees also had a wage advantage of 25% due to education, age, and tenure during 2001–2006 (Leyaro et al., 2014, p. 10). It thus seems that public sector employees are better off today than in the past, especially when one also takes into account their non-monetary income.

For the two years since 2015, earnings in the civil service have, however, stagnated. This is because there has not been any salary increments for two consecutive years since the fifth-phase government came into power. Similarly, promotions and employment in the civil service have been frozen pending verification of civil servants’ qualifications and cleaning of ghost workers. The freeze of promotions and salary increments, as well as changes in the salary structure, has left many civil servants demoralised. Concerns have been raised that the verification exercise has now turned into a government excuse for evading its human resource compensation responsibility. Most of the civil servants interviewed at the ministries, regions, and districts expressed their dissatisfaction as they were not certain of their compensation prospects. Expressing this dissatisfaction, one of them put it this way:

I and my colleagues were promoted early 2016; six months later a directive came from the PO-PSM that our promotion was revoked pending verification of our education qualifications. I had planned to use my salary increment from my promotion to finish my house and pay school fees for my children. This dream vanished, and I am not sure when I will get my right. Under this kind of work environment, why should I be motivated to work, why should I be committed to serving my country if my employer does not care about my rights? (Interview, local government authority I, 16 October 2017)

A related issue is the absence of an attractive incentive structure. Stagnant real wages, wage compression, especially for middle and senior grades, and a promotion and reward system loosely based on merit are working against the morale of middle and senior officials in the civil service. Wage compression for middle and senior officials has continued to characterise public service pay (Kiragu and Mukandala, 2005). In this regard, one of the interviewees hinted:
...the fifth-phase government is striving hard to ensure equity in compensation of civil servants in order to cut down the gap between the highest paid and lowest paid. The president already hinted that he wants a civil service that is fairly remunerated but in practice this has not translated into real gains. Most middle- and lower-cadre civil servants have lost hopes of having their salaries raised. Promotions have been frozen, cutting down the morale of civil servants. (Interview, PO-PSM III, 12 October 2017)

Additionally, there has been a problem or failing to follow through and achieve some of the reform targets. Salary differentials are still lower than the pay reform targets; the salary structure is still highly compressed; some professionals are relatively underrated. Plans to implement annual salary adjustments have not been followed through; the wage bill to GDP ratio, which was expected to rise progressively, has been declining. Relatively, consolidation and rationalisation of the public service has not been realised. Related to this, compensation is still diverse and unequal even among people carrying out the same functions. On 18 October 2017, and also as recently as 05 January 2018, the Minister for Public Service expressed his disgust at the situation and called for an overhaul of the salary system (Daily News, 2018). As has been the case historically, this emerging government's drive to address pay inequities across government institutions does not seek to do so by adjusting low income upwards but by lowering top pay levels. Such a move had been started by the President back in 2016 when some heads of parastatal organisations were forced to choose between reduced pay levels and vacating their positions. This newly emerging trend suggests that the morale of the civil service is likely to continue declining.

Apart from wages, civil servants enjoy other incentives like paid leave, opportunities for personal development, pensions, health insurance, loan guarantees, and job security. Most of these incentive schemes are not offered by the majority of private sector employers. The top-cadre civil servants (at the level of chief executives, heads of divisions, and other cadres that report directly to the chief executive) enjoy top-up allowances in terms of housing, transport, communication, and duty allowances. The majority of lower-cadre personnel are, however, less motivated with both pay and the job. For instance, in the education sector, one study revealed that more than two-thirds of teachers who were surveyed would not choose the teaching profession if they could choose again (Mkumbo, 2013). Similarly, in 2008 a survey of 448 healthcare workers at the National Hospital-Muhimbili found that almost half of both doctors and nurses were not satisfied with their job, and this was also the case for 67% of auxiliary clinical staff and 39% of support staff (Leshabari et al., 2008). This level of dissatisfaction was explained as the result of low salary levels, unavailability of necessary equipment and consumables to ensure proper patient care, and improper management of employees’ welfare. Nevertheless, a recent comparative study revealed an improvement. Carried out in 2013, it reported that 82.6% of health workers in Tanzania were satisfied with their jobs, compared with 71% in Malawi and 52.1% in South Africa (Blaauwet al., 2013). This improvement is probably one of the outcomes of health sector reforms.

### 3.4.2 Moral incentives and ethics

In addition to the above material incentives, in the period after independence and during the socialism phase, there was also a reliance on moral incentives. More specifically, appeals were made for people to be nationalistic, to love their country and make sacrifices for her
independence and development. Everybody was urged to work hard. Combined with socialist slogans of equality and justice, these appeals were very effective and encouraging. This was more so when they were made by Mwalimu Nyerere, given his charisma and honesty. These appeals to people’s moral commitment to the country helped civil servants cope with emerging hardships in the 1970s. The climax of these moral appeals was during the Tanzania–Uganda war 1978–79. The following economic hardships already colluded to undermine these appeals. The liberalisation phase, with its emphasis on individualism and market forces, further undermined the effectiveness of moral incentives. Since then, civil servants have expected material returns for their labour. When they decline or stagnate, commitment and productivity is bound to suffer.

Civil service conduct plays a significant portion in economic development. Not only is an undisciplined civil service that is characterised by shirking, corruption, and misappropriation of public resources less productive, but it also diverts public resources to private gains. Lessons from Japan and other advanced economies have shown that a highly disciplined and committed civil service plays a crucial role in economic growth (Bhatt and Kim, 2000). An ethical civil service has a sense of duty and it can serve as a deterrent to opportunistic behaviour from politicians. Generally, the findings indicate that, since the late years of Ujamaa, Tanzania’s civil service has been characterised by work misbehaviour such as shirking of responsibilities (absenteeism and negligence) and corruption and misappropriation of resources (for example through procurement and creation of ghost workers), and generally it has failed to regulate opportunistic politicians and even colluded with them, at the expense of the economy.

The civil service as an institution of service delivery is integrated in society. Thus, any analysis regarding how the civil service conducts itself has to be embedded within the values, culture, and norms that guide a particular society. The Tanzania public service ethics code emphasises equity, probity, integrity, moral conduct, and political neutrality. In theory, the values, culture, and norms that guide the conduct of the civil service encourages enhancing employee involvement, rewarding teamwork, recognising individual effort, and incorporating the needs of the clients, in this case delivering critical outputs to the citizens. However, our findings on this issue suggest that ethical values such as honesty, integrity, impartiality, and fairness, amongst others, have been in constant decline in the civil service. As a result, these declining values have encouraged inefficiencies and thus have likely affected the productivity of the civil service. Recounting the heyday of the Arusha Declaration and the leadership code of conduct of 1967, a respondent in the PO-PSM elucidated:

…”When I joined the civil service in 1978, there was a clear ethical strategy to shape the conduct of civil servants. Upon joining the service, one had to fill in the Arusha Declaration form, ethical form, and commitment to party ideals form. These forms had put massive restraints on civil servants from engaging in corrupt behaviour and other forms of pathologies. The next step was a two-year probation pending confirmation…. (Interview, PO-PSMIII, 12 October 2017)

Moreover, there is a growing decline in the spirit of volunteerism among the civil servants in particular and the public in general. While during the past it was common for the civil servant to sacrifice for the common good, that heyday no longer exists today. As one of the interviews revealed, a majority of civil servants in middle- and higher-level positions are
unlikely to commit their efforts without expecting individual returns. This lack of commitment to public duty is aggravated by ethical crisis.

