



INNOVATIONS FOR SUCCESSFUL SOCIETIES

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SCHALKWYK: OK, today is the 27th of April, 2009. I'm with Kartlos Kipiani, currently the chief of staff of the Constitutional Court of Georgia. Before we get into the specifics about civil service reform, I wonder if you could describe the role that you've played in civil service reform in Georgia, just very briefly, in a minute or two.

KIPIANI: *OK, so when we talk on the reform exercises that are being undertaken in Georgia, we should be aware that we courts split this reform exercises into two parts. First, that there were a number of attempts made during the government of (Eduard) Shevardnadze, and the second phase we can classify as being under the supervision of the government of (Mikheil) Saakashvili. So, a very brief history regarding the initiation of the civil service reform. You know that during 1991 and 1992 there was a civil war in Georgia, and it was followed by war in so-called South Ossetia and Abkhazia, and the whole strategic issue agenda of the government was not very much in favor of civil service reform, because there were a number of problems at the moment were needed to be addressed in a very short run.*

So—and civil service reform idea evolved time by time, time by time, when in 1995 there was a civil service division established within the president's chancellery. At the time we had the president's chancellery office under the president, and in our civil service division was one of the ordinary sub-departments like protocol, or like regional service, and something like that. And by the time there was the only person appointed there, and because of the critical of the issue, and because of the interests of the international donors' society to really finance these kind of undertakings, there were a number of propositions regarding civil service reform project financing etc., etc. Can we stop?

SCHALKWYK: This is part two of the interview with Mr. Kipiani.

KIPIANI: *Yes, so we're talking on criticality of civil service reform issue, and there was the TACIS, Technical Aid to Commonwealth of Independent States Organization, which financed—I guess the first large-scale project in Georgia. It was civil service reform and training. And based on that, it lasted three years, and later it was regarded as a flagship project in Georgia because it was one of the most successful projects, where twelve experts were trained: six on management and structural issues and six on personnel management issues.*

Together within that [...] frame, the same project that training college for the civil servants was established, and the large-scale retraining launched, and we're not talking on the large-scale training—I'm not saying some kind of direct training or targeted training. It was some general issues like, what is the market economy, what are the general trends in public administration, what is the civil service, what are the models of international countries, etc. And not some kind of really target-specific training—yes, actually because there was no assessment done preliminary, and that's why.

But by the time, you know it was quite successful, launched in 1996, and that—this staff, you know, tried to really evaluate by the time the current state of public service there were structural ministries—ministries analyzed, there was a comparative analysis of the structure in terms of duplications, what are their mandates, how they are fulfilling their mandates and functions by the structures they're operating and this kind of stuff. So it lasted three years, and as a result of this the Public Service Bureau—not as a small sub-division, but as one of the serious departments within the State Chancellery—again had been established.

I was one of the members—

SCHALKWYK: When was it, when was it established?

KIPIANI: 1998. I was one of the members of the structural civil service reform division within the project, and by the time—because of the working conditions and because of the salaries, low salaries, etc., a lot of the people who were training in the project, they rejected the proposal of [...] But, you know, I couldn't reject the proposal, because initially the person who took me to the project, you know, who was the head of the bureau, so I had some kind of moral obligations. And I started with my service there, and from 1998 to 2002 I was working there. So the problem within that part was that the head of the Public Service Bureau was changed. Now he was down-graded to head of the one sub-department of the Public Service Bureau, and the head of Public Service Bureau was appointed another high official.

SCHALKWYK: When was he put in place, what year was this?

KIPIANI: 1998.

SCHALKWYK: 1998.

KIPIANI: Yes. And the problem was that because the bulk of experts rejected the proposal being served within Public Service Bureau, just three of us were, had been remaining there, and the rest people, they were really good people but had very little information about what they were just engaging with.

SCHALKWYK: Where did the other people go who didn't stay within the Public Service Bureau?

