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**Evaluating Uganda's Public Service Reform Program: *Rightsizing,
Pay Reform and Results Oriented Management***

by

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Abstract

This study sought to evaluate the impact of rightsizing, pay reform and introduction of Results Oriented Management (ROM) on Uganda's public service. By review of documentary evidence and carrying out in-depth interviews with key informants, the study found that given the state of the public service prior to the introduction of these three reform initiatives, there has been tremendous improvement in the state and performance of the public service. Ghost workers and non-performers were removed from the public service and establishment control measures are in place although there are indications of 'deadwood' having been left behind by the retrenchment exercise. There is also discomfort from mainly the donor community that the size of the public service is going up again.

However, this study maintains that personnel are needed given that there is low still low capacity both in terms of skills and numbers. However, there should be caution not to over recruit given the pay reform challenges. Public Sector remuneration has remained low and thus a big challenge and this has led to the low rate of reduction in corruption and other impediments to desirable service delivery like moonlighting, absenteeism, slow and un-courteous service which are all a result of low morale caused by mainly poor remuneration. Although ROM is the worst performing reform initiative, it has introduced a new mentality in the public servants of the need to work towards results. However, its implementation according to the principles and regulations laid down on paper still leaves a lot to be desired.

The study thus concludes by observing that there is need for the Government of Uganda to emphasize pay reform and performance management as has already been highlighted in the new reform strategy of its Ministry of Public Service charged with implementation of the Public Service Reform Program. There is also need for government to emphasize and look into all possible ways of fighting corruption, one of the biggest impediments to service delivery.

Abbreviations

CSRP	Civil Service Reform Program
ESAF	Expanded Structural Adjustment Fund
EFMP	Economic and Financial Management Project
FNIS	First National Integrity Survey
GOU	Government of Uganda
IGG	Inspector General of Government (normally used to refer to the Inspectorate of Government as an office)
IMF	International Monetary Fund
MFPED	Ministry of Finance, Planning and Economic Development
MLW	Minimum Living Wage
MPS	Ministry of Public Service
NOTU	National Organisation of Trade Unions
NPM	New Public Management
NRM	National Resistance Movement
NSDS	National Service Delivery Survey
OECD	Organization of Economic Cooperation and Development
OOB	Output Oriented Budgeting
PEAP	Poverty Eradication Action Plan
PHC	Public Health Care
PMA	Plan for Modernisation of Agriculture
PPAs	Program Priority Areas
PRS	Pay Reform Strategy
PSC	Public Service Commission
PSR	Public Service Reform
PSRP	Public Service Reform Program
PSRRC	Public Service Review and Reorganisation Commission
PTA	Preferential Trade Area
ROM	Results Oriented Management
SASE	Selective Accelerated Salary Enhancement
SDS	Service Delivery Survey(s)
SNIS	Second National Integrity Survey

SSA	Sub Saharan Africa
TI	Transparency International
UMI	Uganda Management Institute
UPE	Universal Primary Education
UPC	Uganda People's Congress
URA	Uganda Revenue Authority
USD	United States Dollar(s)
USHS	Uganda Shilling
WIT	Work Improvement Team (s)

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Definition of Terms

Corruption:	Misuse of public power for private gain: embezzlement, bribery, extortion, fraud and favouritism.
District:	A district is the highest level of local government in Uganda at the level of Local Council V (LCV) in a five tier system where LCI is a village council, LCII is a parish council, LCIII is a sub county council and LCIV is a county council.
Effectiveness:	Extent to which an organization accomplishes some predetermined goal or objective: results of organizational performance or benefits that people outside an organization may derive from the output of the organization.
Efficiency:	Ability of an individual, group, organization or system to perform the right thing at the right time in the right place. Production of the largest store of results for a given objective at the least cost; the reduction of material and personnel costs while maximizing precision, speed and simplicity in administration.
Moonlighting:	Having two jobs, one a full-time daytime job, the other a part-time evening job. Often the second job is undertaken on a self-employed basis.
Productivity:	Efficient utilization of resources (labour, money, time, materials, energy and information) in service delivery.
Retrenchment:	Involuntary redundancy normally used to eliminate those considered 'incompetent' or whose job descriptions are considered non-critical in service delivery.

Chapter 1: Background to the Study

1.0 Introduction

This thesis arises out of a study that was aimed at evaluating the impact of rightsizing, pay reform and results oriented management in Uganda's Public Service¹ on service delivery. These three reform initiatives constitute the critical components of the Public Service Reform Program (PSRP), which is part of the wider public sector reforms that the National Resistance Movement (NRM) embarked on immediately it took over the political leadership of the country in 1986.

Uganda is a landlocked country situated in equatorial Eastern Africa bordered by Sudan to the north, Tanzania to the south, Kenya to the East, Rwanda to the South West and Democratic Republic of Congo to the west. With a total area of 236,000 square kilometres, about one seventh of it being waterways, swamps, lakes and rivers, Uganda's population stands at 24 million according to the 2002 Population Census and is served by a public service of 223,249 personnel² as of April 2004.

1.1 History of Uganda's Public Service

A former colony of Britain, Uganda inherited a public service system that had been put in place by the British Colonial Administration to keep law and order and to drive economic growth and development. The public service was then predominantly British at the high levels; Asian in the middle management levels mainly clerical posts and African for the lower level mainly composed of junior clerks, office attendants and cleaners (Karugire 1996, Mugaju 1996).

¹ Uganda adopted the use of the term Public Service in place of Civil Service following the promulgation of the Uganda 1995 Constitution. Therefore, wherever the term Public Service appears in the context of Uganda, it is synonymous with Civil Service. According to Article 175 of the Uganda 1995 Constitution, 'Public Service' means service in any civil capacity in Government, the emoluments for which are payable directly from the Consolidated Fund as appropriated by Parliament. The Public Service is divided into three main components: the traditional public service which comprises of government ministerial and departmental staff, police and prisons; the teaching service comprising of primary, secondary, tertiary and other post-primary and post-secondary institutions as well as public universities; the third category are the local governments staff.

² Figure obtained from the Ministry of Finance. The breakdown is as follows: 31,624 personnel in the traditional public service; 148,164 personnel in the teaching service; and 43,461 personnel in the local governments.

However, after the country attained independence in 1962, there was rapid Africanisation of the public service, regardless of qualifications and experience. These new Ugandan Civil Servants that were taking over from the British were also overridden with the desire to become 'indigenous expatriates'. Most of them sought to get privileges without hard work and sacrifice. Thus from the beginning, Uganda started off with a civil service that was not prepared to invest effort and time to improve the quality of service (Mugaju, 1996:4).

The rapid enlargement of the public service was exacerbated by recruitment and promotion of staff based on nepotism especially the period after the abrogation of the constitution in 1966 when the powers and roles of the Public Service Commission (PSC) were usurped. The abrogation of the 1966 constitution is strongly linked to the Prime Minister at the time, Milton Obote³, followed by the promulgation of the 1967 constitution which vested all executive powers in the President which was Obote himself since he was the President General of the then ruling Uganda People's Congress (UPC). The President and the ministers took charge of making civil service appointments. Civil service jobs were deemed a reward system for political allies, friends and relatives. Besides the enlargement of the civil service, corruption was also rampant (Karugire 1996, Mugaju 1996).

The dictatorships of the 1970s under the presidency of Idi Amin and early 1980s under Milton Obote's second regime (popularly referred to as Obote II) put the final blow to Uganda's public service, once known as one of the best in Sub Saharan Africa in terms of efficient performance, motivated, well-paid and fully equipped work force (Olowu 2001, Olowu 1998, Langseth 1997, Mugaju 1996, Karugire 1996). During Amin's military regime, public administration shifted from the traditional civil service to the army, which consisted of mainly illiterates who were completely ignorant of the role of the civil service. Thus many civil servants either left the service for the countryside, other countries or sought to enrich themselves through corruption, smuggling and currency speculation (Mugaju, 1996:11). The state of the civil service in the 1970s has been aptly recorded in the following words:

³ Mutibwa (1992:42) maintains that Edward Mutesa, the then Kabaka (King) of Buganda also President of Uganda (he was the first President of Uganda), and Ibingira the then Secretary General of Uganda People's Congress (UPC) the then ruling party, all equally contributed to the abrogation of the 1962 (independence) constitution.

The civil service was completely shattered as some senior civil servants were murdered or forced to flee the country for their lives... As the cabinet was filled with semi-literate soldiers, civil servants found it impossible to advise them since like Amin they were impatient with written memoranda and it even became dangerous to render specific advice in case something went wrong. Dismissal of civil servants 'in the national interest' became a regular feature on Radio Uganda that every morning senior government employees had to listen to 'news' to ensure that they were still in employment before venturing to their office (Karugire 1996:81).

In short, the 1970s were characterised by the emergence of the predatory state in which the civil service was converted into a helpless instrument of the reign of terror. The scars of the degeneration of the civil service during the 1970s have remained conspicuously visible even during the era of post-conflict reconstruction (Mugaju, 1996: 12).

When Idi Amin was ousted in 1979, there was renewed hope of revamping not only the political and socio-economic life of Uganda, but the public service as well. However, after the 1980 elections that saw the taking over of political leadership of the country by the UPC, with Milton Obote becoming President for the second time, there arose more political instability in the country as different groups fought what they regarded as an illegitimate government on grounds that the elections had been rigged (Karugire 1996, Ofcansky 1996, Mugaju 1996, Mutibwa 1992). This political instability and the immense suspicion the UPC leadership had of the public service as being allies of Idi Amin and other enemy forces exacerbated the already poor performance of the public service. The public service thus continued to be marred by all forms of corruption and mismanagement. Nepotism, embezzlement of public funds, moonlighting and all other forms of public office abuse were at their highest (Mugaju, 1996:14-15).

By 1985 the public service was characterised by lawlessness, abuse of power, indiscipline as well as total lack of accountability systems. Between August 1985 and January 1986, due to competing war factions, life in Kampala was a nightmare as the city had sunk into anarchy and civil servants stopped going to work because government had stopped functioning (Mugaju, 1996:15-16). When the National Resistance Movement (NRM) took over state power in 1986 after a five-year guerrilla warfare, it inherited a country traumatized by civil war, state terror and reduced to penury through lawlessness, corruption and mismanagement (Langseth, 1997: 93).

1.2 Background to the Public Service Reform Program

On assumption to power, the NRM government knew without doubt that it had to revamp the public service if it was to realise its famous ten-point programme⁴. Government realised that the public service, the operational wing of the executive, responsible for the analysis, recommendation, implementation and evaluation of public policy was so deficient in nearly all aspects. This is what led to the appointment of the Public Service Review and Reorganisation Commission (PSRRC) 1989 – 1990 on 10th April 1989 with wide ranging terms of reference to diagnose the problems of the public service. The issue of reforming the public service was considered very critical that it was also part of the Rehabilitation and Development Plan, a reconstruction program of the NRM government, which was basically about macro-economic reforms due to the urgency for cost containment in the public sector.

To attack the penury that was inherited, the NRM government embarked on four major reforms: Constitutional Reform that saw the election of a Constituent Assembly in 1994 that put in place a new constitution promulgated in 1995; decentralization with the passing of the Local Government Act of 1997; liberalization of the economy and privatisation of public enterprises to reduce state control over the economy and Public Service Reform (PSR), the focus of this study.

The aim of the PSRP was to redefine the role of government, rationalize and streamline government, restructure management systems, introduce a minimum living wage and create incentive structures for improved performance and service delivery (MPS, 1994a:2). The ultimate goal of the PSRP was to restore the past glory and improve the responsiveness, efficiency and effectiveness of the public service in achieving Uganda's development objectives (Langseth, 1997: 90).

The PSRRC submitted its report in September 1990 and through an appropriate white paper, government approved the recommendations with some amendments. It is worth noting that due to the dilapidated state of the public service, the terms of reference of

⁴ The ten-point programme formulated during the struggle to take over power emphasised restoring and rehabilitating social services, ending corruption and abuse of power in public life, democracy, security, national unity, independence, dealing with the plight of displaced people, pan African cooperation, and pursuing a mixed economy.

the PSRRC required it to make preliminary and urgent recommendations on some areas on which reform started even before it submitted its final report. These were issues to do with pay enhancement and reduction of staff especially those in the group employee⁵ category. Pay Reform was a critical issue to the extent that it was the first to be addressed immediately the final report was submitted and is a still salient issue to date, with new policies being formulated from time to time to address emergent issues and slippages.

The PSRRC found the symptoms of the public service to include: abuse of office, moonlighting, corruption, indiscipline, erosion of rules and regulations, obsolete procedures, inappropriate systems, thin managerial and technical skills, poor public service attitudes and massive bureaucratic red tape. They diagnosed the causes of this public service breakdown as: inadequate pay; inadequate personnel management, dysfunctional civil service organization; and inadequate personnel management and training (Langseth, 1997: 93).

The PSRRC thus articulated a vision of a 'smaller, better paid and more efficient and effective civil service. Fair, simple, consistent rules and procedures would be implemented to foster discipline while promoting personal initiative. Staff would be fully responsible and accountable for their assigned duties and committed to achieving clearly identified individual objectives' (Langseth, 1997:97). The PSRRC thus made recommendations⁶ aimed at reinstating order and productivity in the public service. This was to be done by change of structure, procedures, performance and values of the civil service for improved service delivery as espoused in the comprehensive PSRP that emerged (MPS, 1993) amongst them rightsizing/downsizing, pay reform and introduction of ROM.

1.3 Defining Rightsizing, Pay Reform and ROM

This section provides general definitions of the three reform initiatives: rightsizing, pay reform and ROM which are applicable to the Uganda case.

⁵ The PSRRC defined group employees as 'unestablished staff recruited to serve as support staff performing duties ranging from casual and unskilled work'. They are paid fixed wages and have no possibility of promotion from a lower group to a higher one.

⁶ The PSRRC recommendations were 255 in number that turned out to be unfocused, one of the reasons that Langseth (1997) advanced as the cause of poor implementation in the early years of the PSRP.

1.3.1 Rightsizing

The Dictionary of Finance and Banking (1997) defines Rightsizing as the restructuring and rationalisation of an organisation to improve effectiveness and cut costs without involving a full downsizing operation. Rightsizing could include increasing the number of personnel to meet increased demand but more often used as a euphemism for moderate and controlled downsizing. Downsizing on the other hand is the reduction in the size of the organisation in order to save costs.

The realisation that technical and managerial skills of personnel are more critical than cost or size containment with regard to productivity, rightsizing now has much wider use both in the public and private sectors to guide the ideological thinking that there is need to reduce personnel where there is excess labour and increase the number of managerial and technical personnel in the critical areas.

Although downsizing is a phenomenon commonly associated with the public sector especially in the developing countries, it actually has its roots in the private sector. McCourt (1998:175) for instance gives an example of how when Britain embarked on the downsizing program one magazine wrote that civil servants had joined the 'real world', where 'real world' meant the private sector, an indication that downsizing had been commonplace in the private sector. The public sector thus adopted this method from the private sector due to its proven capability to 'turn-around' organisations that were near bankruptcy to prosperous conglomerations.

In this study therefore, it is inevitable that an evaluation of the downsizing program will suffice under Rightsizing. This has been a worldwide trend and thus generalisations can be made without causing much reliability and validity problems.

Quoting Lindauer and Nunberg (1994), McCourt (1998:174) lists in ascending order according to political difficulty, the forms of downsizing/rightsizing that have been tried: removal of ghost workers; deleting empty posts; retrenching temporary or seasonal workers; enforcing retirement ages; ending guaranteed entry to the civil

service from the education system; suspending automatic advancement; introducing involuntary redundancy; freezing salaries and introducing voluntary redundancy.

1.3.2 Pay Reform

Pay is a key issue not only within the public service but for any organisation that is keen on the welfare of its personnel due to its impact on morale and performance. Pay includes salary, allowances, in-kind benefits and retirement benefits (Kiragu and Mukandala, 2003:1). Low pay especially within the public service has been advanced as the major reason for corruption, poor performance and difficulty in attracting and retaining high quality staff. It is for this reason that one of the major public service reform initiatives anywhere in the world and particularly in developing countries has been pay reform.

Therefore, pay reform is the conscious effort by governments to enhance pay levels in order to improve the productivity of the workforce as well as be able to attract and retain skilled manpower. This is because ensuring public service performance is becoming increasingly crucial in this era of accountability to electorates, taxpayers and other stakeholders like donors (in the case of developing countries).

1.3.3 Results Oriented Management (ROM)

ROM is a performance management technique that focuses on results/outputs providing continuous improvement in performance and enhances transparency and accountability. PricewaterhouseCoopers (2003:2) provides a comprehensive definition of ROM as a management system that seeks to optimise the use of resources through clearly defining the purpose for which an organization exists, setting clear objectives for the services it provides, specifying activities to be undertaken and the resultant outputs required to deliver those services, setting performance indicators against which activities and outputs will be measured and measuring the organization's performances against these indicators in achieving its objectives. ROM seeks to re-orient an organization's management practice from compliance to performance.

Performance management is a major component of public service reform initiatives worldwide and is defined as use of performance measurement in shaping the performance of organisations and individuals. Performance measurement is the

process of assessing progress towards achieving predetermined goals to gain insight into and make judgements about the effectiveness and efficiency of programmes, processes and people (Agere and Jorm, 2000:1). There are thus various performance management techniques and ROM happens to be one of them.

1.4 Objectives of the Study

Against this background, the objectives of the study were:

- to establish in detail the underlying reasons for such a comprehensive PSRP;
- to establish how the Government of Uganda (GOU) has implemented Rightsizing, Pay Reform and ROM in the public service; and
- to evaluate the impact of these reforms on the public service and on public service delivery.

1.5 Significance of the Study

After over a decade of implementing the PSRP in Uganda's public service, it is good time to evaluate how the programme has fared: whether the reforms have achieved the desired outputs and outcomes. This evaluation is critical because of the importance for the public service to provide basic services to the populace to achieve the government's long-term vision to reduce poverty as espoused in the Poverty Eradication Action Plan (PEAP)⁷.