The civil service absenteeism rate is reportedly especially high in the education sector. Civil servants are reportedly either absent from their workstations or present but doing job-unrelated businesses. For instance, in the education sector alone, a study by Twaweza (2015) revealed that 31% of teachers were absent from workstations during the period of study in 2015, while 34% were present but not teaching, and only 35% were teaching. Respectively, the findings for 2016 were 27%, 32%, and 41%\(^5\). The 2016 report on Tanzania’s SDIs show students received roughly 39% of the scheduled teaching time, which is equivalent to 2 hours and 46 minutes per day instead of the official 5 hours and 56 minutes (World Bank, 2015). Twaweza estimated that a classroom absenteeism rate of 50% costs the country TZS (Tanzania shilling) 862 billion per year through paying people who have not produced anything. This amount equals roughly 1% of GDP. It is 63% of the total budget for the Ministry of Education, Science, and Technology in the financial year 2017/18. The absenteeism rate in the health sector was reported at 14%, which is lower than African and Asian standards. Although no data on absenteeism for other sectors were available, anecdotal evidence suggests that the situation may not be very dissimilar, especially for civil servants who attend but work fewer than expected official hours. All these suggest that the productivity of civil servants is still low. Corruption is also one of the major ethical issues constraining efficiency in the civil service, slowing down the pace for social and economic development. Both grand and petty corruption increase the cost of public service delivery and cripple the effectiveness of the civil service.

Understanding this fact, the Tanzanian government has, over time, put institutional arrangements in place to curb corruption. Various anti-corruption campaign programmes have been waged to complement the institutional strengthening as well. However, the anti-corruption crusade efforts have not delivered significant results. Available data indicate that Tanzania is ranked 116th least corrupt nation out of 175 countries (Transparency International, 2016). The data also show that the corruption rank in Tanzania averaged 98.37 from 1998 until 2016, reaching an all-time high of 126 in 2009 and a record low of 71 in 2002, for reasons that are not clear (Tradingeconomics.com 2003). Tanzania’s average rank for the past decade stood at 110, while it scored an average 30.6 out of 100 points in the Corruption Perception Index (CPI) (Figure 2). CPI ranks countries and territories based on how corrupt their public sector is perceived to be.

Other reports also paint a gloomy picture regarding corruption in the Tanzanian civil service. For instance, *The Global Competitiveness Report, 2015–2016*, which assesses the competitiveness landscape of 140 economies, providing insight into the drivers of their productivity and prosperity, notes:

> Indeed, gifts and other bribes are perceived to be widespread when applying for public utilities and permits. In fact, businesses (presumably multinationals, as national firms could not make the comparison) consider the prevalence of irregular payments and bribes within public utilities in Tanzania as one of the worst in the world. Likewise, more than a third of households report paying a bribe to obtain public utilities in Tanzania. (*World Economic Forum, 2016*)

Notably, anti-corruption initiatives in the past have not registered progress because there has not been a serious commitment by the government to punish ethical violators, especially those involved in big corruption scandals. Equally, the anti-corruption institutions are under-resourced in terms of finances and human resources, and lack the requisite autonomy and will to spearhead the fight. Parliament, which would exert pressure for intensified anti-corruption efforts, is reportedly toothless and worse still suffering from ethical problems by some of its members (Pastory, 2017). In addition, the lack of impartiality and public support necessary to steer the process ahead has been another constraining hurdle. Corruption is likely to stall the efficient delivery of critical outputs, stalling the social and economic development of the country as it diverts public resources to private ends. For instance, available evidence indicates that in the last 10 years more than TZS 813 billion is known to have been expropriated through the four famous corruption scandals alone: External Payment Arrears, Bank of Tanzania Twin Towers, Richmond, Tegeta Escrow, Tanzania (*The Citizen, 24 June 2015; AfrIMap, 2015*). There are no reliable estimates of how much the country has lost through other corruption schemes.

The corruption and embezzlement phenomenon in Tanzania’s civil service dates back to the late years of *Ujamaa* and emerged as a response to a real fall in income. Initially, they
resorted to inventing all kinds of fringe benefits. These included bonuses, subsidised shops, canteens, and cafeterias at workplaces, transport, dispensary and/or private-practitioner medical services, housing, clothing, farming plots as well as transport services to ease access, and a host of recreational facilities. These were supplemented by extensive allowance claims (sometimes fraudulent and/or inflated) for travel, prolonged conferencing, etc. As the economic situation got worse, the demand for fringe benefits blossomed into outright racketeering, or ‘Ulanguzi’, as it was commonly called. This was one of the most phenomenal haemorrhages of public resources in Tanzania. Corruption reigned supreme and everybody was a seller and a buyer. The undisputed climax of the phase was the burning of the Bank of Tanzania building in 1984, the precise cause of which has never been made clear. The prime minister launched a large military-style operation against racketeers in 1984. He died in a road accident on 12 April 1984.

The above clampdown was followed by a phase of projects (Miradi). To survive, one simply had to have a project and dab in the informal sector. In July 1987, Party Chairman Nyerere advised Tanzanian experts to ‘involve themselves in gardening, poultry keeping and other activities which could enable them to augment their meagre incomes’. The assumption was that civil servants would maintain the separation between official and private activities and income. That was not the case. Official positions and resources were used for private gain as officials tried to make ends meet. The replacing of the leadership code by the Zanzibar Declaration in 1992, allowing leaders to accumulate wealth, legitimised what was already taking place. Various components in the economic reform programmes, including support to the private sector, created further opportunities for civil servants. Privatisation, the promotion of decentralisation, operational autonomy for various entities, and outsourcing and subcontracting of the supply of various goods and services have all created opportunities for civil servants to make ‘deals’ and make money. If President Mwinyi’s period was properly known as a time of ‘Ruksa’ (everybody could do anything), Presidents Mkapa and Kikwete’s times are known as the years of deals, or ‘Dili’. The years 1995 to 2015 were a time when Tanzania fell into costly dubious contracts, some of which have been mentioned above. It was also the period when the country adopted legislation, such as mining laws, that turned out to be economically hazardous. Although the misappropriation was in part engineered by the politicians, a thoughtful analysis would not isolate the civil service from these ills.