KIPIANI: Some people continued their studies, and they're now living abroad and working abroad. Some people were recruited by the private sector, by non-government organizations, etc., etc., or by projects—there were other projects, because I told you that it was really very popular thing, public service reform, and a lot of donors were waiting here.

SCHALKWYK: Yes.

KIPIANI: They had been in waiting here.

SCHALKWYK: Yes.

KIPIANI: Yes. So this was the thing. But between the—1998 and 2002, two times I switched the projects, it was a short-term project and then returned to the Public Service Bureau, and generally speaking, there was a situation that—what was the major problem regarding the civil service reform. There was no awareness by the top leadership what the public service reform is all about. This is the problem, the major problem, one. Proceeding from the problem number one, there was no enrollment in developing the reform agenda for the public service reform—and number three, which is also the results of the reasons number one and number two, it is that there was no ownership of the reforms. When there is no ownership, there is no interest in even reading the recommendations being elaborated by other projects. And very often, the results of the projects had been remaining on the shelves and feasibility of the project had been conditioned by the period the project lasted, OK.

SCHALKWYK: Yes.

KIPIANI: And by the time, our activities were quite mechanical. We were just analyzing the regulations of different ministries, and on a very technical level we were monitoring whether there were open competitions during the recruitment procedures, or how different causes, or the law of civil service had been fulfilled and these kind of activities. But it was through quite a mechanic approach and not approached in terms of the content of these exercises. Let's say, OK, we knew that in concrete ministries there was an open competition and the people were recruited by open competition, but how this competition procedure had been administered, whether the tests they were using were valuable and reliable tests, or what kind of particular capabilities they were measuring. They were measuring what kind of capabilities—do these capabilities come in from concrete work—requirements on which the vacancy was announced and this kind of stuff. And whether, let's say, the general structure had been functioning properly in terms of efficiency and effectiveness.

But little by little, the experience began to accumulate—and not the whole Public Service Bureau but some employees of it, together with some short training, academic learning, and also visits to international countries, and of course together with the staff that was earlier employed by the Public Service Bureau, we organized, informal of course, something like think tanks, and we were applying for different projects—because the salaries that we were paid, it was really quite miserable.

SCHALKWYK: So what was the, what was the Public Service Bureau? What was its role within the, within the—

KIPIANI: Yes.

SCHALKWYK: —government?

KIPIANI: Yes, so its role was to direct policy in the public service sphere. So it's—as you can see now, it's really a very huge mandate and had a very broad coverage. But the problem was, there was a dissonance between the mandate of the structure and its de facto foundation, because once again the Public Service Bureau was one of the sub-departments of the State Chancellery—and what was the State Chancellery no one will be able to tell, because it was some kind of mix between the president's administration and government chancellery. And you know, everything there was performed not according to concrete and logical steps, but according to the personal department head—personal relationship with the president.

SCHALKWYK: OK.

KIPIANI: So he was asking the president, could you please give me these responsibilities. President, OK, this is yours. Then the other one would—why did you give him these responsibilities? Why giving him these responsibilities? Then the president delegated these responsibilities, etc. So it was a complete mess, yes and by the way the State Chancellery existed, I guess over six years, by temporary regulation.

SCHALKWYK: Yes.

KIPIANI: This regulation was always temporary. So in 2002 I went to Tokyo, to Japan, because there was the possibility of starting policy studies at universities, at a

known institute in Japan, and one year I wasn't here. By the way, as soon as I arrived during the next ten days the revolution happened.

SCHALKWYK: So while you were in Tokyo?

KIPIANI: No, no.

SCHALKWYK: When you came back?