Apart from merely ensuring provision of basic services, it is equally important to ensure that the quality of service delivery is of the highest calibre. There are for instance concerted efforts on the part of government now, to ensure that the public service supports investment and thus the need for the public service not only to improve delivery of basic services but to also deliver other services in a business like manner.

The Ministry of Public Service (MPS), which is with spearheading the reforms could be under the impression that the PSRP and specifically the ongoing performance

⁷ The PEAP is Uganda government's medium term planning document initiated in 1995 with major initiatives like Universal Primary Education (UPE), primary health care, good governance, private sector competitiveness and modernization of agriculture.

management initiative – ROM, have taken root while a different scenario exists on the ground. There is thus need to establish from time to time whether the PSRP is having the desired effects. This is not to say that government has not been reviewing the PSRP, but that there is need for more independent reviews.

The study is thus significant in that it will evaluate the impact of rightsizing; pay reform and introduction of ROM on public service delivery. Is there for instance the required number of relevant personnel to provide public services? Has pay reform solved problems like moonlighting, absenteeism and corruption? Has the introduction of ROM led to a culture of working towards particular results both at organisational and individual level? Has ROM improved productivity and performance?

1.6 Focus of the Study

As already highlighted, the study focused on the following components that are crucial in improving organisational and individual performance: *Rightsizing, Pay Reform and Introduction of Results Oriented Management (ROM) in the Public Service*. It was basically to evaluate the extent to which these three components of the PRSP have as intervention programmes achieved the ultimate objective of improving public service delivery.

1.7 Methodology

This was a qualitative study that used documentary sources as the main method of data and information gathering. Key informant interviews were conducted to complement the documentary evidence.

1.7.1 Use of Documentary sources

Both primary and secondary documentary sources outlined below were utilised during the study.

1.7.1.1 Primary Documentary Sources

The bibliography contains all documentary sources of data and information for the study. The following are the categories of primary documentary sources used:

Government Documents

These included but were not limited to:

- The final report of the PSRRC 1989 – 1990.
- PSRP implementation status reports from the MPS. Status reports have consistently been published from 1994 to 2002/03.
- Service delivery survey reports notably, those of the First (Baseline) and Second National Integrity Survey published by the Inspectorate of Government (IGG).

Independent Evaluation Reports

The study also critically analysed the evaluation study reports of other organisations notably those of the World Bank.

1.7.1.2 Secondary Documentary Sources

These included mainly books and journals on the area under this study and were particularly important in providing an insight into previous evaluation studies so that areas that have been neglected could be surveyed while those that have been studied could be built on. In other words, they were useful in placing this study in context as well as providing the theoretical base for the study.

1.7.2 Interviews

The main research method for this study was use of documentary sources. However, interviews with key informants were conducted to complement the documentary evidence. Key Informants⁸ were identified from the following Ugandan organisations:

- Ministry of Public Service;
- Ministry of Finance, Planning and Economic Development;
- Ministry of Health;
- Makerere University Business School; and
- Uganda Management Institute.

The rationale for the choice of the organisations was as follows:

⁸ Details of individual respondents, all of whom did not mind being identified are appended in *Annex 1*.

- The Ministry of Public Service is central in the PSRP as it is the government ministry mandated with spearheading the PSRP. Two categories of informants were identified: those that are in the mainstream departments of the ministry and those that belong to the Administrative Reform Secretariat.
- Ministry of Finance, Planning and Economic Development is crucial since most of the reforms are implemented in the general framework of the National Budget. The Ministry informants identified were also in two categories: those that are in the technical departments that interface with the PSRP at policy level and those that interface with the PSRP at ministry level in the ministry's capacity as any other component of government.
- Ministry of Health was considered representative of those ministries involved in the provision of a basic service. A respondent from Ministry of Education had also been identified but the interview was cancelled at the last minute. However, this does not in any way negatively affect the results of this study and explains why no effort was made to find a replacement, as this could have been possible.
- Makerere University Business School and Uganda Management Institute (UMI) respondents were selected to represent the academia⁹.

With regard to ministries, respondents from the personnel sections were targeted since their mandate puts them in a better position to evaluate both organisational and individual performance. Ministry Personnel Sections are directly involved in the implementation of ROM, Pay Reform and Rightsizing. The interviews with Ministry officials were particularly considered critical in obtaining information on ROM, since this is an area with very limited literature and evaluation studies.

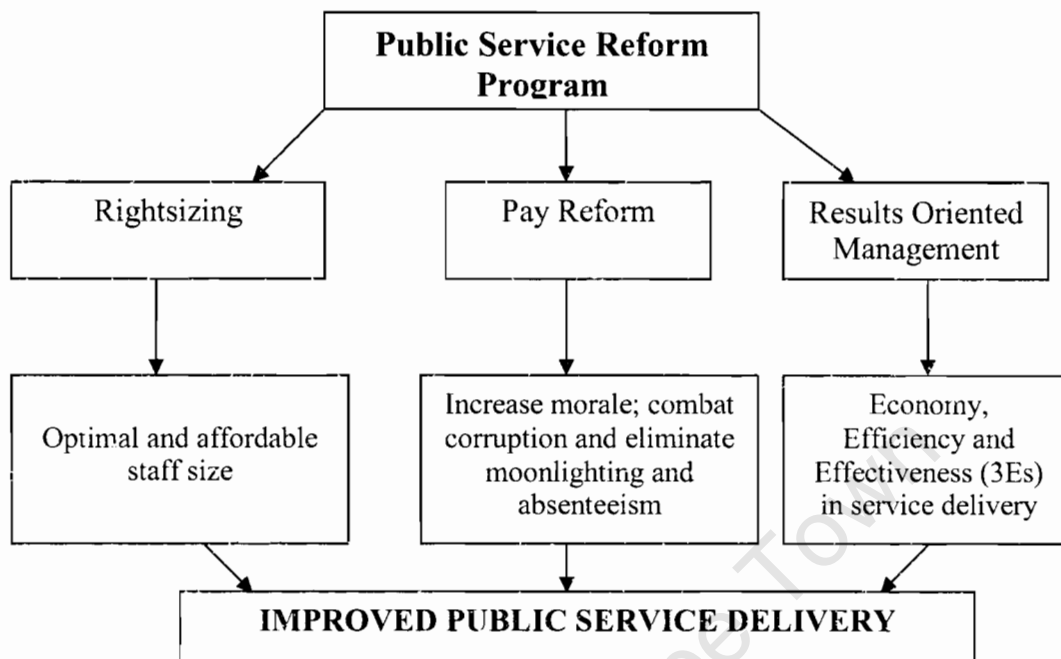
In total, ten interviews were carried out with the identified key informants. Verbatim transcriptions were carried out at the end of each interview, analysed and inferences drawn on the emergent patterns as presented in chapter four.

⁹ However, the UMI respondent clarified during the interview that he had not only interfaced with the PSRP as an academic but also as a government consultant as well as public servant. The UMI has for instance from time to time participated in independent evaluation studies on the PSRP. Until 1992, the UMI was a section under the ministry responsible for public service as an institution for in service-training but has now been turned into an autonomous statutory institution.

1.8 Conceptual Framework for the Study

This section outlines the conceptual framework that guided this study as illustrated in *Figure 1* below.

Figure 1: Conceptualisation of the study



The conceptual framework is based on the presumed relationship between rightsizing, pay reform and introduction of ROM and their intended major outcome, improved service delivery. Enhancing staff morale, combating corruption, absenteeism and moonlighting would arise from enhanced pay; an optimal and affordable public service would arise from rightsizing while ROM would lead to Economy, Efficiency and Effectiveness in service delivery.

There has been debate on the relationship between all these variables and this study endeavoured to address some of the issues in this debate. The study specifically addressed the following key questions:

- Did increased pay combat corruption, moonlighting and absenteeism? Has it improved the morale and productivity of public servants? Has the public service been able to attract and retain professional personnel?

- Did downsizing save funds for pay enhancement and reduce the wage bill? Is the rightsizing program achieving the object of securing professional personnel needed for improved service delivery?
- Has ROM increased individual and organisational performance?
- Has there in effect been remarkable overall improvement in provision of public services?

The above questions are addressed in chapter four based on the study's findings. However, following in chapter three are the highlights of the implementation of rightsizing/downsizing, pay reform and ROM in Uganda's Public Service.

1.9 Organisation of the Thesis

The thesis is organised as follows:

- Chapter one has provided the general introduction and background to the study. It has also highlighted how the study was carried out as well as the conceptual framework.
- Chapter two contains the theoretical grounding for the study in the first section while the second section is a review of literature regarding evaluation of public service reforms in developing countries¹⁰.
- Chapter three provides the findings of the in-depth study into why Uganda embarked on rightsizing, pay reform and introduction of ROM and gives an account of the achievements so far made.
- Chapter four contains the major findings of this study: the impact of rightsizing, pay reform and introduction of ROM on Uganda's Public Service. The discussion of the findings is also done alongside this presentation. This chapter draws heavily on existing surveys that have been done to evaluate the current state of public service delivery in Uganda and on the key informant interviews.
- Chapter five contains the conclusions of the study.

¹⁰ Due to the wide-ranging number of developing countries, reference was restricted to Sub Saharan Africa (SSA) to allow much better focus.

Chapter 2: Public Service Reforms in Developing Countries

2.0 Introduction

This chapter contains two main sections. The first section discusses the theory on which this study is based and that is New Public Management (NPM), a model considered to have replaced the traditional model of public administration. The second section reviews PSR evaluation literature on developing countries.

2.1 Theoretical Base of Public Service Reforms

Public Service Reforms are part of the wider public sector reforms that have come about mainly in the context of NPM, an evolving model deemed to have finally taken over from the Traditional Public Administration model or the Bureaucratic model. The Bureaucratic model was an early twentieth century phenomenon whose major proponents were American Woodrow Wilson and German Sociologist, Max Weber among others. Both the NPM and the Bureaucratic models entailed the review of the role of the state in service provision. Even at the time of introduction of the bureaucratic model, it was a reform from systems that were deemed flawed in public service provision, notably the spoils system. The spoils system notorious in the United States of America was a situation where after every assumption of political power by a new political party, fresh public service appointments of party loyalties would be made. This created a situation of lack of continuity of public service programs, incompetence, inefficiency and corruption (Gruening 2001:3, Hughes 2003:32).

Another reason for the development of the bureaucratic model was the repression caused by the world wars leading to the development of 'welfare states' in the case of developed countries and 'developmental states' in the case of the newly independent states. With regard to the welfare state, the argument was that there was need for governments to plan and coordinate all national resources in the ravaged economies while with the developmental state, it was due to the newly independent states' commitment to economic and social improvement of their societies (Minogue, 2001:4). There are several aspects to the traditional public administration model which Hughes (2003:1-2) has organized into seven verities: organization of government according to hierarchical, bureaucratic principles most clearly enunciated

by Max Weber; one-best-way of working and procedures set out in comprehensive manuals for administrators to follow; government being the direct provider of goods and services through the bureaucracy; politics-administration dichotomy where administrators or public servants merely carry out instructions while the political leadership handled policy and strategy issues and the main proponent of this was Woodrow Wilson; assumption of motivation of public servants being public interest; regarding public administration as a special kind of activity that required a professional bureaucracy, neutral, anonymous, employed for life with ability to serve any political master equally; and following instructions provided by others without personal responsibility for results.

However, towards the end of the twentieth century, the bureaucratic model started getting labels such as 'unresponsive'; 'over-extended' meaning that government was taking on too many roles which it was unable to carry out efficiently while supporting a large bureaucratic elite; and 'private interest state' which meant that elite and privileged groups exploited opportunities offered by state activities to enhance their own interests and incomes (Minogue, 2001:5). These are some of the reasons that led to the evolution of NPM.

NPM has its origins in the late 1970s and early 1980s with first practitioners being mainly the commonwealth: the United Kingdom under Prime Minister Thatcher; New Zealand, Australia and then fast in the Organisation of Economic Co-operation and Development (OECD)¹¹ countries. It emerged as a response to public outcry for a reduction in the role and size of governments in order to reduce public expenditure and improve service delivery by introducing market incentives in the public sector or even leaving the provision of those goods and services to the private sector. This led to initiatives like reducing the size of the public sector, privatisation of public enterprises, contracting out, and introduction of performance management in the public sector to ensure 'value-for-money' (Minogue, 2001:20-21).

¹¹ The following member countries constitute the OECD: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States of America.

As a relatively new and developing model, NPM has several definitions portraying a set of ideologies linked to it as Laegreid (2001) notes: it is not 'a neat package of reform elements with a specific path or destination'. Manning (2001:298) refers to it as 'a menu of choices rather than a single choice'. However, the underlying principles are: achievement of results with personal responsibility of managers; emphasis on results rather than process and procedures; a move from classical bureaucracy to make organisations, personnel and employment terms more flexible; setting of organisational and personal objectives to enable measurement through performance indicators; subjecting government functions to market forces; and reduction of the role of government through initiatives like privatisation (Hughes, 2003:44).

Minogue (2001:6) identifies the major defining characteristics of the NPM model as its entrepreneurial dynamic reinstatement of the market as a potentially more proficient provider of public services than the state and proclamation to transform managerial behaviour. Gruening (2001:3) provides a detailed collection of undisputed as well as the still debatable characteristics of the model. The undisputed include: budget cuts, accountability for performance, performance auditing, privatisation, one-stop shops, decentralisation, strategic planning, separation of provision and production, competition, performance measurement, changed management style, contracting out, freedom to manage, change in accounting methods, incentives in personnel management, user charges, separation of politics and administration, improved financial management and more use of information technology. Ayeni (2001:1) quoting Scott and Thynne (1994) sums up NPM in governments this way:

Government is now seen as public business, profitable where possible, explicitly cost-conscious where not. Civil Servants have been transformed into managers. Citizens have become customers or clients with – at least in theory customer rights.

There are still numerous debates on what NPM really is and what it should really look like with some critics actually arguing that it is not really a new model or even a paradigm shift (Gruening, 2001; Dunleavy and Hood: 1994; Laegreid, 2001; Gow and Dufour, 2000). For instance Hall et al (2003:495) do not hesitate to add the word 'contradictory' in their definition of NPM: 'collection of (sometimes contradictory) activities and measures designed to introduce an ethos of business management and

entrepreneurship into the management and delivery of public services'. Minogue (2001:9) sums up by saying '(NPM) is some considerable distance from being a neutral set of management principles or tools'.

The issue has also not been about differences in what NPM is but also a total opposition to the model. Minogue (2001:8) highlights what those in opposition to the model have advanced: the market remains what it were, a flawed alternative to the state; evidence on efficiency gains is indecisive and ambiguous; increased managerial autonomy has brought blurred accountability; competitive principles have turned public organisations into conflictual rather than collaborative bodies; considerable demoralisation of public officials and in several cases public services have got worse rather than better.

Just as there are ideological differences on what NPM is, as well as a variation of its composition, there have similarly been immense differences in its implementation world over. Even in the pioneer countries that have come to recognise the model at an interstate cooperation level, the OECD countries, there have been implementation differences (Hood, 1995:93). This reality has indeed manifested itself even in the developing countries where some have embraced many of the NPM principles whole heartedly while others have received the model's principles with suspicion given that these principles have in most cases been imposed on them by multilateral and bilateral agencies as conditions for aid and credit.

The adoption of NPM principles is commonly referred to as public sector reform with the major component being public service or civil service reform. What the public service or civil service really is defers from country to country. But whatever the composition, civil service or public service reforms are the 'deliberate changes to their structure and processes with the aim of getting them run better' for instance having smaller organisations, setting quality standards, new budgeting techniques and monitoring results of expenditure: basically a deliberate move from a less desirable past to a more desirable future (Ayeni, 2001:7). The rationale for public service reform was the overwhelming demand for it not only from the citizens, the politicians, the private sector and the donor community (in case of developing countries) but also from among the public servants themselves (Agere, 2000:19).

2.2 Public Service Reforms in Developing Countries

Selected Sub Saharan Countries¹² advanced reasons for PSRs in their countries as public demand for transparency and accountability; a shift to market economies and private-led economic growth; influence of NPM and pursuit of integrated systems approach (Kiragu, 2002). However, these are all constituents of the different elements of NPM adopted as part of the package of structural adjustment programs, preconditions for aid and credit at times referred to by the lending and donor agencies as good governance principles. Although governance should be about how the people of the country are governed, the definition of this term by these institutions encompasses the principles of NPM and ultimately constitutes the PSRPs being implemented in the developing countries (Minogue, 2001:6; Agere, 2000:1). As Hope (2002:128) writes: NPM type reforms have been applied to African countries because their civil services were seen as unprofessional; too bloated in size in relation to their outputs; lacking and not caring about performance measurement; preoccupied with rules and practices rather than public interest and generally corrupt.

The results of adoption of NPM principles as embedded in the PSRPs in developing countries have been limited and often scattered, many outright failures, with success stories remaining in those countries that had made strides before the reforms (Ayeni 2001, Adamolekun 1999, Manning 2001). Ayeni for instance argues that there is a general lack of linkages to salient problems like poverty, HIV/AIDS, military conflicts among others (Ayeni, 2001:5-6). But as Manning (2001:298) observes, 'although the direct application of NPM has been limited and has achieved little in the developing world, the reaction to the claims associated with it has significantly altered the public management debate for governments and development agencies'. His view is that the failures or limited successes could inspire some much-needed fresh thinking, which is very likely because improving public service provision is the only way to go regardless of whether it is a developed or developing country.

¹² Ghana, Kenya, Tanzania, Uganda and Zambia during a workshop of managers of the respective countries' PSRP held in Nairobi September 25-28, 2001 sponsored by the United Kingdom's Department for International Development (DFID) and organised by KK Consulting Associates.

Kiragu (2002) has identified three waves of implementation of PSRPs in developing countries that this study deemed important for a coherent evaluation. These are highlighted below.