3.5 Policy cycle and environment

One of the main constraints to an effective and efficient role for civil servants has been the nature of policymaking and the consequent policy decisions. In May 1965, Tanzania became a de jure one-party state. Combined with the Arusha Declaration and the socialist project in 1967, the party assumed supreme policymaking powers. The role of civil servants as advisers and facilitators in policymaking was reduced. Their role remained policy implementation under the watchful eye of the party. This fact in the context of the ideological thrust of ‘state-led development’, as well as wanting to ‘run while others walked’ (Hyden, 1976, changed the traditional mode of policymaking characterised by studies, policy drafts, deliberation, recommendations, and decisions. Many policies were made in haste without full consideration of all available alternatives and their consequences. The resulting policy decisions were poorly considered, including lack of consideration of the mechanisms of implementation and their possible consequences. Many policies were impossible to implement. Nationalisations, irrigation, decentralisation, politics is agriculture, pan-territorial
pricing, and price controls are cases in point. This trend continued until the mid-1980s, when Tanzania succumbed to internal and international pressure, abandoned the socialist project, and adopted the SAP. More generally, the position and contribution of the civil service was also constrained and minimised by several factors. The whirlwind of the rapid policy changes, massive state and political reorganisations, transfer of personnel, and expansion of the civil service functions while at the same time moving other functions to other entities created confusion in action and at times outright resistance on the part of the civil service.

From 1985 onwards, the country experienced the implementation of what Stiglitz (2003, p. 34) has called a ‘One-size-fits all’ approach, anchored by economic management by fiscal austerity, privatisation, and market liberalisation. The state (civil service) role was to maintain law and order, to provide an enabling attractive environment for business and investments, to generate economic and social policies, and to provide important social and economic services. The civil service was caught in a pincer movement. The pendulum swung from one extreme where the civil service and the state were expected to be the engine of growth, to the other extreme, where they were now expected to make room for market forces. Both extremes were fuelled by ideological fervour. The socialist ideology informed the *Ujamaa* project, while liberalisation was driven by a blind belief in the magic of market forces. According to Stiglitz (2003, pp. XIII–XIV),

> Decisions were made on the basis of what seemed a curious blend of ideology and bad economics, dogma that sometimes seemed to be thinly veiling special interests. When crises hit, the IMF prescribed outmoded, inappropriate, if ‘standard’ solutions. There was a single prescription … ideology guided policy prescription and countries were expected to follow the IMF guidelines without debate.

During this period, according to Green (1995, p. 102), after 1980 ‘The Fund and Bank were rapidly building up gate-keeper and coordinator roles so that they significantly influenced all official transfers not just their own…. they sought to provide or impose overall economic policy prescription’. Constrained by conditions and conditionality, the civil service once again had very little room for manoeuvre as the policy of adjustment took its toll, and growth stagnated.

Several changes were brought about by a general re-think of the World Bank approach to development after the World Bank’s 1999 annual meeting and the introduction of the PRSP approach to engaging with developing countries (Mallaby, 2004, p. 254). The IMF/World Bank and western donors made more commitment to consultations, participation, and empowerment. Coupled with the launch of the PSRP already alluded to, the civil service was strengthened and its role in policymaking appreciated. The policy cycle and environment has had an impact on civil service performance. Its policymaking advisory role within the context of political neutrality of the post-independence period was replaced by a restricted role in policymaking facilitation, resulting in hastily made and poorly considered policies that were difficult to implement. The resulting economic crises led to the liberalisation phase during which the state and civil service were confined to the so-called ‘core functions’ carried out under conditionality. A workable equilibrium seems to have stuck since the year 2000, with a reformed civil service trying to facilitate market forces for economic development.
3.6 Resources and working tools

In order to be efficient and effective, a civil service has to convert inputs (policies, plans, priorities, ideas, labour) into outputs (tangible outcomes such as service delivery in the form of water, healthcare, education etc). Conversion of the inputs into outputs requires working tools that can facilitate the process. Working tools, in this case, may involve both hard and soft infrastructure. The hard infrastructure may include physical buildings, such as office building, vehicles, ICT etc. The soft infrastructure may involve computer software programmes for managing human or financial resources, filing systems, etc.

It is fair to note that lack of resources, critical tools, and infrastructure has been a continuing challenge for the civil service. Lacking enough budgetary outlays to acquire the necessary tools, facilities, and equipment, the civil service has had to improvise and/or abandon implementation plans. All the years that the government’s budget had serious deficits, for example 1976–2000, meant that there were limited resources for the civil service.

Recognising the importance of equipping the civil service with working tools, the CSRP, which spanned 1991–99, PSRP I, 2000–07, and PSRP II, 2008–12 had specific reform packages geared at strengthening the working tools within the civil service. For instance, ICT is one of the critical tools that had to be introduced in government to facilitate government processes under the rubric of e-government. Here, the focus was on building the capacity of government institutions to use ICT in running government operations. The interventions involved installation of ICT tools and facilities, training, development of management information systems, and steps to establish e-government infrastructure and e-government agency (Mutahaba et al., 2017).

While significant progress was achieved in equipping the civil service with relevant tools, it is mainly the central government institutions in urban settings that enjoy this progress. Some local government authorities have also registered some progress, but generally institutions that are peripheral to the central government and the urban districts are trailing behind. The general working environment is not conducive: office buildings are dilapidated and poorly furnished. In some areas, private homes of government officials at grassroots become public offices. ICT infrastructure is in short supply and, where it is available, there are problems with internet connectivity and power outages.

This general observation is supported by findings from the key social sectors. For instance, Table 5 shows that public health facilities are less equipped in terms of equipment, drugs, and infrastructure compared with both the profit and non-profit private sectors.

Table 5: Availability of working tools and resources

<table>
<thead>
<tr>
<th>SDI</th>
<th>Tanzania</th>
<th>Public</th>
<th>Private (non-profit)</th>
<th>Private (for-profit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug availability (% drugs)</td>
<td>60.3</td>
<td>58.9</td>
<td>66.0</td>
<td>62.8</td>
</tr>
<tr>
<td>Equipment availability (% facilities)</td>
<td>83.5</td>
<td>81.7</td>
<td>92.5</td>
<td>84.5</td>
</tr>
<tr>
<td>Infrastructure availability (%facilities)</td>
<td>50</td>
<td>40.6</td>
<td>66.9</td>
<td>91.2</td>
</tr>
</tbody>
</table>

Source: World Bank (2015, p. 10)
The education sector has its share of challenges as well, particularly in regard to student–textbook ratio. The student–textbook ratio ought to be 1:1 but, in practice, this target is very far from being realised. For instance, a recent survey by Twaweza (2016) indicates that the student–textbook ratio was 26:1 in Tabora region, and 3:1 in Mtwara, Kilimanjaro, Njombe Katavi, and Ruvuma. Similarly, reporting the situation in secondary schools, a baseline study report by a team of experts on a similar matter concluded: ‘For most students in the sample schools books are not available or only available when shared with several other students’ (Barrett et al., 2014).