KIPIANI: *When I returned, yes; when I came back the revolution happened. And can you imagine, when I came back, I was appointed as the head of the Public Service Bureau—yes, because I arrived, I don't know, I arrived sometime in September, and the first November I was appointed as the head of Public Service Bureau. And then the revolution happened, and everything collapsed.*

Then I was invited again after the revolution happened as the head of Public Service Bureau, but very interesting reforms had been done by the time. The Public Service Bureau ceased its existence within the structure of the State Chancellery, and it was re-organized to the Public Service Council, headed by the president. By the way, it was the recommendations developed by the World Bank finance project where three members of the council had been appointed by the cabinet of ministers, three by the parliament and three by the president. OK? So under the council there was the Public Service Bureau, which was an advisory body to the council as well as facilitated implementations or the decisions made by the council.

The secretary of the Public Service Council, who was elected out of nine, was at the same time fulfilling the obligations of the head of Public Service Bureau. So it was an absolutely independent body, which was directly subordinate to the president.

SCHALKWYK: OK.

KIPIANI: So—

SCHALKWYK: So when were you appointed again as the head of the Public Service Bureau?

KIPIANI: *I don't remember exactly. I guess it was somewhere in the end of September of 2004—*

SCHALKWYK: OK.

KIPIANI: *Maybe the beginning of October, but I don't exactly remember, OK.*

SCHALKWYK: OK, OK.

KIPIANI: *And once again, because there was a revolutionary change here, and when the revolutionary government comes to power, you know everything is—everybody is being fired, everybody is fired; everything that was done earlier is rubbish, so everything was re—. We should rebuild everything from—again, you know this kind of stuff and there was absolute—. One thing I would like to make clear that is during the Shevardnadze government, maybe the public service was not very efficient and high-professional—but it was stable.*

SCHALKWYK: Yes.

KIPIANI: *Yes, it literally was stable, and there was really a sense of stability when the person started to work in the civil service. Now the sense of stability was absolutely diminished when the new government came into power. And by the way, there was a very interesting thing that—when I was appointed, of course, I took from the shelves all of the project documentation and recommendations. There was, by the way, the work by very clever people, both international and domestic, and I tried to really organize some kind of strategic issue agenda for me, and a sense of that agenda in terms of feasibility. So which of the activities there would be acceptable for the new leadership?*

And you know it was quite a top-to-bottom approach, because it's—to me, it really makes sense to make some kind of mechanical changes, reconfiguring departments on lower levels without profound—profound understanding of what kind of changes should be made, and what are the principles on which the new public service should be based.

So when I'm talking of myself, of course I don't mean only myself, because around me there were the people from the project there—that was in 1996—as well as some other practitioners and professionals with whom—I had really a round table. It wasn't like a directive style of management that I was absorbing; it was really round table, it was really very participative decision making, and by the way these people—they were not only formally, but I won several projects and recruited them as experts, and they weren't participating. And let me tell you that—no, I will tell you later what kind of results we issued. The major problems that I had there were the same: the awareness of some kind of gradual and long-term and comprehensively elaborated reform exercise was low, because with the new government—could be characterized, it was really a very ad-hoc approach by dealing with the problems that they were facing.

So there was some kind of problem that you can imagine. The public administration was very obsolete, I mean the system, so they were managing the obsolete system and addressing the issues that were facing it at the moment and that they would have faced in the future. So we had a problem that modern management was addressing tomorrow's issues by yesterday's structures, yes.

SCHALKWYK: OK. So before—how were you appointed; who made the decision to appoint you? And who had the authority to appoint you to the Public Service Bureau?

KIPIANI: *I was appointed by the president.*

SCHALKWYK: OK.

KIPIANI: Yes.

SCHALKWYK: And the president still retains that power?

KIPIANI: *What?*

SCHALKWYK: The president still has that power to appoint the public—

KIPIANI: *No, the president still is the head of the Public Service Council.*

SCHALKWYK: OK, all right.

KIPIANI: *But he's not very much involved. The idea of it was, there were a lot of initiatives from the parliament; also there were initiatives from the ministry of finance, ministry of the economy regarding public administration things.*

SCHALKWYK: Yes.