2.2.1 The Three Waves of Public Service Reform

The implementation of PSRPs in developing countries could be said to have been in three phases or waves (Kiragu 2002). The first wave which he refers to as the structural wave reforms comprises of the Structural Adjustment Programme related initiatives of the Bretton Woods institutions of the 1980s aimed at cost containment by mainly reducing the wage bill. The main initiative here is downsizing. Although not successful downsizing has particularly been important in containing numbers (Olowu, 1998:615). Kiragu then advances the capacity building efforts of the 1990s as the second wave reforms (capacity building wave) while improvement in service delivery efforts of the 2000s form the third wave (service improvement wave).

The service improvement wave initiatives arose after the realisation by the implementers of the PSRPs that the structural and capacity building wave reforms had not really improved service delivery and given their unpopularity since they were associated with job losses; there arose anxiety among politicians and the PSRP implementers to demonstrate improved service delivery. It may thus be early to evaluate the service improvement wave reforms but an early evaluation would be helpful in finding out whether they have at least taken off.

Besides these three waves of implementation of PSRPs in developing countries, there is an emerging wide usage of the notion of 'first generation' and 'second generation' reforms. A close analysis reveals that the 'second generation' reforms are basically a modification to what Kiragu has categorised as first and second wave reform initiatives aimed at cost containment. Second generation reforms are basically the service improvement wave, which emphasizes performance management in the public sector as well as modification of structural and capacity building reforms. For instance, the structural wave reforms assumed that salaries could be improved across the board if the downsizing program achieved tremendous reductions in the size of public sector organisations. However, under the second generation reforms, a new

approach of selective improvement and development of a medium term pay reform strategy is being adopted (Stevens and Teggemann, 2003).

Other attributes of the second generation reforms are: the shift from pay scales determined by job evaluation and internal relativities towards alignment with relevant labour market rates in the country; emphasis on performance - identification of output targets against which performance can be measured and publicised; and transparency in individual performance reward (Stevens and Teggemann, 2003). However, Olowu (1999b) seems to be very skeptical about whether these second generation reforms have answered the major problems raised against the structural wave reforms.

2.2.2 Evaluation of Public Service Reforms in Developing Countries

There are still limited empirical evaluation studies of the outcomes of PSRPs in developing countries. What is available are generalist success stories of implementation of program components which focus on outputs rather than outcomes for instance the famous reduction of Uganda's public service from 320,000 in 1990 by over 50 percent by 1997; discovery of 10,000 and 40,000 ghost workers in Ghana and Uganda respectively (McCourt, 1998:177) and such other praises. Quoting Polidano (1999) Manning (2001:300) notes that there is 'more critique on priori reasoning about what seems to be suitable for developing countries rather than empirical assessment of what has worked', leading to generalisations that most NPM-like PSR initiatives cannot work in developing countries and that they have actually not worked for instance as highlighted by Hughes (2003:218). There is no empirical evaluation on what NPM critics call 'efficiency gains' of the reforms. For even when success is almost obvious like in the case of Malaysia, there is need for evidence on real changes in public service delivery and accountability (Minogue, 2001:9) a position this study holds.

Even for developed countries where the reforms are exemplary like in New Zealand, quoting Schick (1996), Halligan (1997:27) notes there are continuing difficulties with identifying outcomes, monitoring progress and evaluating programs against specific outcomes. Generally, PSRPs in developing countries are deemed to have been unsuccessful due to faulty diagnosis, for instance the 'preoccupation with purely

technical concerns of reducing cost and size of civil services and failure to tackle the more challenging task of building and sustaining the institutional capacities of the civil services within the framework of the political, cultural, economic and fiscal changes' (Olowu, 1999a:2).

However, as Manning (2001:300) writes, there could be reason as to why empirical evaluations are not commonplace in developing countries noting that the findings of the few who have evaluated the PSRPs have concluded that the results are still mixed and modest. What follows therefore is a review of the limited evaluation literature of PSRPs regarding *Rightsizing, Pay Reform and Performance Management* in developing countries.

2.2.2.1 Rightsizing

Rightsizing/downsizing is still one of the most popular PSR initiatives aimed at reducing the wage bill to the extent that PSRs in developing countries have been synonymous with retrenchment.

The literature on downsizing reveals mixed results both in terms of reduction in numbers and the effect of reduced staff size on pay levels, total wage bill, corruption, morale and productivity of public services. Lane (2000:39) notes that the overall size of the public sector has not reduced, but the size of the various parts have, such that when some parts reduce, others increase leading to 'the law of constant size of the public sector'. For instance while the central government ministries in charge of policy formulation and program monitoring and evaluation have reduced, though still not by that much, staff in the field, front office or in local governments have been increased to ensure effective service delivery. In Uganda for instance, the increase in the size of the public service from just around 150,000 in 1997 to over 220,000 in 2004 has been due to the increase in the number of frontline staff (primary school teachers, health care and agricultural extension workers) at local government levels while the staff numbers at ministerial and departmental headquarters have remained almost the same.

Where personnel numbers have been successfully cut, a reduction in costs in terms of the wage bill has not been realised. Instead costs have tended to go up given that in most developing countries there is still more emphasis on control of numbers rather than budgets which tends to be more costly due to the detailed cumbersome central control systems that are even prone to manipulation due to the manual systems that are still very imminent. This is unlike in the developed countries, which control budgets rather than numbers, for instance Britain. In fact, the International Monetary Fund (IMF) is said to be on the verge of declaring job reduction as a failure compared to other reform initiatives (McCourt, 1998:185). Of course this is because their aim had been cost containment, which has in effect not happened.

While a mere reduction in size of the public services in some countries may be considered a small feat, lack of capacity and consistency made downsizing fail to achieve even just the mere reduction in numbers in other countries. For instance Tanzania and Ghana made sizeable reductions only to find as many people as before because recruitment had gone on. In Ghana, retrenched civil servants were either recruited into the country's large parastatal sector or back into the civil service (McCourt, 1998:182; Stevens and Tegemann, 2003).

Besides size reduction, downsizing in most developing countries has not had considerable positive effect on the nature of service delivery since the approach was basically arbitrary cut-back with no prior studies done to establish whether the sizes of these civil services were actually over-blown (Agere, 2000:30; Olowu, 1999a: 11).

All in all, downsizing sought to make the civil services smaller and less costly when what was required was increased capacity through quantitative and qualitative increases. 'While it is true that African civil services have excess staff at lower grades, the reality is that they are short of most critical skills in professional cadres, middle and top management' (Olowu, 2001:130). This is the biggest reason for the use of foreign expatriates more than ever and yet these skills are locally available but just the incapacity of African civil services to attract them only to end up hiring expatriates at much more than they would ever need to pay their own citizens. Olowu (1999a:10) maintains that African civil services were never 'too big' as it has been found that they are 'characteristically much smaller per head of population than their

counterparts' in other parts of the world. This reality of African civil services having never been as big as was blown has been treated in depth by Schiavo-Campo (1996 and 1998) as well as Goldsmith (1999:520). Goldsmith has even found that countries with higher levels of public employment have superior economic records but cautions that the size has to be accompanied by honesty and responsiveness.

Another problem in developing countries that has emerged with the downsizing trend is that the reductions in numbers were not marched with technological advancement to cater for efficiency in service delivery to the ever increasing populations (Mutahaba et al 1993). The human resource gap needed equipping the remaining personnel with such electronic equipment like computers, photocopiers, communication equipment which are expensive given that nearly none of the developing countries manufacture this kind of equipment. Even if modern equipment were to be acquired, besides the cost escalation, which was what was being solved in trying to downsize governments, there is still lack of capacity to effectively put them to use. This is not to paint a pessimistic picture but to highlight the various challenges facing developing countries in their effort to improve productivity.

The major finding of the review of literature regarding downsizing is that claims that civil services in developing countries were overblown were wrong as it has been proven that they actually have the lowest numbers of civil servants per head of population, an average of 1.5 government workers per one hundred people (Goldsmith 1999:528). Schiavo-Campo (1998) reports that government employment in the early 1990s in Africa stood at 2 percent of the population compared to 7.7 percent for the OECD countries. In Uganda for instance, government employment stands at 1 percent of the population. The foregoing justifies the need to emphasize rightsizing as opposed to downsizing.

2.2.2.2 Pay Reform

Pay Reform has in most cases been synonymous with downsizing with the view that enhanced pay is only attainable with a reduction in numbers. It is hoped that enhanced pay will improve morale and reduce corruption, which should eventually lead to improvement in service delivery. However, the notion of high pay reducing let alone eliminating corruption is far from true in reality as it has been found that increased

salaries of say Chief Executives of public enterprises have not come with corresponding increase in quality of services delivered by their organisations (Agere, 2000:30). Barr et al (2004:14) have also found that public servants who receive a higher wage expropriate less but the effect is small. For a 200 percent increase in wages, they found that this led to reduction in resource expropriation of only 30 percent. As Mutibwa (1992:196) puts it: 'appetite grows with eating' noting that 'ministers (in Uganda) who are involved in massive corruption are already the most privileged section of public servants'.

Despite pay reform being one of the leading PSR initiatives in developing countries and has been around for quite some time, poor pay¹³ has remained a feature of public services as wages have either stagnated or even reduced. For instance, Kiragu and Mukandala (2003:11) report from some survey data that five out of seven countries experienced either an overall decline or stagnation in salary levels in the 1990s. They however add that overall decline does not necessarily translate into reduction in real pay because allowances and benefits could be used to compensate.

In a recent survey carried out with five to six civil servants in 20 African countries¹⁴, Olowu (2001:119) reports that bribery helps double the salaries of civil servants in countries such as Kenya and Nigeria but adds little to salaries of civil servants in countries like Botswana, Mauritius, Namibia and Tunisia. In another instance, Olowu (1999a:13) writes that 'some governments are said to encourage their officials to take on second or third jobs to supplement their incomes'. Other resultant problems of low pay common in developing countries have been laxity at work, moonlighting, indiscipline and brain drain.

First generation pay reform initiatives of across the board increase were generally not successful. The second generation reform initiatives are now embarking on Selective Accelerated Salary Enhancement schemes (SASE): a system where salaries of key

¹³ There is an exception of Botswana as it maintained high salary levels from 1990 through to the 21st century, pay decompression level maintained at above 30 which is high by international standards and although its GDP per capita is relatively high, the wage bill ratio of GDP remained high in the 1990s at around 10 percent. Mauritius is also ranked with Botswana in terms of good remuneration of its public servants (Goldsmith, 1999).

¹⁴ Botswana, Cameroon, Eritrea, Ghana, Kenya, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Senegal, South Africa, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

technical and professional staff are raised to compete with those of the private sector as well as medium term pay reform strategies with time frames for addressing pay issues for instance in Ghana, Tanzania and Zambia. However, even SASE is not yet successful as governments still cannot afford the suggested pay levels and sustainability is quite questionable although Tanzania is said to be making some early successes (Stevens and Teggemann, 2003).

Olowu (2001:132; 1999b), Hughes (2003:228) and Goldsmith (1999:521) rightly conclude that the crucial consideration for governments should not be size or even cost but the effectiveness and responsiveness to the needs of their countries; the need to move from affordability to smartness. Quoting the World Bank 1997 World Development report, Hughes (2003:231) makes note of the following observations, which seem to have influenced the 'service improvement wave' public service reforms in developing countries. First is the Bank calling for 'strong central capacity for formulating and coordinating policy' including visions, goals and strategic priorities. Second is the need for 'efficient and effective delivery systems', setting the balance between flexibility and accountability, better performance and client feedback. Thirdly, the need for 'motivated and capable staff with incentive structures to motivate them to perform well, including 'merit-based recruitment and promotion and adequate pay'. This thus leads us to the review of the most recent attempt by developing countries to introduce performance management in their civil services.

2.2.2.3 Performance Management

The aim of performance management is to improve service delivery as most governments in developing countries have experienced deterioration in the productivity of their civil services (Hope, 2002:129; Mutahaba et al, 1993:76).

An important observation that Manning (2001:300) has made is the fact that PSRs in developing countries have not led to replacement of hierarchical bureaucratic model principles with those of NPM: 'most government functions still remain performed by vertically integrated bureaucracies functioning pretty much as Weber might have intended'. This is one of the reasons performance management measures that are hinged on principles like ensuring results within an environment of flexible rules are

yet to pick up. For a long time and in some countries up to date, it is not rare to find senior managers who are not certain of their organisations' objectives and targets.

The importance of performance management cannot be overemphasized. However, public services, though embracing the NPM oriented performance management techniques with the hope of improving their productivity have complained of the difficulty and even impossibility of measuring public service provision. Critics have dismissed these claims as mere rationalisation emphasizing the need to measure performance in public sector organisations (de Bruijn, 2002; Agere, 2000:34; Stewart and Walsh, 1994:48). Among other merits, performance measurement helps instil transparency as the organisation is clear on its products by means of an input-output¹⁵ analysis as well as costs involved; the organisation is able to know what it does well and where improvements are needed; and performance-based appraisal of both the organisation and individuals is made possible (de Bruijn, 2002:579). Stewart and Walsh (1994) insist that:

If perfect performance measures are not available, then the alternative is not to abandon performance measures but to use imperfect or uncertain performance measures in full awareness of their limitations.

The emphasis of the literature reviewed is that performance management is a critical issue if productivity in the public sector is to keep up with the pace of the needs of society. One of the limitations that Stewart and Walsh (1994) warn of is the danger of oversimplification of reality in the bid to simplify measurable performance indicators as measurement of cost and efficiency may be easy yet measuring quality and efficiency may be difficult. This advice is critical as one would predict that following the various complaints on the difficulty of performance measurement, the next step would be undesirable oversimplifications leading to misleading conclusions.

Specific performance management tools in developing countries have included the 'Batho Pele' in South Africa, 'Quick Wins' in Tanzania, Work Improvement Teams

¹⁵ Although theory tends to prefer outcome-based measurement, output based is more realistic and should be emphasized although outcomes need to be monitored from time to time too. The problem with outcomes is that they cannot be attributed to a particular program as in some cases there are several other contributing factors affecting specific end results.

(WITS) in Botswana and ROM in Uganda. However, the proponents of these initiatives have again emphasized the importance of according more attention to pay and incentives otherwise there cannot be sustainable improvements in morale and productivity of the civil services (Mutahaba et al, 1993:83).

While there is substantial evaluation of the rightsizing and pay reform programs, there seems to be little interest in critically evaluating the performance management initiatives like results oriented management (Minogue, 2001:18). Could it be the ambiguity and lack of general consensus on the measurability of public services or are they still giving it more time since it is only a twenty first century phenomenon?

This chapter has basically presented a literature review of the theoretical basis of this study and that is NPM, which is the technical basis of most if not all Public Sector/Service Reform Programs worldwide. A review of the public service reforms in developing countries has also been done to inform the current study.

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Chapter 3: Implementation of Rightsizing, Pay Reform and Introduction of Results Oriented Management (ROM)

3.0 Introduction

The aim of this chapter is to present the findings regarding implementation of Rightsizing, Pay Reform and ROM in Uganda's public service. Focus will lay on the outputs of these components of the PSRP while chapter four will deal with the impact of rightsizing, pay reform and ROM on public service delivery in Uganda. Discussion of these findings appears alongside the presentation. Thus there are three sections, one on each component outlining the background to the adoption of that reform initiative and the milestones to date.

3.1 Rightsizing

3.1.1 Background to the Rightsizing Program

The big size of the public service started receiving attention in the early 1980s. Thus, in 1984, the Ministry of Finance carried out a census, which faced technical and operation problems and was therefore abandoned. Another effort was made in 1987 during the civil war period in the eastern and northern parts of the country, which led to inconclusive results. Between 1988 and 1989, the World Bank funded yet another census of public servants with limited results as it excluded the Teaching service, local governments and even some ministries. The latest census is that carried out by the PSRRC (1989-1990) (PSRRC: 110).

3.1.2 Findings of the PSRRC regarding the size of the Public Service

The PSRRC established that the size of the public service had tremendously expanded due to the expansion of government; moreover the majority were unskilled personnel. It noted that while at the eve of independence there were 18 ministries with an average of three departments per ministry, in 1989, there were no less than 31 ministries with an average of five departments per ministry, a total of 163 departments in all, yet productivity had not appropriately increased but had in fact declined (PSRRC, 1990:100). This expansion arose from the split up of the pre-independence ministries such that a ministry like Agriculture gave rise to three ministries: Ministry of Animal Industry and Fisheries, Ministry of Cooperatives and Marketing and

Ministry of Environment Protection. The Education and Health ministries also expanded with many departments and constituent institutions. This resulted in increased staff numbers; exacerbated by the collapse of rational principles of establishment control and recruitment especially in the 1970s and early 1980s when adherence to recruitment procedures had been abandoned.

The enlargement of the civil service was also attributed to the erratic deployment of group employees. In a census carried out in 1987, the public service was composed of 102,899 group employees making 43 percent of the service. Moreover, wages for group employees were being released as a block, which encouraged existence of 'ghost workers'¹⁶, outright embezzlement¹⁷ and over recruitment (PSRRC, 1990:106 - 108).

3.1.3 Recommendations of the PSRRC on the size of the Public Service

Given that the big size of the public service was due to the big structure of government, the PSSRC recommended a structural review to reduce the number of ministries¹⁸. The PSRRC hoped that the rationalisation of government structures would produce smaller, more accountable organisations that would perform only core functions, thereby releasing funds for improving remuneration and allowing opportunities for private sector expansion.

The PSRRC further recommended the outright termination of services of those officers who would be rendered redundant as a result of either abolition of their positions or transfer of the roles of their departments to either commercially self-sustaining parastatals or to the private sector; and a substantial reduction in the number of group employees. Another approach to the public service size reduction recommended by the PSRRC was the voluntary retirement scheme especially if the services of those to be retired were not critical. Besides those to be retrenched due to redundancy arising out of the restructuring program, others to be retrenched would be

¹⁶ Term widely used to mean fictitious employees maintained on the payroll.