Generally, these findings show that the civil service is yet to be sufficiently equipped with the necessary tools required for performing the work. This has negative implications for the effectiveness of the civil service and its performance, thus precluding its ability to make an effective contribution to the country’s development.

4 Maximising the civil service economic potential: future reform directions

Tanzania has sustained relatively stable growth for the past 10 years. This achievement, however small, cannot be explained without appreciating the role of public service reforms undertaken since 2000 to strengthen the administrative capacity of the public service in general and the civil service in particular. Notwithstanding, the civil service has not contributed enough to driving economic development. Its capacity to effectively implement policies and laws, to make available the necessary means of administration, and to deliver critical outputs is still limited. Besides, staff work morale is declining, unethical conduct remains, and its administrative autonomy, which is limited, seems to be under constant pressure. Although staffing levels have been expanded, critical posts in the civil service remain unfilled. While praising the reform efforts carried out in the past 15 years, a sympathetic evaluation study also noted that reforms implemented by the government so far have not been institutionalised and have not been made part of the organisational culture (Mutahaba et al., 2017, p. 75). In view of all the above, what are the necessary and most promising directions for reforms to maximise the civil service contribution to economic development? How can the proposed reforms be sustained and what are the forces and dynamics that need to be in place to ensure a sustained successful reform effort? These questions are addressed in turn.

4.1 Reform dynamics

A major study of the dynamics of public sector reform in eight African countries identified five major actors that have determined the success or failure of reforms, either by their actions or inaction. These are the executive, donors, market institutions, representative institutions, and civil society.

Civil servants as part of the executive have played a major role in implementing many of the reform initiatives, but also resisting and reversing those that reduced their power, authority, status, and especially their incomes. Their constant battles with parastatal enterprises have been alluded to. Efforts to decentralise either by deconcentration (1972) or devolution (1984) were also resisted. Measures to compress the salary structure and the continuous salary freezes were neutralised by recourse to allowances and outright bribery and corruption.
Their advice to political leadership was often self-serving, for example the introduction of SASE and the sale of the substantial public residential houses to themselves.

Donors (and consultants) have played a key role in the reforms, especially since the mid-1980s. They pressed for the introduction of SAP in the 1980s, and made public service reforms one of the conditionalities culminating in the CSRP in July 1991. They were also involved in PSRPI and II. They have been equally involved in follow-up of implementation and financing through either project or basket arrangements. Donors’ involvement has been limited by their being outsiders. Their frequent resort to conditionalities and threats has often led to resentment, ‘reverse donor fatigue’, and even resistance. In addition to consideration of issues of sovereignty and independence, politicians have followed their advice when their survival was not threatened. Civil servants have done the same when their incomes were not at risk.

Market institutions and the private sector in general have been relevant for a number of reasons. First, they have served as a reference point for levels of income and compensation in general. Thus, salary and allowance proposals have often made reference to what is earned in the private sector. Imitations of compensation levels in the private sector have contributed to the enormous disparities in pay in the public sector. Efforts have been made to reach comparable private sector pay levels either through salaries in the case of parastatal enterprises and executive agencies or through allowances for civil servants. The private sector has also served as a reference point in the search for appropriate management tools, processes, and systems. For example, permanent pensionable tenure has been abandoned for some posts in favour of contract employment, and appointment through internal evaluation has been supplemented by extensive advertisements of posts in an effort to attract outside applications in line with the tenets of new public management.

Secondly, the private sector has also been a competitor for the very highly qualified personnel and also at the very level of the civil service, thus applying pressure on the civil service to pay higher salaries. Thirdly, market dynamics, especially supply and demand, and the rise in prices have equally generated pressure on the civil service to raise salaries, and also served as an incentive for civil servants to engage in all kinds of legal and illegal activities to make ends meet. The large informal sector has provided an economic avenue for civil servants to augment their incomes. Finally, the private sector has been part of an unholy alliance involving politicians and civil servants in carrying out mega corruption scams. These scams have bent or broken civil service rules and set back efforts to institutionalise an effective merit-based civil service.

Representative institutions including parliament and local government councils have played a limited role. This is because of two main reasons. First, reform efforts have been initiated and designed by the executive or donors (and consultants) as technical issues outside the scope of parliament. Secondly, parliament has been weak, dominated by the dominant party and a dominant executive. Occasional enquiries into scandals and scams and their exposure, which increased in recent years, have helped to improve governance in general. The strengthening of parliamentary committees has helped in this regard.

Civil society organisations including the media, non-governmental organisations, political parties, and trade unions have suffered a similar fate to representative institutions. A suffocating political climate, marked by bureaucratic laws, secrecy, and intimidation, has
limited space for investigation and expression. In some cases where the media and civil society have been critical of government performance, the reaction on the side of government has not been good, mostly labelling critics as seditious. Thus, the entire reform process has been top-down and supply driven by the executive and donors. The demand, or ‘popular side’, has been absent or too weak to have a viable impact in sustaining the reforms.

All reform initiatives in Tanzania since independence have been supply driven. Early reforms until 1984 were initiated by the executive. Subsequent reforms until the 1990s were initiated by donors as a conditionality. Later reforms, PSRP I and II, were formally initiated by both government and donors. Big Results Now was an executive adventure. Financially wholly supported by donors, it was aimed at transforming Tanzania’s public service delivery systems in six key ministries (later increased to eight). Citizen (bottom-up) demands have targeted broader governance reforms, specifically constitutional reforms, but these have either been thwarted or frustrated in the process.

Early reforms including changes brought about by the Arusha Declaration were inspired by political objectives seeking to consolidate political power, strengthen the state and its institutions, and deliver fast equitable economic development. By 1980 it was obvious that they could not and did not work. Many of the civil service reforms during that period were poorly conceived, ill-informed, top-down, poorly funded, took on too much, and were poorly implemented. Post-1985 reforms were once again top-down based on doubtful assumptions, and sought to reduce state scope, functions, employees, and costs. The civil service emerged a weakened organisation. These reforms generated resistance and political opposition and had to be changed, as already noted. The 2001–11 period experienced the most successful reform efforts. The reasons behind the success of these reforms include strong political will and commitment made possible by a strong political organisation, strong presidents, a weak opposition, and the resultant political stability. These reforms had the shared involvement of donors, the executive, and civil servants. Their Achilles heel was their top-down character. Representative institutions and civil society were not involved. Executive watchdog institutions, especially the Prevention of Corruption Bureau and the Control and Auditor General, were relied upon to play the oversight role, which they did up to a point. But they were part of the system reporting to the executive and they could not replace the role of parliament, councils, civil society, trade unions, political parties, and the media.