KIPIANI: *And that's why we gathered all these people within one council to discuss the issues, and of course when the representative from the parliament, an MP, participated in discussions that—what the discussion has been made of course, this discussion would be much better implemented in the parliament. Yes, because if you are developing some kind of reform without participation of parliament, parliament will also say it is an independent branch of power and they are not subordinate to recommendations made by other branches of power.*

SCHALKWYK: OK.

KIPIANI: *This was the idea: to centralize public administration reform. So there was this real issue, whether we should go by decentralization in reforming the whole public service, or centralization. To tell you, I know the merits of the decentralized approach—once again, the decentralized approach is very good in a developed country, but when you are in the process of transition, in the process of development, when there are a lot of initiatives and when there are a lot of donors and when different donors are bringing different principles, different models—. You know, if somebody wouldn't align all the recommendations according to some kind of mutually accepted model of the civil service— yes, we would receive chaos.*

That's why there was an attempt really to centralize—not centralize money spending or procurement, etc., in the public administration reform—but to centralize the concepts. So, because you know what kind of system we had, let's say when the German technical assistance, called GTZ (German Technical Cooperation) was financing the ministry of justice, they were bringing the German system—

SCHALKWYK: OK.

KIPIANI: *When the ministry of economies, there was a project financed by British DFID (Department for International Development), they were bringing British experts, and already German and British are absolutely not inter-exchangeable models.*

SCHALKWYK: OK.

KIPIANI: *And if we were going to look out the general public service and really to reform the physical side of the whole public administration, it would be at least very hard to some, how to reconcile between the different models and create the common picture. That's why you know, we try somehow to centralize this, and being centralized, develop then a unified approach of public administration reform. Then, according to that approach, freely develop awareness, involvement, and ownership of the stakeholders, yes and then train the staff of the ministry. Of course within that we would have very, we would have very big savings, because where there is the whole public service composed of, let's say 6,000, people, when you are trying to base on the priorities. Yes, admitted by the government to create the basis, and all different donors are approaching different organizations, huge money is being spent and these recommendations are remaining on the shelves.*

So we tried to make a pool of financing, of course, not limiting donors, because—and donors would finance, and it would be their project, but the project would be undertaken according to unified standards. Not the Georgian, of course, the Western. In the West you've got different models, but it should be very close to the Georgian mentality. Because we say that Georgians are Europeans, so mentality will have the same—but I guess the pace of development is slightly different, mildly speaking.

So—

SCHALKWYK: So when this project started, when the Public Service Council was created and the Public Service Bureau was changed after the revolution, what were the main challenges facing the civil service, could you describe briefly what the problems with the civil service were?

KIPIANI: *OK, so the question: not what was the problem; everything was a problem. Because there wasn't some kind of conceptual approach toward managing the non-profit governmental organization. Because first of all, you take a very mechanic analysis: there were different organizations who had the same mandate, who had the same functions, who had the number of staff, and they didn't know why they had this number of staff. What was conditioning this amount of staff needed to perform the functions—so I can tell that there is one very interesting thing. There's a very known family named Bendukidze: he was the, he was invited as the minister of economy, economic development, and later, I don't know why, but he was appointed as a state minister on reform, coordination issues, whose deputy was Mr. (Vakhtang) Lejava.*

We already had created some kind of duplication, because the state minister on the reform coordination issues and Public Service Bureau, whose mandate was public service reform—it's really very artificial divisions, what is the policy reform issue and what is the public service reform; it's one thing.

So that's why now there were frictions between the two that started to emerge initially; later we managed to collaborate, of course, and to cooperate, but it was very hard, because Mr. Bendukidze had a private background, business background. And he was looking at the civil service from the perspective—he had the experience of managing privately-owned enterprise.

We looked at the public service not from that perspective, because for us it was a much broader view on the public administration, and we had really very serious political policy clashes because Mr. Bendukidze's apparatus was in favor of, let's say, the New Zealand model, where ultra-right people were managing New Zealand. And you know it was really—the civil service was minimal, and it was not a very liberal system where you could hire civil servants by one-year contracts or by six-month contracts, or I don't know.