¹⁷ The more ghost workers there were, the more those in charge of making out these payments were bound to benefit. This illustrates the reasons for the existence of a large number of group employees in the records not necessarily marched with actual existence of these workers on duty.

¹⁸ Since rationalisation of government structures and functions is not within the scope of this study, it is worth mentioning at this point that the major achievement of this program was the reduction of the number of ministries from 38 in 1991 to 17 by 1998 (MPS:2003).

those discovered to be poor performers, corrupt, habitual drunkards, those that had entered the service illegally or fraudulently (by for instance use of forged academic documents), those registered twice and those without formal assigned duties as reported by their departments (PSRRC, 1990:123).

It is worth noting that the PSRRC actually recommended an approach that was more *Rightsizing* in nature as opposed to *Downsizing* although their ultimate vision was for a tremendously reduced size of the public service for it recommended 'redeployment, retrenchment, and resettlement, accompanied by selective recruitment and training' (PSRRC, 1990:119).

3.1.4 Milestones of the Rightsizing Program

Rightsizing of the public service actually started off as downsizing and was the major component of the PSRP between 1993 and 1996. March 1996 was the peak of the downsizing initiative when the lowest numbers of public servants were recorded (128,628 personnel). The change over to use the term rightsizing not necessarily marched by a change in ideology was in 1994 as portrayed by its first time appearance in the Civil Service Reform Program (CSRPF) Status Report 4 (1st October – 31st December 1994). Reduction of the size of the public service was achieved mainly by retrenchment; executed by interviewing all civil servants so as to identify those to stay in the approved positions and deleting 'ghost workers' from the payroll.

From 1997 when several programs that would lead to a gradual increase in staff numbers, the term rightsizing began to be used correctly. Following the re-election of President Museveni to power in 1996, the implementation of his election promise of Universal Primary Education (UPE – Free primary education of 4 children per family) led to an increase in the number of primary school teachers. Government also embarked on the implementation of PEAP, which emphasised enhancement of primary health care and modernisation of agriculture, thus the recruitment of more health and agricultural extension workers. Low staff numbers in the 'number limited'¹⁹ expenditure areas are maintained by strict adherence to the new rationalised

¹⁹ 'Number limited' expenditure comprises wages of direct employees of central government such that expenditure on the wages of these staff is limited to the number of such staff employed. Any additional staff employed increases government expenditure while for whoever leaves, there is a saving. Government is committed to paying these staff costs even if in excess of budgetary provisions made.

government structures and sticking to particular personnel control measures in the Program Priority Areas (PPAs – primary education, primary health care, safe water and sanitation, agricultural extension and feeder roads). For instance, the number of primary school teachers is supposed to be regulated by the pupil to teacher ratio of 55:1 as set by the MPS, the Ministry of Education and the Ministry of Finance.

The GOU seems to have started using the term ‘rightsizing’ in 1997 when defined it as ‘striking the balance between service delivery needs, the aggregate wage bill, and individual pay levels’ (MPS, 1997b:30). It is therefore not surprising to find that retrenchment (now termed as ‘management of redundancy’) and restructuring (that has led to an increase in the size of the public service) are being implemented concurrently just as the PSRRC could have intended. For instance, by June 1996 the size of the public service had been reduced to 130,956 from 320,000 in 1990 (MPS, 1996a) but as of December 2003, it stood at 220,088 as illustrated in *Table 1* and *Table 2* below. As already highlighted, the reduction was attained by removal of ‘ghost workers’ from the payroll and both compulsory and voluntary retrenchment facilitated by the review of ministerial structures.

Table1: Size of the Public Service between January 1990 and December 1996

Date	Jan 90	Dec 94	Jun 95	Dec 95	Jun 96	Dec 96
Size of Public Service	320,000	147,985	143,101	129,446	130,956	133,866

Source: Ministry of Public Service (1996c)

Table 2: Public Service Size between December 1997 and Dec 2003

Date	Dec 97	Dec 98	Dec 99	Dec 00	Dec 01	Dec 02	Dec 03
Size of Public Service	159,518	174,331	176,479	184,269	189,291	214,833	220,088

Source: Ministry of Public Service (2001)²⁰

This is in contrast to ‘cash limited’ wage expenditures which comprises of wage costs of government agencies that are remitted in form of block grant transfers such that increasing or decreasing staff of these agencies or local governments makes no difference to payment made by the central government. ‘Number limited’ staff include those at ministry headquarters, teachers, police and prison officers. Those in the ‘cash limited’ areas include staff of local governments and government universities (MPS, 1996b). So to control the wage bill, government is keen on containing numbers in the ‘number limited’ areas whose major challenge are the PPAs. However, there is also the challenge of ensuring that local governments and universities do not mount pressure on the central government for financial bail out when they over-recruit.

²⁰ Statistics for the period Dec 2002 and Dec 2003 were obtained from Ministry of Finance.

This section has highlighted the milestones of the downsizing/rightsizing program. A treatise of its impact especially on pay enhancement is in the following section on pay reform and in chapter four. The highlights are that the GOU was able to reduce the size of the public service by 50 percent between 1990 and 1997 that is from 320,000 to around 150,000 but now (2004) stands at over 220,000 due to recruitments in the PPAs.

3.2 Pay Reform

3.2.1 Background to the Pay Reform Program

Pay Reform is a critical component of the PSRP. Uganda has a long history of pay reform right from the colonial days as portrayed by the various pay reform commissions that amount to six in number²¹ while the PSSRC, the scope of this study is the seventh. The rationale for the current pay reform program was the need to motivate personnel in order to curb corruption, moonlighting and absenteeism so as to achieve efficiency and effectiveness in service delivery. Willombe (1998:3) observes: ‘the cost of living is ever increasing. The real income of civil servants requires to be reviewed periodically so as to boost their morale if they are to continue to render the service expected of them’. There was thus need to review civil service pay so as to march it with the standard of living and put in place mechanisms for ensuring that at any one time, the pay is commensurate with the standard of living.

3.2.2 Findings of the PSRRC on Public Service Remuneration

The PSRRC reported that the public service was characterised by among others, ‘moonlighting and outright corruption which had become a reward system widely

²¹ First was the Holmes Commission (1947/48) which rejected the system of separate racial (European, Asian and African) services but maintained job grading based on race rather than qualifications; second was the Lidbury Commission (1953-4) which eliminated racial distinctions such that salaries were according to rank regardless of whether recruited locally or from overseas though those from overseas had pensionable inducement and cost of living allowance; the third was the Flemming Commission (1960) aimed at improving terms of service for staff recruited from overseas and revision of salaries of local service to an affordable level; the fourth was the Ani Commission (1963) which recommended a reduction in staff, abolition of some allowances, government divesting itself from housing staff, decrease in salaries of those in the upper scales, increase of salaries of those in those in the lower scales – government refused most of these recommendation which it termed retrogressive; the fifth was the Bikangaga Commission (1973-4) which recommended elimination of multiplicity of salary structures, increase in salaries, introduction of contributory pension scheme; and the sixth was the Tulya-Muhika Commission (1980-82) which recommended the increase in the salaries of public servants to enable them cope with the ever increasing cost of living as well as streamlining of salaries according to professions (PSRRC 1990).

recognised within the public service and this was due to *inadequate pay*' among other reasons. In order for the public servants to bridge the income/expenditure gap, they resorted to alternative activities like rural farming, petty trading and even less socially desirable practices like office pilferages and embezzlement of public funds (PSSRC, 1990: 294). Low public service pay had also led to brain drain to the private sector, and other countries, the PSRRC observed.

The PSRRC found overwhelming evidence that one of the most demoralising factors within the public service was low pay which had gone on for over two decades (1970s and 80s) leading to incompetence and corruption. As of September 1990, the highest paid public servant was earning Uganda Shillings 18,511 (USD 21) per month while the lowest paid was earning Uganda Shillings 2,703 (USD 3). The highest salary was below the Minimum Living Wage (MLW)! It was actually too low to get one through one day let alone the month. Low civil service pay was attributed to low government revenue levels, high government expenditure patterns and the big size of the public service. Paying for instance Uganda Shillings 70,000 in 1990 (USD 82) as MLW (which would still not even be a MLW) would push the wage bill to Uganda Shillings 170 billion per annum which was more than government's recurrent expenditure in 1990/91 that stood at Uganda Shillings 127 billion (PSRRC, 1990:296). The following observations about the life of Ugandan Civil Servants at the height of poor pay were made:

Public Servants spent more time on their own private activities than on government jobs which they stayed in for prestige as it indicated high education status but paid 'starvation wages'. The right to survive by 'eating' was recognised a basic right by most Ugandans. Incomes were earned by extracting fees for services that the public was entitled to so that wages could be supplemented ... Moonlighting was recognised as stealing government's time but explained as being better than stealing money or making false claims. Another reason some remained in the service was because of free housing and transport (Obbo 1991:109).

3.2.3 Recommendations of the PSRRC on Public Service Remuneration

With regard to improving public service remuneration, the PSSRC advocated for a comprehensive pay reform program. First of all, the PSRRC recommended payment of a MLW with effect from 1991 followed by a Living Wage after two years, then an

Appropriate Wage (Uganda Average) within another two to three years and finally an Appropriate Wage (PTA²² Average) within another two to three years (PSRRC, 1990: 298). The PSRRC defined these levels of wages. For the MLW, the PSRRC adopted the National Organization of Trade Unions (NOTU) definition: identification and costing of a food basket and 'services needed to keep body and soul together'. The Living wage was to be the enhanced MLW, which would include other social costs like health, education, transport and appropriate clothing. In effect, the living wage was hinged to the Consumer Price Index (a full 'basket') but no savings. The appropriate wage was defined as that wage commensurate with qualifications, experience, job responsibilities and performance of the employee, which allows him to meet his daily requirements and also be in position to save and invest in things like housing mortgage and hire purchase of capital goods (PSRRC, 1990: 298). The PSRRC recommended the appropriate wage average for the PTA region as it had discovered that brain drain was mostly to the neighbouring PTA countries that had relatively better pay.

Secondly, the PSSRC recommended the monetisation of benefits like housing, medical and transport; abolition of hidden compensation which had been introduced in form of allowances that formed nearly 70 percent of the earnings of public officers; and abolition of incentives given by donors to those public servants who were implementing donor funded projects within government. There had developed allowances like the professional allowance introduced for cadres like the judicial and medical in 1988/9. The PSRRC observed that these hidden and 'in-kind' benefits had created distortions in pay levels; and that government was after all paying for all these indirect compensations thus the very reason for rationalization of these compensations into a transparent, orderly and less anti-social 'clean wage' (PSRRC, 1990: 294-295)

Thirdly, the PSRRC recommended decompression of salaries with effect from 1 July 1991 from 1:6.8 to a more acceptable level of 1:10 with the ultimate target being 1:15. Compression ratio is the ratio of the highest salary to the lowest salary. Where the ratio is low, the PSRRC observed that it leads to demotivation of the top professional personnel. In 1990, countries like Botswana's compression ratio were 1:21, Ghana

²² Preferential Trade Area (Regional Grouping of countries within Eastern, Central and Southern Africa to which Uganda was a member).

1:13 and Kenya 1:28 (PSRRC, 1990: 301). In this regard the PSRRC also recommended a new salary structure and grading system.

Realizing that Uganda still had one of the lowest percentage wage bill of government recurrent expenditure, the PSRRC was of the view that this was justification for increasing remuneration for public officers. The PSRRC observed that the trend in other parts of the world was salaries taking up 30-45 percent of government recurrent expenditure yet Uganda's was 13 percent (1986/7) having fallen from 40 percent in the 1970s. The PSRRC thus recommended that the wage bill percentage of government recurrent expenditure be increased to 30 in 1991 with the ultimate aim of getting it to about 40-45 percent.

3.2.4 Milestones of the Pay Reform Program

Government accepted nearly all the PSRRC's recommendations regarding reform of remuneration in the public service and designed a comprehensive pay reform program. The 'strategic framework and supporting action plan contain eight major components; inherent in each is the importance of paying a *minimum living wage*' (Langseth, 1997: 100). *Figure 2* below lists the components of Uganda's CSRP as of 1994.

Figure 2: Components of the Civil Service Reform Program

1. Rationalization of Ministries and Districts
2. 'Right-sizing' the Civil Service
3. Strengthening the Ministry of Public Service's capability to manage the Reform
4. Monetizing Benefits
5. Job Grading
6. Payroll Monitoring and Establishment Control
7. Code of Conduct and Discipline
8. Information Program and Communication Strategy for the Reform

Source: Langseth (1997)

Although several pay rises were announced prior to and after the production of the PSRRC report, a more comprehensive pay reform program was yet to take place based on job evaluation. Government has over the years been awarding salary increments and the twenty first century has seen a more rigorous pay reform program in the form of *Pay Reform Strategy* (PRS) as is happening in several other countries

under the ‘second generation reforms’. *Table 3* below highlights Uganda’s pay reform milestones between July 1989 and July 2001.

Table 3: Milestones of Uganda’s Pay Reform and Rightsizing Programs²³

Year	Action
July 1989	Salaries are raised by 40 percent and professional allowance for specific groups introduced. These professional allowances introduced distortions in pay levels.
October 1989	Provision made for lunch and dinner allowance for staff whose nature of work requires them to remain in the office working during the time of the said meals. Rates left to the discretion of the Accounting Officers. This particular provision is so ambiguous to the extent that nearly every public officer now receives this allowance.
July 1990	Upward Revision of salaries by 22 percent across the board. Categories of employees to be paid professional/special allowances expanded. All responsibility allowances abolished.
August 1990	<i>Reduction of group employees excluding those in the health sector in order to reduce the size of the public service so as to make savings for salary enhancement.</i> This was after an agreement between government and the IMF on targets for downsizing under the Enhanced Structural Adjustment Facility (ESAF).
July 1991	Salaries increased by 43 percent across the board. Consolidated monthly allowances introduced for staff not receiving professional allowances.
September 1991	Ministries reduced from 38 to 21 in a bid to reduce staff so as to reduce the wage bill.
July 1992	Salaries revised upwards across the board by 85 percent. Professional/Top up allowance for teachers introduced.
July 1992	<i>Retrenchment of overdue leavers, non-performers, over-aged, drunkards etc...</i>
June 1993	<i>Reduction in the number of group employees by 30 percent as a result of ministerial reviews and rationalization.</i>
July 1993	Salaries increased with percentages varying from scale to scale for instance 20 percent for U1²⁴, 45 percent for U3, 33 percent for U8 and support staff. Auditors, Legal/Judicial and medical officers receive 40 percent additional salary over and above other public officers.
January 1994	Salaries increased by 20 percent. Auditors, Legal/Judicial, medical officers receive 40 percent additional salary over and above other public officers.
April 1994	Policy decision made to sell government pool houses to sitting tenants in line with

²³ This table also includes highlights in the rightsizing program, as these were measures taken to save funds for pay enhancement. The rightsizing measures are in italics.

²⁴ Salary scale codes for Uganda’s public service range from U1 to U8 where U8 is the lowest scale and U1 is the highest. In the new salary structure adopted in 2003, scales U1S and U1SE, which are higher than U1, were introduced where the U1S is for the scale for the highest paid public servants. In the old structure, there was the USS scale for support staff but this has been abolished such that support staff salaries fall under the U8 scale.

Year	Action
	government policy to divest from housing civil servants and reduce distortions in non-monetary benefits. State House staff receive a living wage.
July 1994	Remuneration for Judges, Magistrates and State Attorneys monetized. Monetized items included housing, transport, telephone and other utilities. Judges received UShs. 500,000 per month for houses but remained housed in government houses. Incentives allowances introduced with plans to reduce it by 25 percent over a four year period as salaries increased. Salary increments ranging from 57 percent (U1) to 33 percent (U8 and support staff). Housing benefit monetized to 25 percent of approved rates and full rates for entitled ²⁵ officers. Professional, special and consolidated allowances subsumed in enhanced salaries and abolished.
December 1994	Central government group employees in districts de-linked from central government and excess employees retrenched. <i>Voluntary retirement scheme introduced.</i>
January 1995	Payroll monitoring unit created to monitor the wage bill and establishment control.
July 1995	Salaries increased by 10 percent except for those earning enhanced salaries like the legal professionals. Housing allowance increased to 40 percent. Special allowances for primary school teachers introduced.
July 1996	Consolidated salary package introduced and salaries increased by 5 percent except for special groups, entitled and legal officers. Allowances paid through the payroll abolished. Incentive allowances paid by donors abolished. Living wage targets set by the PSRRC achieved for lower staff U5c-U7 (UShs. 70,000).
May 1997	<i>Special voluntary retirement scheme for support staff introduced.</i>
July 1997	For the first time, no provision for salary increments made in the budget pressures.
January 1998	20 percent salary increases U1 (unentitled) to U5b except officers earning enhanced salaries. Living wage target set by PSRRC in 1990 achieved.
July 1998	Pay Reform made one of the priorities of government. Salaries raised by 5 percent and 10 percent for U1 to U5b and U5c to USS3 respectively.
December 1998	Recruitment freeze lifted.
July 1999	Salary increase of 5 percent for U5c – U7 and 10 percent for U8 to USS3 except for officers earning enhanced salaries.
July 2000	UShs. 2 billion allocated for pay reform. Salary increases of 5 percent for U5b-U1 and 10 percent for U5c-USS3 excluding those receiving enhanced salaries. Lunch allowance for professional medical workers integrated into salary.
July 2001	Salary increase of 10 percent for U5c. Those for U5b-U1 enhanced according to the Pay Reform Strategy except for those receiving enhanced salaries. All these pay increases cost UShs. 15.6 billion.

Source: Adapted from Kiragu and Mukandala (2003).

²⁵ This in the Ugandan Public Service to refers to Accounting Officers (mainly Permanent Secretaries) and other public servants of higher ranks.