There is little doubt that the reform initiatives undertaken during the 2000–12 period have positively impacted on the administrative capacity of the state in general and the civil service in particular. However, the reform initiatives have not all been successful since there are still various constraints that continue to preclude the civil service from a more effective contribution to economic development. Recent initiatives by the World Bank to introduce PSRP III are still at a nascent stage. Previous reform experiences and existing conditions suggest a need for new direction to focus the reforms and ensure their suitability. This is discussed next.
4.2 Reform areas and directions

The foregoing analysis suggests that the future direction of the civil service rests in strengthening its institutional capacity, respecting its operational autonomy, rehabilitating its ethical conduct, and strengthening its morale. This would entail improving recruitment and selection systems, introducing rigorous competitive performance and merit-based evaluation and promotion systems, and improving on-the-job training and development systems to sharpen civil servants’ skills. Recruitment into the civil service has gone through several stages, starting with taking in everybody who was educated in the early years of independence. This was initially necessitated by the absence of an available pool of qualified candidates. It was later reinforced by a commitment to full employment during the socialist phase. The years of hardships and an employment freeze resulted in the emergence of a pool of qualified people who were unemployed. The expansion of tertiary institutions in the country has resulted in adding thousands of unemployed Tanzanians to this pool. There is therefore every reason to recruit the best and brightest on the basis of merit. There is also a need to undertake a human resources audit in the civil service to determine posts that can be scrapped to open up space for critical positions. The civil service needs to be kept as lean as possible but without affecting its efficiency. Continuous checking on civil service size while observing its staffing needs is essential, as freezing recruitment without addressing staffing gaps is likely to lead to more harm. Current shortages may be addressed by undertaking job analysis and design, and taking stock of institutions and re-examining their mandate to identify those with diminished relevance or duplicate functions. Excess staff would have to be transferred to areas with extreme needs.

Performance evaluation was greatly compromised during the socialist phase. Management feared attracting the wrath of workers if they were strictly evaluated. Low pay for civil servants necessitated routine promotions for them to increase their take-home pay (Jamhuri ya Muungamo wa Tanzania, 1994). OPRAS, which was piloted more than 10 years ago, has now been made mandatory throughout government. Its implementation has hit several snags, including unfamiliarity with its use, but these should be gradually sorted out to maximise its usefulness. Coupled with competitive appointments to middle and senior cadres, constitutional protection of civil service autonomy is essential in order to curtail the overbearing political influence and patronage networks.

The civil service incentive structure needs to be improved and attached to performance. Although, according to Mtei (2009, p. 158), the Adu Salaries Commission of 1961 had prescribed lower salaries for Tanganyika than those obtained in Kenya and Uganda, all salary review commissions since then have called for a raise in civil service salaries, especially the minimum wage (Kiragu et al., 2005, pp. 217–219). Surely, ‘if you pretend to pay people, they will also pretend to work’. A comprehensive pay review is important to establish realistic pay levels, establish relativism in the pay system by addressing extreme pay inequalities especially between various parts of the public service, devise attractive packages for rare professionals, and tie it all up to verifiable individual performance. Therefore, the current performance management systems and practices would need to be reviewed to make sure that a robust system is adopted and effectively implemented. Moreover, internal and external accountability mechanisms need to be strengthened and immediate and strenuous actions taken against misbehaviour.
Successful reform implementation requires proper time management. In this, the leaders are faced with the challenge of fostering a new work culture that gives value to time. There is need for close supervision and enforcement of civil service rules and procedures regarding punctuality, absenteeism, strict separation of private and official issues, and maximum attention to one’s duties during official hours. For civil servants, there must be real transformation away from the ‘business as usual’ attitude, which puts emphasis on inputs, to a results orientation, which focuses on measurable outputs, outcomes, and impacts.

In the recent past, the government has introduced cost-cutting measures in the civil service, including curbs on meetings, workshops, and conferences, suspension of travel except where it is absolutely necessary and beneficial to the country, prohibition of renting private facilities including offices and hotel services, and preferring use of civil service own facilities and services. Other measures that have been undertaken include limits on office perks such as refreshments, lunch or dinner except where necessary, and even then choosing the least expensive option. At a broader level this has gone hand in hand with reduced recurrent spending. These cost-containment measures are important and need to be sustained, provided that an assessment is undertaken to evaluate their impact on private sector development.

Finally, ICT adoption and use has a greater role in the performance of the civil service now and in the future. Significant tractions are already being registered in the area of e-government, and e-decision-making in the civil service. However, future ICT endeavours will need to be oriented toward solving service delivery problems affecting citizens and facilitating business processes across all government institutions. Together with ICT adoption, there is an urgent need to retool civil servants, in terms of skills as well as the equipment and infrastructure needed to carry out work.

4.3 Reform sustainability

The sustainability of civil reforms requires that reform initiatives are accepted and supported by key stakeholders outlined in the previous section, particularly the ruling political elite. Since politicians wish to maximise their tenure in political office, reforms that are likely to end up in political power realignment or pose threats to the status quo are likely to be resisted. Such reforms are those that seek to erode patronage potential by introducing merit-based competitive recruitment and promotion to higher-level positions in the civil service, as well as reforms aimed at insulating civil servants from overbearing political influence. Similarly, reforms that aim to reduce the operational autonomy of central bureaucracy, such as transferring powers and resources to the private sector, executive agencies, or local governments, are likely to be resisted by the central government bureaucracy at national level. Breaking the ring of vested interests is always a difficult task and reform reversal is something to be expected. The dangers of stagnation and reversals have often been anticipated by the government itself. In 2004, Prime Minister F. Sumaye (2004, p. 13) said: ‘The risk of reversing the gains that have been made faces Tanzania because there are still amidst us those who are either complacent, sceptical or resistant to the changes that the Third Phase Government has vigorously and persistently pursued since it came to office’. Sumaye saw four levels of resistance: political leadership, bureaucrats and technocrats, the general population, and workers. It can be noticed that political leadership was placed at the top level of resistance. Education is very important for demonstrating the folly and impact of
continued bad practices. It is also important to demonstrate the benefits of reforms to maximise the efficiency and effectiveness of the civil service.

Conventional approaches to sustainability of reforms/changes, such as involvement of key actors in the reform process from the early stages of conceptualisation, are also recommended here. This is likely to increase a sense of ownership and commitment to reforms. In general, reform initiatives have tended to be a government-donor phenomenon, side-lining other key actors such as representative institutions and civil society organisation. As a result, not only do these institutions make little follow-up on reform implementation, but the government also becomes insulated from those questioning aspects of the reforms.

Reforming the civil service has to be a continuous process. In this regard, every reform initiative has to be backed up with a robust system of monitoring to identify potential challenges and emerging trends that require government attention and action. For example, a continuous or periodic check of civil service size, performance, and productivity, a review of operational rules, procedures, and systems, and monitoring of behavioural patterns of civil servants must become institutionalised government processes.