So there was that; we were saying that, no, the civil service shouldn't be governed based on the principle of the business administration. They were saying that, no, what difference does it make whether you are managing a ministry or you are managing a huge enterprise. And we were saying—and, by the way, we perform analysis of both models: the so-called career model within the civil service and contract-based model.

SCHALKWYK: Did the Public Service Bureau carry out the analysis?

KIPIANI: *Yes, of course, because I had a project—. Not one: I had many projects, and one of the projects was elaborating new public service code. Why code? Because today, if you want to run some kind of reform exercise, you are starting with the public service law, then you are going to law. If you are working in police, law in police, then you are going to some presidential decree, then you're—so there are many documents, which are regulating the same procedures in different organizations.*

So the ideal code was that to unify all the documentation into one legal document, despite whether it is the prosecutor's office or whether it's military services, etc. Some kinds of general and common procedures regulated by this one law, but if they were very organization-specific things, like the militaries who are shooting, they would be some—this small part would have remained within their specific regulation. Because, once again, if you take a law on police and civil service, in the civil service law you got that, for the policeman, these, these, and these laws are exempt—

SCHALKWYK: All right.

KIPIANI: *But all the other things are the same. In the prosecutor's office, these and these and these, they are exempt, but these procedures—you would have made it a clear structure, what regulations are common for the whole civil service and which ones are really more organization-specific. The ideal code came from these considerations.*

SCHALKWYK: And who was involved in these considerations?

KIPIANI: *I will tell you: this was the UNDP-financed project; it was a \$100,000 project. And of course, everybody knows that in order to write the code, five people are absolutely enough, even two, but you know I recruited fourteen. One was a representative from the prosecutor's office, two from the parliamentary committee, one legal issues and other procedural issues, because the procedural issues committee is very actively involved in this kind of stuff, and by the way, one of the people whom I would like you could meet would be Khatuna Gogorishvili; she's head of the procedural issues committee.*

The Supreme Court of course—it was also, I don't remember, but it was fourteen. Meaning that all these fourteen experts who at least were expected to communicate their general ideas discussed in their own tables. First of all, we didn't start with drafting the code. First of all we started with strategic intentions, what kind of systems we see. What should be the structure of the public service, how the different factions should be regulated, what should be their interconnection, what are their peculiarities in different spheres of the public administration. And what should the model be: should it be contract-based, should it be career-based, because in different model settings the proceedings would be absolutely different.

And by the way, the first very serious clash between state ministry and—not me, but the others in the parliament—was that in the parliament they were in favor of the career-based model but in the State Minister was in favor of the contract-based model. And now, can you imagine that during the several months I took them to outside Tbilisi, to five-star hotels and ski resorts or even in sea resorts in summer, but they could not come to some kind of consensus. And it really was the clash of ideas.

SCHALKWYK: So do you think it was ideas underlining this clash primarily, it was that they had different ideas, it wasn't that they hoped to gain? Were there things that they hoped to gain from the different models?

KIPIANI: *No, no, no, we are not talking of gains, but once again Mr. Bendukidze had his own view based on his business administration experience. Let's say the head of the Procedural Issues Committee had different views based on her experience in the civil service.*

SCHALKWYK: Right.

KIPIANI: *But no one would gain anything from that. Maybe there was the competition of ideas and who would win there and maybe this kind of stuff was there, but no kind of gains. Of course one gain, certainly, would be that this is a very political profit, because this is a very huge thing and if you are the author on this kind of reform, yes. So this is a very good benefit for the politician, so.*

SCHALKWYK: Yes.