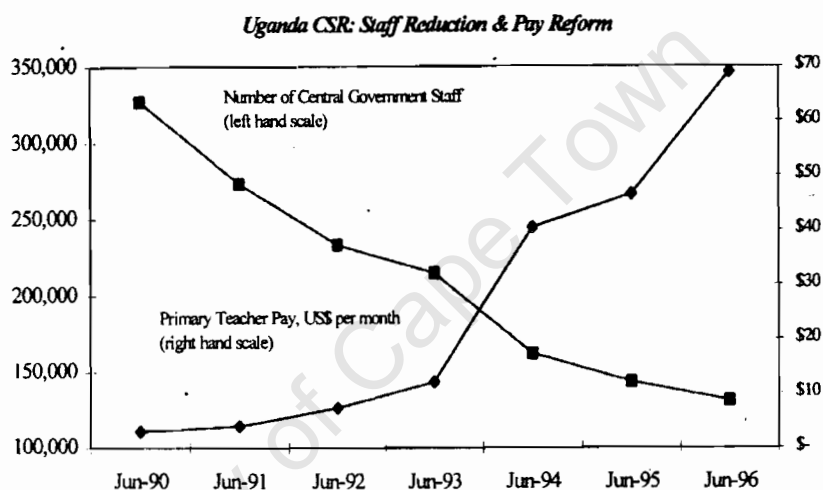
Table 4 below illustrates individual officers' pay rises between 1993 and 1997. These pay increases were attributed to the 'gains' made under the downsizing program as illustrated in Graph 1.

Table 4: Salary Increases between 1993 and 1997

Public Service Position	Monthly pay in 1993 (US\$ equivalent)	Monthly Pay in 1997 (US\$ equivalent)	Percentage increase
Primary School Teacher	7.41	68.90	930
Nurse	7.41	87.05	1,175
Policeman	6.61	66.39	1,004
Permanent Secretary	36.51	1,550.36	42,464

Source: Ministry of Public Service (1997a).

Graph 1: Effect of Rightsizing on Pay levels



Source: MPS (1997a)

Graph 1 illustrates how a reduction in the size of the public service from about 320,000 in January 1990 to around 150,000 by 1996 led to an increase in the pay for public servants illustrated with the case of a primary school teacher who earned less than USD10 in 1990 and nearly USD 70 by 1996. However, the critical issue is whether this increased pay would enable the teacher a decent standard of living, which it certainly could not; and whether this increased pay is sufficient to eliminate moonlighting, absenteeism and corruption in order to improve service delivery. The latter issues are addressed in chapter four.

As illustrated in the *Table 4* above, the increase in pay was tremendous but still very low compared to the private sector pay levels, which were commensurate with the standard of living. Thus, in 1999, after government realised that efforts to enhance pay were not getting anywhere, it engaged KPMG, a consultancy firm, to study staff turnover, comparative pay and benefits, staff attitudes, cost of living in Uganda and relevant international experience to assist the pay reform process in formulating appropriate policies on recruitment, retention and motivation of staff especially professional and technical staff.

Indeed, KPMG also found out that low pay was leading to low staff morale, low productivity and performance; corruption and dishonesty of all kinds as well as high levels of absenteeism. However, they discovered that low pay was not leading to employee-initiated resignation, which could be explained by the scarcity of jobs or certain motivating factors within the public service. It was however noted that the motivation for those who leave the public service was better pay elsewhere. KPMG also discovered that public service pay was only 40 percent of comparable jobs in the private sector (MPS, 1999:20). These findings were used to draw the *PRS*, which is discussed in the next section of this chapter.

3.2.5 Pay Reform Strategy

The *PRS*, peculiar to second generation reform initiatives aims at enhancing the gains made in the earlier pay reform initiatives while correcting the problems that were inherent therein. A major feature of the Pay Reform Strategies has been SASE where there is selected pay enhancement for critical professionals while maintaining a transparent pay structure. For instance the new single spine²⁶ salary structure that the GOU implemented in the financial year 2003/04 divided professionals' pay from that of the general cadre personnel²⁷ within the same scale where the professionals are found in the upper level while the general cadre fall within the lower level. For

²⁶ Previously, there was the multi spine salary structure, which comprised of different salary structures for the different professions/sectors. For instance there was a separate one for the medical profession, a separate one for teachers, another for the police, another for the prisons officers and another for the government universities. The multi spine salary structure emerged in the 1980s when different interest groups agitated for salary increases and were awarded independent of each other.

²⁷ Professional cadres include Medical workers, Legal practitioners, Accountants, Economists et al while generalist cadres are the Administrative Staff, Human Resource, Clerical and Secretarial among others.

instance in a salary scale like U4 (the scale mainly meant for newly recruited graduates) is divided into the upper and lower levels (this applies to all salary scales) such that an Administrative Officer of that salary scale falls in the lower levels while the Economist of that salary scale falls in the upper levels. SASE indeed addresses one of the concerns Olowu (2001:132) pointed out: 'instead of preoccupation with paying MLW or Living Wage, they should seek to pay competitive salaries that reflect the realities of the labour market while developing contractual rather than career contracts with higher civil servants with substantial latitudes of operational autonomy. These however go hand in hand with performance related pay as well as service delivery surveys to ensure managerial and political accountability'.

Although performance related pay was announced in GOU's renewed pay policy in late 1994 (MPS 1994b), it has not yet been implemented probably due to the slow pace of putting in place a reliable performance management system. For instance, the new open performance appraisal system introduced in 2000 seems to be having problems taking off. However, three year contractual appointments for the Permanent Secretaries are in place but these are still not linked to any form of performance related pay.

Since the ten-year PRS was launched in the financial year 2001/02, considerable improvements in public service salaries have been made as illustrated in *Table 5* below. Substantial amounts have been invested: Uganda shillings 17 billion (USD 9.5 million)²⁸ was provided in the financial year 2002/03 which provided significant increments for critical managers and professionals while Uganda shillings 10 billion (USD 5.5 million) was provided for lower cadres. In 2003/04, the third year of the PRS, Uganda Shillings 15 billion (USD 7.5 million)²⁹ was provided for pay increases and implementation of the single spine salary structure (MFPED³⁰, 2003).

²⁸ Bank of Uganda June 2002 exchange rate of 1 USD=USHS 1798 used.

²⁹ Bank of Uganda June 2003 exchange rate of 1 USD=USHS 2008 used.

³⁰ MFPED is the abbreviation for Ministry of Finance, Planning and Economic Development.

Table 5: Monthly Salaries for Selected Positions in Uganda's Public Service in 2003

Position	Salary per month ³¹ (Uganda Shillings)	Salary per month (US Dollars) ³²
Permanent Secretary	1,844,740	964
Head of Department	1,136,720	594
Medical Officer	469,850	245
Accountant	469,850	245
Prisons Chief Warder	249,670	130
Primary School Teacher	106,355	56
Police Constable	106,355	56
Mortuary Attendant	75,270	39

Source: Ministry of Public Service (2003b)

Although the above salaries comparatively indicate such a huge leap in public service pay levels, they are still much lower than those of say the private sector or even those of staff employed by government development projects³³. For instance, a newly graduated Accountant in the private sector would earn an equivalent of USD 500 while his public service counterpart earns 50 percent of his salary. Worse still, a Project Coordinator in some projects in a Ministry like Finance is paid a monthly salary of over USD 3000 while a Head of Department in the same ministry is paid just about USD 600, moreover these projects normally fall under ministerial departments.

Further still, it is argued by some government officers in charge of the pay reform policy that every year's salary increments (normally very minimal -- around a dollar or two at most!) take into consideration the prevailing inflation. However this remains questionable because the pay in dollar terms seems to have gone down. For instance as already indicated above, a primary school teacher who earned USD 70 in 1997 now earns around USD 55 although he earns just around Uganda Shillings 30,000 more than he earned in 1997. The same observation applies to the Permanent Secretary. Obviously one would attribute this to the depreciation of the Uganda Shilling but this

³¹ This is consolidated pay before deduction of Pay As You Earn (PAYE) tax and Graduated Tax. PAYE is deducted monthly and remitted to Uganda Revenue Authority while Graduated Tax is deducted between January and April of every year and remitted to the local government of origin (depending on the choice of the public servant). But if the Officer has not indicated where the Graduated Tax should be remitted, it is remitted to the nearest local government or the local government in which that public office operates.

³² Bank of Uganda 21st June 2004 exchange rate of 1 USD=USHS 1914 used.

³³ Staff of government development projects are normally recruited directly by implementing government body and not by the Public Service Commission (PSC) as is the case for public servants. Thus, although they execute government programs, they are not regarded as public servants in the sense of for instance being on the centralised government payroll.

does not negate the fact that Public Service pay is not in any way commensurate with the prevailing 'standards of basic living'. The foregoing indicates that pay reform is not taking into consideration a lot of issues and these are some of the challenges that still have to be addressed if pay levels are to attract and retain motivated skilled personnel as well as reduce the rampant levels of corruption.

3.3 Introduction of Results Oriented Management (ROM)

3.3.1 Background to the Introduction ROM

ROM is the performance management technique being implemented under Uganda's PSRP. Attempts to introduce performance management in Uganda's Public Service started when the public service reform commission of 1980 - 1982 under the chairmanship of Prof. Tulya-Muhika identified the need for introduction of modern management techniques: shift of emphasis from administration to management (Tulya-Muhika, 1995:150).

However, the introduction of ROM has its roots in the PSRRC (1989 - 1990), which also identified the need for performance management as it had discovered that there was no such mechanism in place to ensure achievement of results by public officers. The PSRRC observed that since the public service was unresponsive to service delivery, this method would ensure that there are targets for every public service organisation and worker. The PSRRC also recommended that a new performance appraisal system be developed alongside ROM so that officers could be evaluated (PSRRC, 1990:95).

ROM is intended to provide practical guidelines for defining objectives with measurable performance standards and indicators. ROM is also about budgeting for achievement of results as stipulated by the complimentary reform effort, Output Oriented Budgeting (OOB). Several of Uganda's policy measures now insist on value for money expenditure; for instance *Section 6 of the Budget Act 2001* requires each minister in their ministerial policy statement to reflect data on value for money and extent of achievement of objective targets on money spent. Other salient features of ROM are performance reporting; performance appraisal and rewarding; as well as development and administration of client (citizen) satisfaction techniques.

The justification for ROM is that successful service delivery is ‘an aggregation of individual (small) successes and equally, corporate failure is an accumulation of individual failures. So the culturalization of the work force to be failure-averse (success-prone) and in particular, to learn to ‘get it right the first time’ is an essential focal point in the successful introduction of ROM’ (Tulya-Muhika, 1995:152). *Figure 3* below illustrates the conceptualisation of ROM in Uganda’s public service.

Figure 3: How ROM Works



Source: Adapted from ROM Handbook, Ministry of Public Service (2002)

Figure 3 above illustrates that ROM comprises of two phases. The first phase is the development of the ROM framework while the second one is the operationalization of ROM. The development of the ROM framework takes place at organisational level and this basically entails development or revision of the organisation’s mission statement based on the organisation’s constitutional (or such other founding instrument) mandate followed by the definition of objectives, key outputs and performance indicators.

In the second phase, the actual operationalisation of ROM, annual plans are made mainly under the budget process (which is an annual cycle), followed by implementation of programs (as outlined in the annual plans), then performance reporting and evaluation and finally rewarding, sanctioning, publicity and identification of strategies to improve performance which are put in the following year’s annual strategic plans.

3.3.2 Milestones in the Introduction of ROM

Table 6 below illustrates the milestones in the introduction of ROM in Uganda's public service spearheaded by Ministry of Public Service's Central ROM Unit (CRU).

Table 6: Milestones of Introduction of ROM

Year	Achievement
1995	Decision to finally implement ROM is made by including the item on the PSRP for the third quarter of 1995.
1996	ROM introduced on pilot basis in 5 ministries ³⁴ and 5 districts ³⁵ . The major activity was development of the ROM framework in these organisations.
1998	Training of Senior Public Servants on ROM. 129 officers trained.
1999	Trained more 152 officers on implementation of ROM.
2000	Rolled out ROM to the rest of the ministries and districts.
2001	Major successes in adoption of ROM in ministries and districts with publication of best performing and weak entities in the PSRP annual report. Direct implementation of ROM in ministries and districts ends ³⁶ .
2002/2003	Integrattion of ROM in budgeting, staff appraisal and reporting mechanisms.

A Service Delivery Survey (SDS) to gather baseline data on key services like agricultural extension services, health and customs that would form the basis for producing performance criteria and to build evaluative capacities was undertaken in 1995 prior to the introduction of ROM. The SDS for instance revealed that government health services were rated by the public as follows: 38 percent thought it was good, 22 percent thought it was average and 22 percent thought it was bad. The next chapter, which seeks to evaluate the impact of the achievements of rightsizing, pay reform and ROM will attempt to indicate the extent to which these baseline SDS have been utilised.

³⁴ Ministry Agriculture, Animal Industries and Fisheries; Ministry of Works, Transport and Communication; Ministry of Health; Ministry of Education; and the Judiciary.

³⁵ Rakai, Rukungiri, Iganga, Mpigi and Mukono.

³⁶ In an interview with an official of the CRU, I was informed that the CRU's emphasis now is to provide ongoing assistance to ministries and local governments when called upon to do so. Asked if this turns out to be the death of ROM, the respondent informed me of new measures within the budget process, whereby organizations' budgets are supposed to be accompanied by ROM-type performance plans if they are to be approved (included in the National Budget by the MFPED).

The MPS (2003c) reported limited support by Chief Executives of most ministries and local governments in the implementation of ROM. This probably explains why there is still so little to say of ROM in Uganda's Public Service. Since ROM is within the latest wave of PSRs, it might still be early to expect much impact at this point in time. This fact is illustrated by MPS' plan to put more emphasis on performance management as outlined in its *Public Service Reform Strategy 2002-2007*³⁷: 'Performance management is the centrepiece of the strategy... largely to be realised through effective policy management, integrating ROM to the budgeting process and standards setting' (MPS, 2003c:3). However, a preliminary evaluation of the impact of ROM on Uganda's public service will still suffice in the next chapter.

This chapter has presented the findings that aptly fulfil the first and second objectives of this study. It has presented the findings regarding the reasons for the introduction of such a comprehensive PSRP by the government of Uganda and gone ahead to look at the implementation of the three reform initiatives under study: rightsizing, pay reform and introduction of ROM, by looking at the milestones and how they were achieved.

³⁷ The strategy has not yet been launched due to unavailability of funds as revealed by an official in the Ministry of Public Service. This strategy is meant to take over from the PSRP 2002 whose implementation duration was 1997-2002. Although reform initiatives are still going on and there is no noticeable disruption, there is no particular formal PSRP in place and it is likely this stalemate could cause some slippages.

Chapter 4: Impact of Rightsizing, Pay Reform and Results Oriented Management (ROM)

Considering the level of economic devastation and poor service provision that existed fifteen years ago, ... there has been a very significant change in Uganda's state of well-being. Among other things, a relatively stable exchange rate and conducive investment climate have been created, annual inflation has reduced (from triple to single digits), GDP growth has averaged 6 percent per annum for nearly a decade, and the number of Ugandans living in absolute poverty has reduced from 56 percent in 1992 to 35 percent in 2000...There is evidence of increased efficiency and effectiveness in some Government operations. For instance, releases from Ministry of Finance, Planning and Economic Development are made on timely basis, provided accountabilities are made on time (which they increasingly are), and this has enabled most public servants to be paid by the 28th of every month. The long running problem of domestic arrears has largely been contained through the Commitment Control System, which requires accounting officers to remain within budgeted allocations. It is now possible to apply for and obtain a passport in five days or less. The capacity of local government has also improved greatly in some important respects from what it was seven years ago: all local governments now make three-year rolling development plans, and the majority produce audited final accounts...There is visible evidence of mission statements, performance plans and performance targets in offices...wherever the Consultants visited, they found vibrant, responsive, enthusiastic, committed and technically knowledgeable public servants in their areas of specialisation. At local government level, there are visible signs of improved service delivery: roads are better, health service centres are operational and extension workers are in place... Consultants were told that (due to increase in salaries and pension) teachers who had joined private schools are returning to the Public Service in big numbers (Crown Agents et al³⁸, 2001:19-20).

4.0 Introduction

The above overview aptly summarises the state of affairs in Uganda to which the PSRP has contributed. However, this is a 'tilted' portrayal of issues as will be revealed later in the chapter. This chapter presents the findings of this study with regard to the direct impact of rightsizing, pay reform and ROM on Uganda's Public Service and consequently on public service delivery.

The organisation of this chapter is as follows: the first section outlines the highlights of the baseline SDS. I deemed this necessary because some of the service delivery indicators (mainly cited from the Second National Integrity Survey - SNIS) supporting this evaluation were based on these baseline surveys. The second section is the presentation of the findings regarding the impact of rightsizing, pay reform and

³⁸ Crown Agents, UMI and Development Consultants Limited were contracted by the MPS to carry out a review of the PSRP in 2001.

ROM on morale, corruption, moonlighting, absenteeism and employment turn-over and consequently on public service delivery in Uganda.

Overview

For an evaluation of this nature, there is always need to establish the state of affairs prior to the introduction of the reforms to enable effective assessment of the impacts of the intervention program by the time of the review. For instance, quantitative data relating to the key criteria by which we intend to judge the reform, for example service quality; an equally accurate description of the state of the world after the reform; and ability to predict what the state of the world would have been if no reform had taken place (Pollitt and Bouckaert, 2003:15). However, as international practice has shown, no such smart analyses have been done even in the most advanced NPM or public sector reform implementing countries like New Zealand, Britain and the whole lot of OECD countries Halligan (1997:27). Nonetheless, evaluations have been carried out to justify continued implementation of these reforms and be able to address the shortcomings of the reform initiatives. In the case of this study, chapters one and three presented the poor state of public service delivery prior to the launch of the PSRP.