5 Conclusion

The civil service is a crucial institution to a country’s economic development. In the case of Tanzania, its contribution to economic development since independence has been both positive and negative. Throughout the period under review, it has played an instrumental role in maintaining a peaceful environment for economic activities to take place. Its performance in the delivery of critical social and economic services has varied and faced many challenges of quantity, quality, and capacity. Its delivery of critical government development programmes, especially during the socialist phase, was eventually abandoned, for reasons dealt within the various sections of this chapter. Throughout the period under review, problems of shirking, mismanagement, embezzlement, and corruption were identified. It has also failed to resist the opportunistic behaviour of self-serving politicians and at times it has been an accomplice. All these factors have contributed to derailing the country’s development effort. Factors related to capacity, competence, policymaking, organisational resources, ethics, and institutional autonomy have been advanced in explaining ineffective civil service performance.

There have, however, been various reform initiatives aimed at improving the efficiency and effectiveness of the civil service and there is little doubt that the capacity of the civil service to administer them has relatively improved. However, this study’s findings have shown that a lot is still yet to be done to maximise the potential of the civil service to contribute effectively to economic development. One of the areas that requires immediate attention is the relationship between civil servants and politicians. A critical element in this regard is to empower the civil service by unplugging links of political patronage while at the same time ensuring democratic accountability. This could be done through introducing a competitive and transparent system of performance evaluation and promotion to senior positions in the civil service. This should go hand in hand with strengthening the role and the power of the Civil Service Commission over recruitment, promotion, and disciplinary matters. This kind of reform undertaking is unlikely to succeed unless supported by the top political executives. Sustainability of these reforms would therefore depend on the efficiency of the overall
governance system of the country. Therefore, successful civil service reforms have their future in constitutional reforms.
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Discussion of ‘The Civil Service and Economic Development in Tanzania’

The idea of a civil service

We can think of the civil service simply as the people employed in the public sector, with the task of providing public services. This corresponds to the everyday use of the term. The public administration literature, however, is much more restrictive: it requires both independence and meritocracy. Independence implies that the civil service consists of career bureaucrats who advise their political masters and faithfully execute their programmes, irrespective of whether or not they share their views. In return, they are secure in their position: they cannot be fired for their political views and remain in their position when the government changes. Meritocracy means that the hiring, firing, and career advancement of civil servants are determined solely by their professional competence and performance, not by any payments they make or by their religion, political allegiance, ethnic affiliation, or social class. The meritocratic civil servant in this model is incorruptible. While he must be paid well, so as not to be led into temptation, his main motivation is the esteem (and self-esteem) acquired through his contribution to the public interest.

It is worth stressing that such a civil service is not a western invention. For example, imperial China had already instituted a system of selecting civil servants on the basis of merit some 1,400 years ago: henceforth, prospective mandarins had to pass a famously difficult entrance examination. Once they had been admitted to the civil service, their independence was encouraged by not stationing them in their region of origin and by frequently transferring them to another part of the empire during their career. When Marco Polo described the mandarin system, it had already functioned in China for some 700 years, while at that time in Europe the public sector was still basically an unprofessional extension of the court, serving at the whim of the prince and his entourage.

In Europe an independent and meritocratic civil service did not appear until very recently. In Great Britain it dates from the late 19th century. Pressure to replace patronage by selection on the basis of merit had already mounted in the 1850s when the disastrous British experience in the Crimean war revealed that the civil service was almost as chaotic and incompetent as the military. The resulting public outcry led to the famous Northcote–Trevelyan report of 1854, which proposed drastic reforms. However, no action was taken for a very long time. Only in 1870 did Gladstone as prime minister adopt its recommendations.

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6 The Wikipedia article on the civil service (accessed 25 April 2018) begins as follows: ‘The civil service is independent of government and composed of career bureaucrats hired on professional merit rather than appointed or elected, whose institutional tenure survives transitions of political leadership’. While this is a rather clumsy sentence, it clearly attempts to define the civil service on the basis of the two criteria of independence and meritocracy.

7 In the army, commissions and promotions (up to colonel) in the infantry and cavalry regiments could be bought. (This often required a fortune. The infamous 7th Earl of Cardigan, for example, paid the modern-day equivalent of some £3 million for the colonelcy of a prestigious cavalry regiment. He later led the Charge of the Light Brigade, the greatest military blunder in the Crimean war.) As a result, high rank typically reflected wealth rather than competence. This purchase system survived for 200 years, from its origin in the corrupt Restoration period of Charles II until it was finally abolished in 1871.
for an independent, politically neutral civil service, selected on the basis of merit and paid well enough to resist corruption. Most other western countries adopted similar innovations.

But notable exceptions remain to this day. In the United States, political appointments are still quite common: an incoming president is entitled to replace some 4,000 civil servants. One result is that many American ambassadors are millionaires who have distinguished themselves with campaign donations rather than as career diplomats.

Independence has an obvious implication for any study of the impact of the civil service: consequences (good or bad) of policies cannot be attributed to the civil service that has implemented them. For example, if policy choices made by politicians result in economic growth or stagnation, then that in itself says nothing about the quality of the civil service. It is after all possible that bad policies are implemented by a high-quality civil service, or indeed vice versa.\(^8\) Similarly, if educational outcomes are very poor, as they are in Tanzania, then this may be due to policies (e.g. bad teacher training programmes, low salaries) or to their implementation by civil servants (e.g. teacher absenteeism).

This represents, of course, a problem for empirical analysis. There now exists a booming literature (which uses experimental methods) on how the functioning of the civil service can be improved. This provides evidence on, for example, what incentives can reduce teacher absenteeism. But there is no established methodology for establishing the past impact of the civil service; any attempt to do so faces the daunting task of disentangling the effect of the policies themselves from the way they were implemented.

In many African countries, the civil service tradition left by the colonial powers quickly crumbled after independence. That system was hardly meritocratic to begin with (since it involved racial discrimination) and a purely meritocratic system would have been very difficult to set up at the time: educational attainments were still quite low. (In 1962 Tanganyika – as it then was – had only a handful of people with masters degrees; President Nyerere was one of them.) More importantly, in many countries the civil service was seen, not primarily as the provider of public services, but as the key channel for patronage. The ruling group used its control over the state to provide benefits to its supporters, notably in the form of public sector jobs, which provided income, security, and prestige. The provision of public services was therefore in itself of limited importance; it mattered mainly to the extent that it guaranteed or threatened the survival of the regime.

An important implication of the use of the civil service as a tool for patronage was that real wages in the public sector were fixed far in excess of market-clearing levels. This induced massive migration from rural to urban areas.\(^9\) Excess supply in the urban labour market required mechanisms for allocating the scarce jobs. The mechanisms that were adopted typically favoured particular regional or ethnic groups.