The only conscious effort to gather quantitative data with the intention to use it to evaluate the PSRP was the baseline Service Delivery Survey (SDS) carried out prior to the introduction of ROM in 1995. 'Its aim was to gather baseline data on key services that could form the basis for producing performance criteria and to build evaluative capacities within central and local government' (CIETinternational, 1996:4). Another baseline SDS³⁹ was carried in 2000: the National Service Delivery Survey (NSDS). The Inspectorate of government (normally referred to as IGG - Inspector General of Government)⁴⁰ also carried out a baseline survey (the First National Integrity Survey) in 1998 to form the basis for future monitoring of the impact of its efforts in fighting corruption.

³⁹ One wonders why the MPS chose to carry out two baseline SDS and has really never carried out a later SDS to measure the impact of the PSRP so far made.

⁴⁰ The Inspectorate of Government was created in 1986 and its status formalized by Statute 2 of 1988. It became a constitutional office under the 1995 Constitution of the Republic of Uganda with the mandate of working towards the elimination of corruption. It has powers to investigate, arrest or cause the arrest and prosecution of individuals found to be involved in corrupt practices. The IGG plays the role of Ombudsman in the GOU structure.

On the other hand, this study established that only one study aimed at assessing the level of public service delivery has been carried out by government, and that is the IGG's Second National Integrity Survey 2002 (SNIS) which was based on the baseline survey, the First National Integrity Survey. These surveys, the background information in chapters one and three, documentary evidence and information obtained from this study's key informants are the basis for the evaluation of the impact of rightsizing, pay reform and introduction of ROM reported in this study.

This study recognises the fact that outcomes are normally hard to attribute to particular programs as Pollitt and Bouckaert (2003:16) wrote: 'essentially final impacts are difficult both to measure and to attribute to particular causes'. However those variables that directly correlate to rightsizing, pay reform and ROM were consciously targeted and analysed. However, the study still acknowledges the shortcomings of attributing particular outcomes to particular interventions.

4.1 Baseline Service Delivery Surveys

4.1.1 Baseline Service Delivery Survey 1996

In this only pre-PSRP component baseline survey (carried out in 1995 prior to the introduction of ROM), only a few services were considered and these were health, agricultural extension and customs services, which covered 5,564 households; district administrations; and medium and large businesses. The key findings of the survey are outlined below (an analysis is made alongside this presentation):

In assessing the quality of health services, the following indicators were considered: proportion of visits to the service centres that found the health worker available, proportion of visits when the patient had to wait for more than three hours to be seen; and proportion of visits when drugs or other materials needed for treatment were available. The findings were that a health worker was available in 96 percent of the health units surveyed, 8 percent of the respondents said they had to wait for longer than three hours and that all drugs were available in 80 percent of the visits to health units. Asked to rate government health services, 38 percent thought it was good, 22 percent average (neither good nor bad) and 22 percent considered it bad.

The results on health service rating contrast negatively with the results based on the performance indicators. This illustrates that performance indicators can be misleading: while health service measurement indicators seemed to have done well, the perception of the service being poor as portrayed by the respondents' responses deviates from the good picture portrayed by the results against the performance indicators. Thus, this survey found that health service delivery was not rated well. The major problems identified with the service were lack of drugs and poor access to facilities. Patients for instance reported that they had to pay for drugs that were meant to be free including consultation charges.

One striking recommendation from the patients in this baseline survey was that there was need to improve on the salaries of the health workers so they don't have to charge them for services. Health workers interviewed complained of poor salaries while District Medical Officers complained of insufficient staffing levels, poor staff salaries and low staff morale. This is despite the fact that during this particular year, the MPS was reporting having been able to increase salaries by over 100 percent (moreover health workers were on a special pay enhancement program) and had realised massive reductions in the size of the public service.

Regarding agricultural extension, 11 percent of the households reported having ever had a visit from an agricultural extension worker. All information was available in 80 percent of the visits and the extension worker rarely requested for payment. The main complaint about the service was that it was simply not available. Agricultural Extension workers also complained of poor pay and District Extension Co-ordinators complained of understaffing in terms of numbers.

Out of 27 questionnaires returned from business firms, 30 percent rated the customs service as bad, 44 percent as adequate and 26 percent as good. The mean delay between goods arriving in the country and taking possession was 32 days and there was admission of payment to induce customs officials (although this payment could have been that made to clearing agents). The main causes of delay were attributed to paperwork and bureaucracy (61 percent), corruption (15 percent) and too few customs staff (7 percent) among others.

The baseline survey may have been narrow in terms of the surveyed public services; nonetheless, it provides a form of quantitative data on major public services and thus is no mean base for evaluation studies. Secondly, although this baseline survey was to be used in evaluation of implementation of ROM, it also had critical indicators for both the rightsizing and pay reform programs which this study found helpful.

4.1.2 First National Integrity Survey 1998

The IGG's First National Integrity Survey 1998 (FNIS) is a firmer baseline survey because considerable comparison were done with the SNIS⁴¹ 2002. Both the FNIS and SNIS assessed service delivery and corruption levels in Uganda's public service. Indeed, this chapter heavily draws its quantitative data on corruption and public service delivery in Uganda as of 2003 on the SNIS.

No attempt to summarise the results of the First National Integrity Survey will be made since a comparative analysis with the SNIS was done as will be used in this chapter's sections on evaluation of corruption and service delivery.

4.2 Impact of Rightsizing, Pay Reform and introduction of ROM

4.2.1 Impact of Rightsizing

Generally, rightsizing has had little positive direct impact on public service delivery. The results of the baseline survey prior to the introduction of ROM presented in 4.1.1 above indicated that in all three surveyed services (health, agricultural extension and customs), managers complained of understaffing as the constraint to service delivery. Moreover, it is during this period (1996) that the MPS was hailing itself of having succeeded in reducing the public service size by over 50 percent (from 320,000 in 1990 to less than 150,000). But as revealed by a key informant of this study, the MPS is now under pressure from government ministries/departments to restructure their establishments in a bid to increasing manpower. It is not uncommon to find ministerial performance reports attributing failure to achieve certain targets to shortage of manpower.

⁴¹ The survey was carried out in 12,190 households in 55 of 56 districts of Uganda; in 480 public sector and 618 private sector interviews in 8 major towns and 16 rural sub counties; and 190 participatory community appraisals.

In a survey carried out in 2000 under the auspices of the World Bank, it was found that despite government policy for each health centre III⁴² to be managed by a clinical officer, many facilities operate either without a doctor or clinical officer with almost 10 percent of the surveyed facilities having only non-medical staff (Lindelow et al, 2003:14). This is no indication that rightsizing reduced technical capacity but that there is still a shortage of skilled personnel in government facilities despite efforts to recruit personnel in the PPAs.

Secondly, the downsizing/rightsizing program has been criticised for having retained the 'deadwood': three out of ten respondents of this study intimated this, although no documentary sources consulted have highlighted this critical issue. The rightsizing/downsizing program seems to have laid more emphasis on the numerous group employees whose direct impact on service delivery is negligible; yet it claimed to have also targeted poor performers thus the reason for such comments like 'the program left behind a lot of deadwood!' This explains why performance in the public service remained the same (no remarkable improvement or decline) even after retrenchment as revealed by a key informant in this study.

However, the massive recruitment in education, health and agricultural extension to improve capacity for service delivery could alleviate this problem if marched with better remuneration. But one wonders how government will ever increase remuneration of public servants given that the size is back to what it was prior to downsizing when it failed to do so when the workforce had been reduced by fifty percent. This issue has been addressed by a study on cost efficiency and effectiveness in the utilisation of human resources in the key social sectors of education, health, agriculture, water and sanitation, and community development carried out to guide policy formulation on recruitment (MPS, 2003:35). What remains to be seen is whether the recommendations of this study will meet both will and funds so as to balance optimum manpower and adequate remuneration for enhanced public service delivery.

⁴² Health Centre III implies that they fall under the jurisdiction of Sub Counties (LCIII).

Indeed, one respondent, a senior official in the MPS said that although to improve services there is need to have enough personnel, given the budget constraints that cannot sustain a high wage bill, 'there must be a time when you have to stop increasing numbers and concentrate on improving pay' for there has to be a balance given the limited resources and the ever-increasing demand for governments to deliver ample and quality services to their citizens. There is no point in having sufficient staff numbers who cannot deliver an ounce of a service due to very low morale arising from poor remuneration.

The only positive outcome of downsizing/rightsizing as revealed by a key informant and some studies done on the impact of retrenchment seems to be the psychological effect on public servants. The 'surviving' public servants are said to be keen on ensuring that they perform (or be seen to be high performers) so that they are not targets of future retrenchment exercises.

4.2.2 Impact of Pay Reform

As indicated in chapter three, real pay increased but has failed to match with the 'basic cost of living'. Thus, the anticipated outcomes have been minimally achieved. The expected outcomes were: ability of government to attract and retain motivated and incorrupt staff and to eliminate moonlighting and absenteeism. The slow pace of pay reform has been exacerbated by further recruitments for the PPAs. Recent threats by medical workers and Makerere University academic and support staff to strike over poor pay illustrate the gravity of the problem⁴³.

However, the current pay levels are appreciated in some circles as relatively good and moreover timely when compared to the situation during the 1970s and 1980s.

⁴³ Read 'Museveni stops Medical strike', *The Monitor* 14th April 2004; 'Don't Break Pact: M7 Urges Medics' *The New Vision*, 14th April 2004; Museveni Reinstates Medics' Salaries, *The New Vision*, 15th April 2004; Medics to get Shs. 37 billion, *The New Vision*, 16th April 2004; 'Lecturers ignore Museveni's plea' *The Monitor*, 14th April 2004; 'Makerere in yet another crisis' *The Monitor*, 14th – 21st April 2004; 'Makerere Academic Staff Return To Lecture Rooms' *The New Vision* 15th April 2004. All articles are appended in *Annex 2* of this thesis. Both *The Monitor* and *The New Vision* are Ugandan daily newspapers.

4.2.2.1 Impact of Pay Reform on Morale and Performance in the Public Service

The findings of the study reveal that the morale of public servants has somewhat been improved by the modest increments in pay; for although the pay is still considered low, it is not that bad when compared with what was being paid in the late 1980s and early 1990s. The Pay Reform Strategy (PRS) has given hope to the public servants in these last three years of its implementation. The other important motivating factors that compensate for the still relatively low pay are: allowances earned on attending various workshops and meetings especially when out of duty station; lunch allowance and mileage claims to those entitled to such allowances (the lunch allowance is particularly considered critical by the Medical workers); training including specialised and professional qualifications, undergraduate and postgraduate studies; travel both inland and abroad on various government assignments and training; sufficient leave from work (sick, maternity, study, annual) which are a rare 'treat' in the private sector; job security; and the incentive of opportunities to materially benefit through corrupt practices: a tendency embedded in many applicants for public sector employment.

The above incentives explain why, apart from the high unemployment levels in the country, the low pay has not led to a high employment turn over in the public service and have contributed greatly to improved morale in the public service more than pay enhancement has been able to achieve.

As regards performance, the SNIS found that 70 percent of the public officers interviewed said that low salaries paid to them affect their performance negatively (IGG 2003:106). Surprisingly the survey had targeted those in the U1 and U2 scales who currently earn between USD 400 and 600 per month. This indicates that for enhanced performance, the pay reform program needs to emphasize pay enhancement (there is need to pay at least 80 percent of the remuneration for comparable jobs in the private sector).

4.2.2.2 Impact of Pay Reform on Employment turn over in the Public Service

There is considerable loss of skilled personnel although this is countered by continuous recruitment of new personnel who get the free government training and then leave for 'greener pastures'. A respondent intimated that many officers who had

recently acquired postgraduate qualifications had recently left the MPS for much better paying jobs in other sectors and the diaspora. Loss of skilled staff is envisaged if the pay does not improve moreover government is investing a lot of money in training personnel. For instance, government recently embarked on training all Accountants to acquire professional accounting skills by enrolling them for the Association of Certified Chartered Accountants (ACCA) courses under the second Economic and Financial Management Project (EFMP II). However, a Treasury official I talked to seemed weary of the fact that if government does not improve pay, it is bound to lose all this skilled manpower to the private sector adding that those that remain will only do so due to incentives for corruption and failure to find alternative employment. A top official in the MPS also confided they were certain that officers are not leaving the public service due to failure to find better remunerated employment as they observed that hope for better pay has been lost.

However, there is also evidence that government remuneration is better in the health and education sectors moreover government remains the biggest and better (in terms of pay and other incentives already outlined in 4.2.2.1 above) and at times only employer of many professions like agricultural science, forestry, and other natural sciences. For instance in a World Bank survey, it was found that staff in government facilities are on average better paid than staff in private facilities. When lunch allowance is added, the difference is even more pronounced (Lindelov et al, 2003:18 and 36). Therefore, although pay reform had a slow start and has only picked up in the last 2-3 years, its impact in attracting the necessary manpower is beginning to yield positive results. As was highlighted in this chapter's opening quote, teachers are said to be rushing to enrol in public schools. However, this rush should not be taken for granted as a consequence of enhanced pay only, for it could be due to other conditions like job security and the ability to take on part-time jobs due to the laxity that still remains in the public service with regard to strict adherence to working hours.

There is no quantitative data on the current public service employment turn over, and there thus seems to be contradictory views on the amount and nature of staff turn over resulting from inadequate remuneration. While some sources indicated that there was high staff turn over, other views were to the contrary.

4.2.2.3 Impact of Pay Reform on Moonlighting and Absenteeism in the Public Service

Absenteeism in the public service has reduced considerably but moonlighting continues to be a fact of life for public servants who need to augment their incomes especially if they are not able to augment the incomes by illicit means in the course of their duties. This study did not measure the current levels of moonlighting but available evidence reveals that public officers have to seek out alternative means of augmenting their incomes though not necessarily at the expense of their jobs as they are weary of being retrenched if they overdo it. For instance, asked to comment on morale in the public service, one respondent answered *'when you see people reporting everyday and for the whole day ... that never used to happen'*. However, this same respondent thought that there was still need to improve time management in the local government service centres.

Commenting on the recent aborted strike of the medical personnel, the President of Uganda Medical Association, Dr. Mungherera said that if Doctors and other health workers were better remunerated, the mortality rates would go down because the workers would concentrate on their work instead of *'running around to make ends meet'*.

The above scenarios indicate that although moonlighting and absenteeism have been reduced considerably, the low pay levels are still hindering their total disappearance from the public service, as public servants have to augment their incomes through these two means.

4.2.2.4 Impact of Pay Reform on Corruption

Reports of corruption have continued to dominate the public service despite the numerous government efforts to fight it by among others enhancing pay. The study found that there was little impact of pay reform on corruption in Uganda. In fact, most Key Informants and likewise documentary evidence indicated that there exists a limited relationship between pay levels in the public service and the corruption that is taking place therein. The argument was that those earning relatively better salaries in the public service happen to be the ones engaged in corruption involving large sums of money while those at the lower echelons of the public service that earn much lower

salaries engage in petty corruption just as a means of survival: 'running around to make ends meet'. One of the key informants put it this way:

'Corruption is now a cancer. Much as we earn so little, my experience is that corruption is at the highest levels where the earnings are high but for the majority of the civil servants, its actually survival (petty corruption to top up salaries for survival-added for emphasis)'.

Another key informant said:

'Corruption is a broad and complex concept. One single factor cannot increase or decrease it. Whereas poor pay is a reason, some people are just greedy regardless of pay such that even if one earns one million shillings, he will still want another through illicit means'.

However, there was also another general view that corruption cannot be fought without addressing the causes and the major cause that was identified was poor pay but added that enhanced pay was not the only solution: *'Its not only pay, because those who are paid well like the lawyers have not delivered satisfactorily'* (Key Informant).

The foregoing analysis is also backed by some of the SNIS findings. The SNIS (IGG 2003:17) indicates that there has been a reduction in bribery (the most common form of corruption in the public service) over the last four years (1998-2002). For instance it was found that bribery in the Police had reduced from 63 to 46 percent; from 40 to 31 percent in Uganda Revenue Authority (URA); from 50 to 29 percent in the Magistrate Courts; and from 39 to 16 percent in local governments. With regard to the perception of the survey respondents on overall corruption, the survey reported that corruption was highest in Police at 46.3 percent; Traffic Police at 22 percent; Health Units at 31.9 percent; Magistrates' Courts at 17 percent; URA at 15 percent; Primary Schools at 12 percent and Education Departments at 8.1 percent (IGG 2003:50).

The SNIS further found that there was an attitude of sympathy towards those who augment meagre wages with small bribes while the misuse of official resources such as vehicles for private purposes is seen as the norm rather than a breach of regulations

(IGG, 2003:18). According to those interviewed during the SNIS, corruption is due to the continuing inadequacy of salaries exacerbated by the relatively generous remunerations paid to the select few in the public service. It was found that that 51 percent of the respondents were of the view that corruption is due to poor remuneration while the other causes cited by 49 percent of the respondents was lack of effective system for punishing corrupt officials and 39 percent thought that it was due to poor investigation of cases and poor records management (IGG 2003:50).

However, the SNIS respondents added that corruption involving millions of shillings is not done because of poverty (arising out of poor pay) but greed: 'Government officials are greedy and expect a lot from the posts they hold. They have the necessities but still want more' (IGG, 2003: 62 - 63). The SNIS revealed that although corruption levels had reduced, there were still a number of corrupt practices that are notorious, which impede good service delivery. The notorious practices were identified as: unofficial charges in health units, sub-standard work on construction of public infrastructure due to receipt of bribes from contractors, bribery in Police for things ranging from release from cells to overlooking traffic offences (IGG, 2003:106)⁴⁴.

In the health sector, informal activities practices include: mismanagement of drug supply (few of the drugs supplied to health units are prescribed and issued there) with a total leakage of 76 percent; informal charging of patients normally between five and ten times more than the normal charge; misappropriation of formal user charges where up to 77 percent of what is collected is never recorded as having been legitimately spent; offering of treatment in health workers' homes; ownership of clinics and drug shops; and part time work (moonlighting). These conditions reduce the quality and accessibility of services at public health facilities. Utilisation levels are low reflecting the lack of public confidence in the services offered by the units with only a handful out of the expected staff managing these units and only for a fraction of the expected working week (McPake et al, 1999:851 and 861).

⁴⁴ Recent cases indicating ongoing corruption in the public service as reported by the media include: 'Pension cheques lost' *The New Vision*, 11th May 2004; 'Probe Ghost Pupils – Museveni' *The New Vision*, 10th May 2004; 'URA Staff arrested over bribe' *The New Vision*, 17th May 2004. Full articles are appended in *Annex 2*.

McPake et al (1999:862) also discovered that staff morale was mixed: in some cases it is high but perceived to be a result of freedom to pursue private business activities and thus do not produce better inter-personal treatment of patients in some units while in other cases, morale is low (probably because the freedom to moonlight is inhibited by a more serious supervisor) and inter-personal relations with patients were found to be with only those patients willing to make higher levels of informal payment.

It is worth noting that these are all indications of gaps in the current level of service delivery and not by any standards an indication of deterioration of service delivery as that would not be true. By all standards, the state of service delivery however bad it may be is better than it ever was in the late 1970s and early 1980s.

However, as one respondent in this study put it, the perceived high levels of corruption could be because of increased transparency in government operations such that the public knows exactly what is available thus when officers divert resources, the public is in position to identify this diversion and secondly, the publicity that corruption cases receive. The latter is particularly true in the case of Uganda's corruption ratings in the international arena. The publicity of corruption in the country has made it appear like Ugandans are very corrupt and Transparency International (TI) has made a field day of it that it always ranks Uganda among the top ten most corrupt countries in the world. It is not this study's intention to dispute TI's results, but to highlight that Uganda's corruption international rankings could be due to the publicity of its cases on the domestic scene. In 2002 for instance, TI reported that Uganda had fallen from the third to the ninth most corrupt country in the world - corruption fighting agencies congratulated themselves on this achievement (DEI, 2002)! The World Economic Forum also recently ranked Uganda the 7th corrupt country in a survey of 21 African countries (World Economic Forum, 2003). Regardless of whether these rankings were accurate or not, there is an indication that a lot still needs to be done to reduce/eliminate corruption and since low pay appears high on the causes of corruption; there is need for more commitment from the government to improve remuneration of its public servants.

4.2.3 Impact of Introduction of ROM in the Public Service

According to Crown Agents et al (2001:38), the introduction of ROM in ministries and local governments has changed the attitude of civil servants as they are now geared to achieving results. This particular observation was also made by several of the key informants of this study.

However, as deduced from the information gathered from the interviews during this study, the actual application of ROM principles is still low. The major problems of implementation of ROM advanced include: the failure to introduce ROM concurrently with OOB; the abstract nature of ROM to the public servants who look at it as a separate project (one respondent pointed out that it is not rare to find things like ROM reports or ministries that have a particular ROM focal point who handles ROM issues such that ROM is considered a preserve of that person); thirdly, adherence to ROM principles requires a lot of effort in terms of time and thinking which public servants cannot yet put in given the low levels of incentives especially pay.

There is a general problem of failure to set individual targets. This has affected the implementation of the new participatory staff appraisal scheme introduced in 2002 as it heavily relies on ability of appraisers and appraisees to set targets. Indeed this study's key informants and the PSRP report for the financial year 2002/03 acknowledge this fact.

4.2.4 Overall Impact of Rightsizing, Pay Reform and ROM on Public Service Delivery

This section is a review of several surveys assessing the general attitude of Ugandans towards public service delivery. Although the changes in service delivery could be attributed to a variety of other public sector reforms currently being implemented, the survey aspects that directly targeted personnel on whom this study's reform initiatives should have had an effect in the way they carry out their duties were analysed.

The results of the SNIS indicate that there is general satisfaction with improvement in specific services: health, education and agriculture by over 75 percent of the survey respondents and dissatisfaction with Police and Magistrates' courts (50 percent of the

respondents) (IGG 2003: 48). These results are only an implication of improvement and not satisfaction with the quality and quantity of public services.

Pay Reform has the biggest bearing on service delivery as most shortcomings of service delivery are attributed to corruption whose causes are attributed to inadequate pay of public servants. Therefore, this study finds that the impact of pay reform on service delivery has only been minimal. Downsizing/Rightsizing/'Upsizing' as earlier indicated had mainly a positive psychological impact on public servants while ROM though to a limited extent has also positively impacted on service delivery due to the change in attitude to work towards results.

A closer look at for instance social sector services, it was observed that despite the massive recruitments, there are still reports of understaffing. For instance, the pupil to teacher ratio is reported at 300:1 in public schools despite GOU's policy target of 55:1. Nonetheless, the respondents of the SNIS still thought that primary school education was fairly satisfactory (57 percent said the school buildings were okay; 45 percent said the school facilities were okay; and 44 percent said the teaching was okay). Improvement in the last four years was ranked at 80 percent for school buildings, 74 percent for school facilities and 69 percent for good teaching (IGG, 2003:70).

With regard to the health sector, 50 percent of the SNIS respondents rated the quality of medical staff and treatment as good; 30 percent thought it was fair while 10 thought it was poor (IGG, 2003:75). This is an improvement when compared to the baseline survey of 1995 carried out prior to the introduction of ROM. The SNIS revealed that 63 percent of the respondents thought there had been improvement in government health services in the past four years while 37.3 percent thought it had not improved. Those who said that there was no improvement in the health services complained of demand for payment for what should be free and the manner in which medical staff handle patients (rude and uncaring which they said was getting worse). Below is an excerpt of a participatory rural appraisal response on medical personnel:

Medical staff are not courteous towards patients. Very sick and helpless patients are ignored and left in corridors if they do not have money. There is no medicine in the

hospital and getting treatment is a long bureaucratic process. A doctor visits the health centre only twice a week and when he does, he only sees as few as five patients. The doctors work in so many clinics that they have no time for us (IGG, 2003:74-75).

In a World Bank survey based on exit poll at health facilities, it was found that 96 percent of the respondents had received friendly service; 65 per cent had information on ailment; 93 percent had advice on medication; 80 percent had got prompt attention and 40 percent had information on charges. However, the survey further revealed that most respondents would have preferred to attend private facilities and had only attended the government ones due to their proximity (Lindelov et al, 2003:34 and 36) an indication that government still has more work to do with regard to the quantity and quality of its services but that the improvement is notable.

The above findings of Lindelov et al deviate from those of the SNIS that found respondents' rating of satisfaction with health services at about 60-70 percent. The actual measurement of service delivery was beyond the scope of this study but we think that there is need to investigate the reasons for this disparity in quantitative data carried out in the same period on the same service moreover in the same constituencies (both surveys were carried out in rural health facilities).

In yet another study, general trends in service delivery were rated at 63 percent of the respondents as having improved, 14 percent said it had not changed while 20 percent said it had deteriorated. This is similar to the SNIS findings. 'Consultants observed that many public servants were busy on station and demonstrated commitment to their work with some of them working up to late and on weekends (Crown Agents et al, 2001:79)'.
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Comparing the SNIS to the baseline survey (First National Integrity Survey), it was found that speed and courtesy in the public service has seriously declined with respect to those services that were surveyed as illustrated in *Table 7* below. But as earlier indicated bribery (the incentive to offer services) has reduced due to the risks of taking bribes and this could be the reason for the decline in speed and courtesy. Absenteeism and negligence could have taken over when incentives for corruption reduced coupled with the diminishing hope for a 'living wage'.

Table 7: Satisfaction with Speed and Courtesy in the Public Service

	Baseline (1998) Speed %	SNIS (2003) Speed %	Baseline (1998) Courtesy %	SNIS (2003) Courtesy %
Health	65	26	67	31
Police	36	20	34	21
Local Government	53	29	52	32.5
Judiciary	36	23	42	27
Education	-	33	-	31
URA	46	-	40	-

Source: Second National Integrity Survey, 2003:83

Views on public service delivery generally amongst this study's key informants were mixed: from strong opinion that there has not been any improvement in service delivery to acknowledgement of major improvements in public service delivery. Some thought that prior to the 1990s, there was a lot of mess in the public service and therefore thought that there was general improvement in the operation of the public service but that there is now need to focus on performance while others (though very few) thought that public service delivery had not improved at all.

This chapter has presented the findings of the objective aimed at evaluating the impact of rightsizing, pay reform and ROM on the public service. Various facets have been individually looked at: for instance the impact of pay reform on various aspects of the public service like employment turnover, morale, absenteeism and moonlighting have been analysed. The overall impact of these three reform initiatives on service delivery has also been presented.

Chapter 5: Conclusion

5.0 Introduction

This study set out to first of all establish the underlying reasons for Uganda's PSRP. This was done and the results are clearly laid out in chapter one and the detailed findings are in chapter three. The second objective was to establish how rightsizing, pay reform and ROM have been implemented. The results have been presented in chapter three. The third objective was to evaluate the impact of rightsizing, pay reform and ROM on the public service and consequently service delivery. The results have been presented in chapter four.

The general observation and conclusion of this study was that rightsizing and pay reform have only been successful in as far as achieving structural outputs is concerned while introduction of ROM has not been as effective (there is little evidence of full adherence to its principles within the public service; even the complimentary open performance appraisal system is failing to take off). The study finds that the overall impact of rightsizing, pay reform and ROM on service delivery has only been modest but commendable given the near non performance of the public service prior to the introduction of these reforms.

5.1 Rightsizing

Rightsizing/downsizing was important in that it helped get rid of the unnecessarily big numbers of group employees and though limited in number, the seriously non-performing technical/skilled staff, and 'ghost workers'. Rightsizing/Downsizing also helped get rid of the mentality in the civil service that regardless of how careless and undisciplined one was, they cannot be got rid of.

The rightsizing program's focus now is on ensuring that there are optimum numbers of public servants necessary for service delivery. However, it is important that the MPS sticks to the strict establishment control measures that have been developed to avoid future downsizing efforts as they are costly not only financially but also socially, psychologically and politically as McCourt (1998) quoting Fowler (1993) writes: 'organisations should try to instil a policy of establishment control so that they

do not have to downsize when it becomes unmanageable'. Otherwise, government will find itself in a vicious cycle of downsizing and '*upsizing*'.

5.2 Pay Reform

Although the increases in pay have been considerable, they have not had a significant impact on morale, moonlighting, absenteeism, corruption and the desired level of service delivery as they do not mark up to the standard of living (the benchmark salaries here being those of the private sector for which government has only managed to meet by only 40 percent or even lower). Large increases in wages will be required to reduce let alone eradicate corruption if policies to increase transparency and accountability in the civil service are to yield the desired impact. The risk of losing a job when found corrupt should also be made high if increase in pay is to have a considerable effect on reducing corruption. These views arise from Van Rijckeghem and Weder's empirical study (2000:308-309) based on two models of the relationship between wages and corruption: the 'fair wage view' and the 'shirking view'. In fair wage model, civil service wages are important determinants of corruption, whereas under the shirking model, civil service wages may have to be raised to very high levels to eradicate corruption.

5.3 Results Oriented Management

ROM has only helped introduce an attitude of working towards achieving results. This is no mean start only that as pointed out by nearly all the key informants there is need for the MPS to intensify on its implementation otherwise ROM is bound to be *buried faster than it was introduced*. Critical is the need to fully integrate budgeting and organisational/individual performance appraisal in ROM as well as ensuring that efficiency studies are carried out from time to time. There is also need to publish service standards, which public servants can adhere to. This acts as a contract between public service providers and recipients, as one MPS key informant observed: '*when the customers are aware of their rights, we are kept on our toes, you saw that gentleman that was here before this interview how he was demanding to be attended to fast enough*'.

All in all, Uganda's public service delivery standards as illustrated by survey results, are gradually improving as one respondent said: '*we could say that we are mid point to our destination*' and the MPS has played a big role. As the MPS has also acknowledged, the reforms have been incremental rather than transformational in nature and MPS' intention now is to focus on performance management, remuneration and cost management in the Public Service Reform Strategy 2004-2007⁴⁵.

This evaluation study has revealed that the Government of Uganda's main challenge as regards its public service is corruption and although increasing remuneration is not necessarily the only solution to curbing it, there is still dire need for pay enhancement in order to improve the morale of public servants. Another important area of emphasis should be to put in place a sustainable and comprehensive performance management system if service delivery is to reach the desired levels appreciable by the public. These two should thus remain GOU's main priorities: pay reform and performance management.

With regard to the size of the public service, although there have been increases contrary to what the donor community would have loved to witness, we think that this increase indicates the service delivery needs and we think that the GOU has been cautious at ensuring that the size remains in check and could be commended on this.

⁴⁵ However, from reliable sources, this strategy is still failing to take off due to unavailability of funds. Hopefully the 2004/2005 budget (to be read in a few days time-mid June 2004) will provide resources for the launch and implementation of this strategy.

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University of Cape Town

Appendices

Annex 1: Key Informants

S/No.	Name	Position	Organization
1	Prof. J C Munene	Professor	Makerere University Business School
2	Mr. Benon Beyunga	Principal Personnel Officer	Ministry of Finance, Planning and Economic Development
3	Mr. Stephen Niyonzima	Principal Personnel Officer/Compensations Unit	Ministry of Public Service
4	Ms. Deborah Katuramu	Director/Administrative Reform Secretariat	Ministry of Public Service
5	Mr. Giboyi Wajambuka	Principal Personnel Officer/Central ROM Unit	Ministry of Public Service
6	Mr. Godwin Kakama	Principal Economist/Budget Policy and Evaluation (Pay/Pensions Issues)	Ministry of Finance, Planning and Economic Development
7	Mr. Mont Ogwang	Assistant Commissioner/Infrastructure and Social Services Department (ROM Facilitator)	Ministry of Finance, Planning and Economic Development
8	Ms. Catherine Tumusiime	Senior Personnel Officer	Ministry of Health
9	Dr. John Kiyaga Nsubuga	Acting Director	Uganda Management Institute
10	Ms. Goretti Sendyona	Assistant Commissioner/Human Resource Department (Remuneration Issues)	Ministry of Public Service

Annex 2: Media Reports on Medical and Lecturer's impending strikes over pay

<p>Museveni stops medical strike By Wossita Samuel & Mwanguhya Charles Mpagi April 14, 2004</p> <p>KAMPALA – The Medical Worker's Union called off a national strike that had been scheduled to begin last night, after President Museveni intervened.</p> <p>Union chairman, Apolo Nyangasi, told The Monitor that the President telephoned him last evening and promised to meet the union members today at 10 a.m.</p> <p>He just called me on my telephone, we shall meet him tomorrow, maybe at State House," Nyangasi said yesterday.</p> <p>For now the strike has been postponed," he added.</p> <p>A statement signed by Nyangasi and Health minister, Brig. Jim Muhwezi later confirmed that the strike has been postponed "until further notice."</p> <p>Earlier, the medical workers had announced a national strike with an appeal to people with patients to get them out of government hospitals by midnight.</p> <p>Earlier in the day, President Museveni had made a passionate appeal to the medical workers not to lay down their tools.</p> <p>"There is no reason why they should strike; if they strike, they will have broken enaama (promise) which we agreed with these health workers," Mr Museveni said at the International Conference Centre.</p> <p>The President made the plea while trying to persuade Makerere University lecturers, striking over low pay, to call off their own strike.</p> <p>The medics accuse the Ministry of Public Service of failing to honour the salary increments the President promised them last year.</p> <p>The medics had planned a strike late last year but called it off after they met Museveni.</p> <p>Mr Charles Okiria, the officer in charge of the Uganda Medical and Allied Workers Union's disputes desk, addressed the workers at the Workshop Yard at Mulago hospital yesterday.</p> <p>He called upon Ugandans to get their patients out of government hospitals and relocate them to private ones and clinics.</p> <p>He said that health workers have been forced to abandon work.</p> <p>"Members, we have shown strong heartedness and sacrifice in the delivery of health services to the citizens but the government of the day doesn't seem to appreciate our work. So let's down our tools at the stroke of midnight," he told the excited health workers.</p> <p>A skeleton staff of two matrons from each of the 19 departments at Mulago hospital was named to work on emergencies under the supervision of consultants.</p> <p>Consultants and other senior medics are not unionised members. He advised the striking staff to stay at home and avoid being violent.</p> <p>Efforts to talk to the director of Mulago hospital proved futile. He was reportedly locked in a daylong meeting.</p> <p>http://www.monitor.co.ug/archives/2004main/apr/news/0414/news04141.php</p>	<p>Don't Break Pact, M7 Urges Medics</p>  <p>DEAL: Kezaala, Mungherera and Myers Lugemwa after the meeting</p> <p>By Vision Reporters</p> <p>PRESIDENT Yoweri Museveni yesterday asked medical doctors not to renege the December agreement reached with him and call off their strike which was to start midnight last night.</p> <p>In a crisis meeting with the Uganda Medical Association and the striking Makerere University lecturers, Museveni promised to address their grievances.</p> <p>By press time yesterday, the doctors were locked in a meeting, hours from the strike, to decide whether to heed the President's request, or go on with the strike.</p> <p>"If they go on with the strike, they will have destroyed the 'enaama' agreement we reached with them," Museveni said of the looming strike.</p> <p>"The doctors can call me... If there is anything to be solved, we shall solve it. Let us talk," Museveni said.</p> <p>He promised to address university lecturers' pay demand, also averting their strike which had gone on for a week.</p> <p>The meeting with the President at the International Conference Centre was also attended by Prime Minister and Chancellor Makerere University, Prof. Apolo Nsubambi, health minister Brig. Jim Muhwezi and Education Ministers.</p> <p>The Vice-Chancellor, Prof. John Ssebuwufu, also attended the meeting. Museveni asked the President of the Uganda Medical Workers Association, Dr. Margaret Mungherera, to discuss with her colleagues and call off the strike.</p> <p>Health workers announced that they were to start an indefinite strike midnight last night, after all negotiation avenues had been exhausted.</p> <p>"The decision is a painful one to our patients but we also need to sort out our welfare to be in the mood to offer quality medical services," the chairman of the Uganda Medical and Allied Workers Union, Dr. Apollo Nyangasi, told the media on Monday.</p> <p>Nyangasi also advised patients to seek services from private clinics until the Government addressed the medics' pay issue.</p> <p>He accused the Ministry of Public Service for failing to honour the salary increments promised them by the President.</p> <p>Those who were to go on strike include doctors, nurses, clinical officers and other support staff. According to Nyangasi, the health workers were to draw a skeleton staff to work.</p> <p>Ends Published on: Wednesday, 14th April, 2004 http://www.newvision.co.ug/detail.php?mainNewsCategoryId=8&newsCategoryId=13&newsId=353537</p>
<p>Museveni Reinstates Medics' Salaries By Anne Mugisa</p> <p>PRESIDENT Yoweri Museveni yesterday overruled the Ministry of Public Service and re-instated the salaries and allowances health workers were demanding.</p> <p>The President was surprised that the ministry had reneged on the pay he agreed on in negotiations with it, the health workers, and the health and finance ministries.</p> <p>Representatives of the health workers, the Health Service Commission and officials of the three ministries were at a meeting at State House Nakasero, yesterday.</p> <p>The health workers said the public service ignored the December agreement and secretly wrote to the Ministry of Finance and distributed the letter to chief administrative officers in the country dictating on the salaries for the health workers.</p> <p>The letter dated March 31, 2004, which sparked off the strike, was never given to the health workers' representative or brought to the attention of the President.</p>	<p>According to the chairman of the Medical Workers' Union, Apollo Nyangasi, public service dictated that a senior consultant be paid sh1.6m when the December meeting agreed on sh2.2m. The president also ordered that lunch allowance arrears from July 2003 be paid to health workers.</p> <p>Ends Published on: Thursday, 15th April, 2004 http://www.newvision.co.ug/detail.php?mainNewsCategoryId=8&newsCategoryId=13&newsId=353806</p>

Makerere Academic Staff Return To Lecture Rooms

By Fortunate Ahimbisibwe

MAKERERE University lecturers yesterday resumed teaching after receiving President Yoweri Museveni's written commitment that their salaries would be increased this financial year.