Patronage was not the only reason why a civil service in the strict sense, that is independent and meritocratic, disappeared or failed to emerge in many African countries. Under many regimes, notably those we would now call developmental states (Adam and

\(^8\) This is relevant for Tanzania. In my view the economic disaster of the early 1980s reflected largely the policies of the 1960s and 1970s rather than the weak quality of the civil service.

\(^9\) The famous Harris–Todaro model of rural–urban migration was inspired by the experience in East Africa, notably in Kenya (Harris and Todaro, 1970, pp. 126–142).
O’Connell (1999). Weberian independence was not considered necessary or desirable: political leaders and their civil servants were seen as jointly involved in nation building; a strict separation of their roles (choosing policies and implementing them) would have been considered counterproductive.

**Tanzania 1962–82**

Tanzania’s experience in this period was exceptional. After having gained its independence in December 1961 it initially followed a familiar path: indigenisation of the civil service combined with continued heavy reliance on expatriates who, as Mukandala documents, wrote all the key planning documents. The Arusha Declaration marked the end of that period. Tanzania became exceptional in Africa in at least two ways: by embarking on a far-reaching attempt, unique in Africa, to build a socialist economy and by adopting strict policies designed to keep civil servants honest.

In Tanzania the key economic policies of that period – import controls, production in parastatals, price controls, communal farming, and pan-territorial agricultural pricing – led to a balance of payments crisis and economic stagnation. This was temporarily veiled when Tanzania benefited from a huge terms of trade improvement, the beverages boom of 1975–79, but it became clear in the early 1980s when exports collapsed, serious shortages emerged, and people reverted to barter trade (Bevan, Collier, and Gunning, 1990). It would, of course, be absurd to attribute this disastrous outcome to the quality of the civil service. In fact, in my view, prior to the collapse the Tanzanian civil service did a remarkable job of carrying out an almost impossible task.

Notably, Tanzania had in the 1970s one of the least corrupt civil services in Africa, in spite of the huge opportunities for corruption created by the system of controls. In the 1960s Nyerere had already introduced the ‘leadership code’, a set of rules that prohibited middle- and senior-ranking party members and civil servants from holding shares in, or being a director of, a private company; renting out houses; receiving more than one salary; or employing others. Pratt comments:

‘He did not see the leadership rules as the imposition of a morality which was not accepted. They were the enforcement of an ethic that was still part of the values of society. It was an ethic that was being rapidly replaced in the towns, amongst the leaders and within the civil service by an aggressive acquisitive individualism.’ (Pratt, 1976, pp. 235–236)

Nyerere saw clearly that if people in powerful positions were allowed to maximise their own income, then his vision of a socialist economy could not be realised. He and his advisers, such as Reginald Green and Justinian Rweyemamu, both Harvard PhDs, failed to see, however, that the system of controls erected in the 1960s and 1970s created enormous incentives for ‘acquisitive individualism’, e.g. in the form of the very large gap that emerged

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10 Many newly independent African countries, e.g. Ghana and Kenya, adopted ‘African socialism’, but few really practised what they preached. Price control in Kenya, for example, was not seriously enforced and hence did not lead to great deviations from market-clearing price levels.
between the official and the black-market exchange rate. The control system therefore helped to undermine the very ethic that Nyerere hoped to enforce.

The chapter by Rwekaza Mukandala on the Tanzania civil service addresses three questions:

- How much has the civil service contributed to economic development?
- What constrained its performance?
- How can it be reformed so as to maximise its contribution to economic development?

I will consider these three questions in turn.

**The contribution of the civil service to economic development**

Regrettably, how much the civil service has contributed to economic development is not an empirical question that can be answered rigorously. The reason is that it is impossible to build a convincing counterfactual: one cannot make comparisons over time (did outcomes differ between periods with or without a civil service?) or across space (did outcomes differ between areas with and without a civil service?). One can, of course, determine whether changes in the size or the functioning of the civil service were followed by changes in outcomes. Strictly speaking, this establishes, of course, only correlation, not causation. Interpreting the outcomes as causal effects would amount to the *post hoc ergo propter hoc* fallacy, since economic outcomes have many determinants other than the quality of the civil service. In fact, an ‘omitted variable’ may well be responsible for both a change in the civil service and a change in economic outcomes. Concluding that the one causes the other would then clearly be a mistake.

This is a common and fundamental problem in economic history. As usual, the best one can hope to do to explain economic outcomes at the national level is to arrive at a plausible account of causal effects.

Nevertheless, Mukandala does arrive at conclusions regarding causal effects. He notes (p. 8) that ‘Its support role in policymaking was minimal’ and that the party (TANU, later CCM) was powerful both in the design of policies and in the supervision of their implementation. In fact, but this is not in the chapter there was next to the civil service a powerful parallel party structure which reached from the top down to the very lowest levels. (Under the 10-cell system there was a party official for every 10 households, much as in China. The 10-cell leader conveyed party instructions to the households and reported on their activities.) Mukandala writes (p. 8): ‘Since the civil service was not a lone or even the key player in economic development, it can only assume limited responsibility’ for the poor success rate of a long series of policies initiated in the Nyerere period. He concludes, and I agree, that the ‘grand policy decisions’ then taken were detrimental to economic growth. Mukandala adds:

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11 I am not sure what Mukandala’s position is on this methodological issue. At one stage (p. 14) he concludes that ‘at least for the last 15 years, growth in civil service size does not seem to have had negative implications for the economy’ since it grew at 5.7% compared with a GDP growth rate of 6.5%. This is a *non sequitur.*

12 At lower levels there is, of course, more scope for empirical analysis: one can exploit policy differences between various administrative units. There is a rich literature that uses this approach. The key problem such studies face is that policies are usually not randomised over administrative units so that differences in outcomes need not be caused by policy differences.
'Most of these policies were beyond the control of the civil service since the Executive Committee of TANU had self-appointed itself as a supreme decision-making organ'.

Here I disagree, for three reasons. First, that policy decisions were taken by politicians should not be seen as an aberration, but rather as the normal state of affairs. That the civil service was excluded from the policymaking process tells us little on its contribution to development. (At best the exclusion of professional advice may have contributed to poor policy choices.)

Secondly, that the party also played a major role in what is properly the arena for a civil service, policy implementation, is a major confounder for the analysis of the civil service’s contribution. Mukandala mentions it only in passing. In my view, while assessing the impact of a civil service rigorously would be extremely difficult in the best of circumstances, TANU’s role in policy implementation makes such an analysis in fact impossible: there simply is no independent civil service in this period, so, for better or worse, outcomes cannot be attributed with any confidence to the way the service functioned.

Thirdly, in line with this, the chapter first seems to argue that the outcomes were very bad but cannot be attributed to the civil service. However, this ‘limited responsibility’ argument is reversed in the conclusion:

‘Its performance in the delivery of critical social and economic services has varied and faced many challenges of quantity, quality, and capacity.

... Throughout the period under review, problems of shirking, mismanagement, embezzlement, and corruption were identified. It [the civil service] has also failed to resist the opportunistic behaviour of self-serving politicians and at times it has been an accomplice. All these factors have contributed to derailing the country’s development effort.’ (p. 37, my italics)

You cannot have your cake and eat it too: either the contribution of the civil service was ‘minimal’ (p. 12) and it had only ‘limited responsibility’ for what went wrong, or its many weaknesses ‘contributed to derailing’ Tanzania’s development. By seemingly trying to have it both ways, the chapter leaves unclear what its answer is to the first of the three questions.

Starting in the 1980s, a series of reforms were initiated that eventually resulted in rapid growth. Mukandala asserts (p. 13): ‘The new millennium was ushered in with reforms geared at improving the quality of the civil service. Together with investments and economic promotion policies, an encouraging growth in the last 17 years cannot be disconnected from increased state administrative capacity, in this case, the civil service. While it is plausible that the economic recovery and the rapid growth that followed it were in part caused by the better quality of the civil service, the chapter presents no evidence on that.'
My position is simple: it is impossible to answer the first question rigorously. At best one can try to give a plausible answer. The chapter does attempt to address the question, but its answer is not entirely clear, either for the early period (prior to the reforms) or for the later period.

**Constraints on the performance of the civil service**

What constrains the civil service depends of course on what it is supposed to do: a lack of qualified candidates, for example, is a constraint for a Gladstonian civil service but not for a service that is meant to provide patronage.

Within the Gladstonian framework there are three issues to consider. First, what are the incentives for people to join (and remain in) the civil service? Incentives can include pay, security, prestige, and opportunities for corruption. The issue is whether the package offered by the civil service (officially or not, including the opportunities for engaging in bribery) is attractive compared with an alternative, e.g. employment in the private sector. In other words: can the civil service attract and retain high-quality candidates? Secondly, is the civil service’s independence guaranteed or is its functioning hampered by political interference? Thirdly, are hiring, promotion, and firing based exclusively on merit, or do non-meritocratic criteria such as ethnicity or party membership play a role?15

Regarding the first issue, there are several indications in the chapter that incentives are indeed problematic. Mukandala shows, for example, that there are (and have been) major staff shortages, notably in health and education. He explains that these reflect a freeze on public sector employment, but he also refers to ‘those who left for greener pastures’ (p. 17).”16 In what way these other pastures were greener is not discussed. This is a pity since an analysis of the incentives for joining or leaving the civil service must be the basis for any proposed reform.

Table 4 presents very interesting evidence from a recent World Bank study, comparing quality indicators in the public and private sector. Perhaps surprisingly there appear to be no large differences. This begs the question: if the public and private sectors do not really differ in terms of workload or absenteeism, then what makes the civil service relatively attractive or unattractive and how has this changed over time? Real wages in Tanzania fell dramatically from the late 1960s until the mid-1980s. They rose again in the mid-1990s. Unfortunately, there is no evidence in the chapter on changes over time in the relative attractiveness of the two sectors, public and private.17 Apparently the situation in 2015 was such that public wages were ‘outcompeting those in the private sector’ (p. 24). However, the paper stresses that two major problems remain: intrinsic motivation has drastically declined since the days of Nyerere, and, while incentives are quite attractive in the higher ranks, motivation is quite low for those in lower ranks, the majority of civil servants. Corruption has become a major issue and the chapter makes clear that it has a long history, going back to the late Ujamaa years.

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15 Tanzania has a very large number of ethnic groups. Ethnicity has therefore never played a major role, as it has in countries with a few large ethnic groups, such as Nigeria or Kenya.

16 See Section 3.2. in Mukandala (2018).

17 Mukandala writes that his findings reveal that incentives have ‘relatively declined’. This would have been very important, but he does not present evidence on this.
On the other two issues the chapter is very clear. In the 1960s and 1970s politicisation severely undermined the civil service's neutrality: it could no longer freely use its professional expertise. The party had no time for the setting of priorities or for moderation. Since that time the civil service has become more independent. However, the relationship between civil servants and politicians remains linked by patronage (p. 37); in that sense the civil service is not completely independent.

There was a period when all university graduates were recruited by the public sector and patronage (in the form of hiring friends and relations) was a major issue (p. 21). However, from 1999 there have been meritocratic reforms, including the introduction of open competition and non-discrimination. Forged or questionable academic certificates used to be accepted but have now become the basis for a large number of dismissals.18 The discussion of these reforms is tantalising but very brief. I would have liked to know more about how they were designed and, most importantly, how they survived in spite of the fact that they must have run into opposition from vested interests. Did Tanzania find ways to overcome this problem that are relevant for future reforms or for reforms in other countries?

The recent changes seem to be in the direction of greater independence and meritocracy. The chapter makes abundantly clear that there still is a long way to go. For example, Mukandala describes that candidates from different institutions must be treated equally in spite of large quality differences and wryly notes ‘the results have been disastrous’ (p. 21). Also, connections still matter, most promotions are still automatic, and party membership can still trump qualifications. There clearly is scope for deeper reforms.

Reforming the civil service

Recall that the third question asked how the civil service can be reformed so as to maximise its contribution to economic development. The chapter suggests numerous improvements (p. 35): better recruitment, rigorous competition, merit-based evaluation, scrapping unnecessary posts, continuous checking, an improved incentive structure with pay tied to verifiable performance criteria, stronger accountability, action against misbehaviour, better time management, and improved ICT use. It is hard to disagree with this list.

Reform must, of course, be selective: an attempt to address all these issues simultaneously would be a recipe for failure. The standard approach to setting priorities in civil service reform is largely technocratic: it focuses on the low-hanging fruit and postpones reforms that are costly or aimed at less urgent problems. Essentially this amounts to ordering reform measures in terms of cost–benefit ratios.

Mukandala correctly notes that this approach is unlikely to lead to sustainable reform. Measures intended to reduce political influence on the civil service or aimed at eliminating the scope for patronage will be resisted by politicians who will quickly recognise that they undermine their position. This is, of course, the central issue in any political economy analysis of reform, whether it be of the civil service, trade policy, decentralisation, taxation, or industrial policy. In all such cases the challenge is to design reforms that will not be blocked by a set of agents in a position to do so, notably, but not necessarily, those in power. Essentially, the ruling class must perceive a reform package as an improvement of

18 Indeed, this is one of the reasons for the current staff shortages in health and education.
their position in spite of the fact that the reforms themselves directly threaten their position. Typically, this will require some form of compensation.

This issue of making the unacceptable acceptable is at the heart of the political economy of reform. I note, not as a criticism but with some regret, that the chapter does not address this. Given the importance of this issue, this makes the discussion similar to Hamlet without the Prince of Denmark. I had hoped to learn what the key sensitivities were that would generate opposition to reform and in what way that resistance might be overcome. That hope was disappointed, but I recognise, of course, that these are extremely difficult questions to answer, even in a speculative way.

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