"We have received the letter and we shall go back and teach as we wait for the budget to be read. If there is nothing in the budget, we shall lay our tools down again," said Dr. Ezra Twesigomwe, the chairperson of the Makerere University Academic Staff Association, adding that lectures were going on normally.

On Tuesday, President Museveni asked the lecturers to temporarily accept the 30% increment proposed by the University Council.

"My appeal is that you give me time to coordinate all the stakeholders. I am calling upon you to suspend the strike and accept what you are offered as a temporary measure.

Then you can wait for my real package in the next financial year. I guarantee that in the next financial year, I will find a comfortable place for you," he said.

Museveni allayed their fears that they might not be considered since the budgetary process was complete.

This is an important issue. I don't care about the budget. It can be reorganised since it is not yet read. Leave that to me. It is an internal matter," he said.

Museveni said the Council should not slash down funds from wealthy faculties to top up allowances of poor departments. "If the humanities are generating money, let them keep it."

Ends</B.< p>

Published on: Thursday, 15th April, 2004

<http://www.newvision.co.ug/detail.php?mainNewsCategoryId=8&newsCategoryId=13&newsId=353815>

Lecturers ignore Museveni's plea

By Emmanuel N. Mugarura & Mwanguhya Charles Mpagi
April 14, 2004

Vow to continue with strike

KAMPALA – The academic staff at Makerere University voted yesterday to not return to the lecture rooms until government gives them written guarantees.

The lecturers, numbering about 300, voted to continue striking despite passionate pleas from President Museveni and Prime Minister Apolo Nsubambi to call off the weeklong strike.

"My appeal to you is that you suspend the strike," Mr Museveni told the lecturers during a meeting at the International Conference Centre.

The lecturers have for a week now been striking over low pay. Museveni urged the lecturers to not use "adversarial" methods to solve their problems.

"Stop this business of striking because your country is fragile," he said.

He vowed to do everything within his powers to ensure that their concerns are addressed.

Despite the President's pleas, the lecturers voted at the end of the meeting to continue with the strike.

They say they can only return to class if the President promises in writing that their demands will be met in the 2004/05 budget.

Museveni, who met the lecturers under their umbrella organisation called the Makerere University Academic Staff Association (Muasa), promised that government would give the lecturers a pay rise next financial year.

"I share your plight; what you are demanding should be in our reach and means to provide. Others like judges and politicians are getting more than what you are suggesting," the President said. Members of parliament earn over Shs 4 million a month.

He said a pay rise cannot be effected now without prior consultation with all the relevant stakeholders.

"I therefore suggest that you accept what has been offered by the [University] Council as we solve the problem," Museveni said. The Makerere University Council had offered a 30 percent salary increment on the staff's current wages.

Currently a senior lecturer earns a monthly gross salary of Shs 634, 092, which after taxes comes down to about Shs 338, 547.

The striking academics want such a don to be paid a monthly gross salary (after taxes) of at least Shs 1.8 million and other lecturers a minimum of at least Shs 930, 000.

Museveni promised to use his executive powers to see to it that the lecturers' demands are met.

"How sure are we that the President and government are committed since they have always promised us and they don't deliver," one lecturer said. "We want assurance."

Medics To Get Sh37b



By Anne Mugisa

The Government is to pay doctors and other medical workers sh37b in salary and lunch allowance arrears from July 2003.

Sh14b is lunch allowance which was secretly scrapped by the Ministry of Public Service, according to the President of the Uganda Medical Association, Dr. Margaret Mungherera (right). Mungherera said the Government was paying medical workers a total wage of sh69b a year instead of sh92.3b.

During a press briefing on Wednesday, the doctors' representatives said poor pay for health workers was costing some lives in hospitals.

They said if doctors and the other health workers were better remunerated, the mortality rates would go down because the workers would concentrate on their work instead of "running around to make ends meet". According to the doctors, the workload is too heavy for the health workers yet their families are also suffering.

They said there were 40,000 people for every

Ugandan nurse and 23,000 for a doctor.

Mungherera said there were only 50% of the required health workers and each of them works 100 hours a week as opposed to the 40 hours stipulated by the Public Service.

Ends

Published on: Friday, 16th April, 2004

<http://www.newvision.co.ug/detail.php?mainNewsCategoryId=8&newsCategoryId=13&newsId=354047>

After his speech, the president left.

Nsubambi, who also is the chancellor of Makerere, was left to negotiate a lasting solution to the problem.

"Before we leave here, we must come out with a conclusion," he told the attentive gathering.

Nsubambi also left shortly after to give the lecturers time to discuss the President's proposals.

The lecturers later unanimously voted to continue with the strike until there is a document committing government.

"Members have agreed that before they pick their tools to go back to class, they are first given a written assurance," Prof. Ezra Twesigomwe, the chairman of Muasa, told a seemingly disappointed Nsubambi.

He tried in vain to persuade the dons to go back to class. He later went along with the leaders of Muasa to prepare a document committing government.

The dons said they would resume work as soon as the document was ready.

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<http://www.monitor.co.ug/archives/2004main/apr/news/0414/news041413.php>

Makerere in yet another crisis

By *Badr D. Mulumba*
April 14 - 21, 2004

If it does not meet its lecturers' pay demands – and president Yoweri Museveni is unable to calm the lecturers' nerves – Makerere University risks a resumption of a strike on its hands.

If the pay request is approved, then Makerere, or government must find money to pay for it.

President Museveni was yesterday due to meet the lecturers over their demands for a pay rise after the dons last Tuesday evening downed their chalk, pen and paper and turned their backs to the lecture rooms upon failure by the university to meet their demands.

Holes in the pocket

But the demand by the academic staff of Makerere University for a pay rise is putting the university in a catch 22 situation.

It could stifle the university budget, bringing the total staff salaries to Shs 37.7 billion annually, according to estimates from the university.

Currently, some Shs 19 billion is spent on salaries annually. Of this, the Ministry of Public Service contributes Shs 15 billion, and the university contributes Shs 4 billion.

The new staff demands followed a Makerere University Academic Staff Association (Muasa) meeting on March 5, which cried foul that the lecturers earned less than those paid by the public service under a similar scale.

Muasa gave the university two weeks to react or else face a strike. The two weeks elapsed two weeks ago.

And the lecturers went on strike last week.

On Sunday, Dr Ezra Twesigomwe, Muasa chairman, said that they were meeting the president hopeful that the meeting would produce results. The meeting was communicated to the lecturers on Friday after preliminary talks with Prime Minister Apolo Nsibambi.

Prof. Nsibambi is also Makerere University chancellor.

MUASA groups about 1,000 lecturers.

Asked what they think Tuesday's meeting would achieve, Twesigomwe said: "That is what we are looking forward to."

The lecturers' strike came barely a week after the university survived another strike from the support staff.

The support staff strike also came after they rejected a proposed pay structure. Now, it is the lecturers' turn.

They say that a proposed pay structure is peanuts. But the university says that it is financially crippling.

"They are not happy with the salaries," said Ms Helen Kawesa, the university's public relations officer.

"For some time now, they have been asking for a pay rise. The university reviewed it [their proposal]. And the rates they are asking for are too high."

The University administration's proposed pay structure would increase salaries by 30 percent across the board.

This would bring the total annual salary expenditure to Shs 25.3 billion.

"Public universities have come together to submit a salary structure proposal to the minister to increase salaries across the board," Ms Kawesa said last week on Monday.

The University administration's salary review proposal, submitted in January, jointly covers four public universities including Mbarara University of Science and Technology, Kyambogo University and Gulu University.

The proposed salary scale was submitted to the Ministry of Public Service at the request of the ministry.

But it is not expected to come into effect until July when the new financial year starts.

Earlier on, to forestall a strike, the University Council had agreed that it would use the earnings to implement the public service pay structure this month.

In a circular to staff, the university said: "The council agreed to award, within the limited resources at its disposal, an increase on the current emoluments package to bring it in line with the Ministry of Public Service Single Spine salary structure."

But the lecturers are angry.

Angry that the public service proposal does not meet their demands even half way.

For instance, their proposal, if approved, would see a professor earn Shs 2.8 million from Shs 1.1 million.

But that same professor would earn only Shs 1.8 million, if the Public Service proposal sails through – which is short of the Muasa proposal by Shs 1 million.

The university has 48 professors and the salary raise brings their annual total package to Shs 1.06 billion from Shs 633 million.

"So basically, you can see where the difference is," said Kawesa.

"We are looking at the ministry of public service proposal. The lecturers say that is too little." Eating into allowances

And, the lecturers are angry that the university council proposes to cut allowances of lecturers who teach evening classes by 26 percent.

This is the money the council envisages to use to cater for the salary increase until June when the Ministry of Public Service would hopefully give them an increase.

This would affect allowances for staff who teach in the evenings.

"This is largely in the faculty of law, education, the humanities; it is here that you find most lecturers on the evening programme," said Kawesa.

Such a measure is expected to yield an extra Shs 1.8 billion up to the end of the financial year.

But Muasa rejected this because it sees it as an apparent trick to take away with one hand and pretend to give back with the other.

No to public service

Significantly, the public service salary scale that is apparently offering a lifeline to lecturers is however responsible for fermenting rebellion amongst the lower university workers.

For instance, while a professor's salary has been increased 60 percent, a casual worker at the salary scale M15 would have his/her salary increase only by about 10 percent from Shs 205,274 to Shs 220,090 monthly.

In fact, some low paid workers would have their salaries reduced. For instance, 1,802 workers – about half of Makerere employees – earn between Shs 124,000 to Shs 160,000.

But the university proposal would see these workers earn Shs 140,000 monthly in line with the public pay scale, costing the university Shs 3.03 billion annually.

Yet, the vice chancellor, according to the proposals, would earn Shs 2.07 million up from Shs 1.45 million.

It is this decision that made the casual workers lay down their tools last week.

The strike broke out last month with casual workers shutting down lecture halls and declining to prepare meals for students only to be called off the following day.

The calling off of the strike followed a general assembly where the executive committee of Makerere branch of the National Union of Educational Institutions reported a proposed package that would line low paid staff for pay rises.

Another 7 days to go

Even if Museveni resolves the academic staff strike, that of the casual workers hovers over the horizon next week.

According to Mr Patrick Mugenyi Apuuli, branch chairperson of the union, the university administration has accepted in principle to take up the demands made by the union on salary packages to the university council.

Consequently, the union general assembly called off the strike.

"[It was resolved] that the peaceful demonstration be suspended for 21 days to give the University Administration time to address the demands made," he said.

But the strike is not called off; it is only suspended up to April 20.

The strike would henceforth resume if there were no favourable response by that date.

To appease the casual workers, it is likely that the university will have no choice but to dig into its pockets since their demands are above what the public service would recommend.

Kawesa said that the university is not discriminating salary increments; it simply wants to bring the salaries of university employees in line with the public service scales.

For instance for Makerere's lowest paid employees, similar public service employees in that scale earn Shs 97,370 monthly.

"Their salary scales are higher than that of the civil service of similar jobs," said Kawesa. "They feel that their pay [raise] will not be proportional."

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SPOTLIGHT Pension cheques lost

PENSIONERS' cheques worth millions of shillings have disappeared from the ministry of public service under unclear circumstances, writes John Eremu.

The Criminal Investigations Department (CID) has been called to probe the cheques that disappeared after being cleared. The Police have questioned several officers in the ministry and others in the President's Office.

Sources said those from the President's Office who have recorded statements include the principal personnel officer, Jane Kulubya, the personnel officer, B. C. Kayondo and Owiny Jubu, an accounts assistant.

The police are also at a loss on how four cheques belonging to their retired colleagues vanished from Public Service.

The cheques include No. 467484 for sh2,083m in the names of Godfrey Kibwota and No. 467486 for sh2.1m in Charles Oringo's names.

Also missing are cheque Nos. 459219 worth sh2.1m and 467447 for sh2.12m in the names of Julius Oluma and Max Olega respectively. Edison Mbirungi, the in-charge serious crime at the CID headquarters, said they were handling the issue.

He said a retired Police officer from Sironko and an official from the Ministry of Public Service were arrested as part of a racket that was allegedly embezzling funds using forged discharge certificates. Mbirungi declined to disclose the names of the suspects for fear of jeopardising investigations.

Charles Maniraguha, the detective probing the fraud was reported up-country. The PS, Jimmy Lwamafa, reportedly queried the second cheque because it did not have accompanying letters from the medical board.

Ends

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<http://www.newvision.co.ug/detail.php?mainNewsCategoryId=&newsCategoryId=13&newsId=359356>

URA staff arrested over bribe

By Steven Candia

THREE Uganda Revenue Authority (URA) employees, among them a top revenue officer, were arrested on Friday while allegedly receiving a sh3m bribe.

Peter Ssozi, a principal revenue officer, Agnes Kimeze and Rita Mukagatane, from the audit department, were arrested on Friday afternoon in by the anti-fraud unit.

The director of the Criminal Investigation Department (CID), Elizabeth Kuteesa, yesterday said the suspects were allegedly receiving a sh1m bribe each from a Sri Lankan investor.

Sources said the suspects were whisked to CID headquarters and later transferred to the Central Police Station.

"They were caught red-handed and we are already processing their files so that they can be arraigned in court on charges of bribery as soon as possible," Kuteesa said.

The arrest comes after a probe into the URA unmasked gross corruption and bribery scams.

In another incident, the Police nabbed a man they described as a kingpin in the currency counterfeiting trade in a move aimed at clamping on the vice.

Jimmy Kasule of Kigaga zone, Nateete, was arrested on Thursday after anti-fraud police seized a huge amount of counterfeit notes from some of his alleged agents.

Two of his brand-new Isuzu lorries, said to have cost more than sh50m each and suspected to have been bought using counterfeit money, were impounded.

By yesterday afternoon, the lorries were still parked at the CID headquarters. Published on: Monday, 17th May, 2004

Probe ghost pupils - Museveni



By F. Ahimbisibwe

PRESIDENT Yoweri Museveni has ordered a special investigation into the inflated enrolment of Universal Primary Education (UPE) pupils. The probe, to cover most districts in the country, started recently, the head of the Public Intelligence Network, Charles Rwomushana, confirmed on Thursday.

"Government has been losing a lot of money because of the inflated enrolment lists. We are going to investigate a couple of districts which have been notorious," he said.

Museveni is reportedly unhappy that most districts have inflated the numbers of pupils to get more money from the School Capitation Grant.

Other State House sources said the probe would cover all the 56 districts but would have particular interest in Yumbe, Kapchorwa, Gulu, Pader, Kitgum, Soroti, Kabale Mbarara and Masaka.

"The operation has been going on, largely being done by the Internal Security Organisation. They will be beefed up by another team so that the exact number of UPE pupils is established," the source said.

The State Minister for Primary Education, Namirembe Bitamazire (left), said recently the ministry was aware of the existence of ghost pupils

and that efforts were being made to eliminate them.

"It is true there are ghost pupils in some schools. The ministry has commissioned a school census which will help us to establish the exact figures of the pupils. This will also help us in the planning process," she said.

She said she was not yet aware of the President's directive to investigate the ghost pupils but said, "that would be welcome because it would help us to eliminate the inflated enrolment lists."

ISO in February unearthed over 22,000 ghost pupils in Kapchorwa district. ISO chief Col. Ely Kayanja wrote to Bitamazire, saying that close to 40% of the pupils in the district was a sham. Kayanja found out that although the total enrolment for UPE pupils in the district stands at 61,693, only 37,684 pupils were found attending schools. This means that about 22,311 are 'ghosts'.

Following the overwhelming number of ghost pupils, the ministry of education in February, slashed capitation grants to primary schools by 25%.

Only sh10.56b was released for the February quarter as opposed to an estimated sh14b.

Another investigation in Yumbe district discovered over 55,000 ghost pupils.

The investigation revealed that out of the total enrollment of 87,374, only 31,470 were established as the actual number enrolled and 55,908 were ghost pupils representing a percentage of 63.6%.

Ends

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