KIPIANI: *This kind of—it was several months that we couldn't come to a conclusion. What was I saying, I said I'm the head of Public Service Bureau, I am not politician, so you decide what kind of system you want, and then of course I will develop the system into concrete details. As a matter of fact, they couldn't reconcile with each other; that's why you know I had—and because I had a very limited time, because the project lasted for the concrete period of time, I started to develop the code. By the way, this developed and already translated, but then later, I don't know why, but I was asked to leave the post. But nobody knows, if you go and ask somebody why Mr. Kipiani went, because a lot of people called me and told me why are you leaving, I said, no, I was called and asked, yes, to leave.*

SCHALKWYK: Who asked you to leave?

KIPIANI: *It was the former head of the president's administration, Giorgio Arveladze. And I am sure the president wasn't aware about that, I'm sure, because he was very much involved in this territorial integrity issues and these kinds—. And 98% of his working time is dedicated to that.*

SCHALKWYK: And when was this?

KIPIANI: *It was on 2006 December.*

SCHALKWYK: December 2006.

KIPIANI: *Yes and—*

SCHALKWYK: I'm sorry, just before you go on, I would like—

KIPIANI: *Head of administration, president's administration*

SCHALKWYK: OK. And was he on the Public Service Council?

KIPIANI: *I had a proposition that he would be deputy head of the council, as the head of the State Chancellery, but this amendment wasn't made.*

SCHALKWYK: OK.

KIPIANI: *I have something left to say, but what I am trying to say now is that when I left, then one year there was no head of the bureau appointed, and then was appointed Lasha Mgeladze, who is by the way from the camp of Kakha Bendukidze. OK.*

SCHALKWYK: OK.

KIPIANI: *And of course all the code that was written had been reorganized and changed according to the Bendukidze ideas. But what I had told you, if you remember, Khatuna Gogorishvili was the head of the Procedural Issues Committee—she continued, she exactly remained the code that we created; maybe some slight changes had been made there. And now you got the two draft codes, one which is picked by the MP, head of the procedural issues committee, and the other picked by the state minister, reform economic issues. There's one more interesting thing: the state minister was fired, and now the head of the Public Service Bureau, who was backed—and of course the code which was backed by this person Mr. Bendukidze had held very little chances that it would be adopted because when—because Khatuna Gogorishvili now intends to proceed with the created code and to pass it through the parliament.*

So there—why I mentioned that, because the translation of that code, English version, I guess I have somewhere. I can send to you the code which was created now.

SCHALKWYK: So who fired the state minister?

KIPIANI: *Probably the president.*

SCHALKWYK: President. The president removed him.

KIPIANI: *It were maybe—I don't know, but maybe, I don't want to be not very clear, but I don't know because it was—I think, it's my personal opinion that the state minister was fired because it was opposition's requirement, or because he didn't have very good relations with the prime minister, I don't know. The true version I really don't know, but the de facto situation is that he is not there.*

SCHALKWYK: No.

KIPIANI: *And no, I'm sorry: after the state minister he was the head of the government chancellery.*

SCHALKWYK: OK.

KIPIANI: *And now he was fired as of the head of the government chancellery, yes.*

SCHALKWYK: And is there still a state minister for reform?

KIPIANI: *No, no, no.*

SCHALKWYK: The position has been removed?

KIPIANI: *Yes, it's been—so this is generally what kind of issues we had. At the same time, I would like to mention that during—how we started the Public Service Bureau, when I was appointed as head of public service, we had even no premises. By the time the Minister of Economic Development—I knew him very well, and he gave me one big room, and in the one room we were sitting with all our staff.*

SCHALKWYK: How many staff did you have?

KIPIANI: *I had—.*

SCHALKWYK: This is part three of the interview with Kartlos Kipiani.

KIPIANI: *Yes, I would say that the model that the opposite camp was proposing, it had some kind of rationale, of course, and it wasn't regulated by some kind of formal document. Because what model we were in favor of was—it was the strict regulation of all the procedures, etc., etc., etc. Now the positive thing of the model that they were proposing is that the manager had absolute flexibility in managing organization without being forced to obey or—around his or her application, according to concretely elaborated rules. Maybe this is a very good thing, because this flexibility gives liberty of effective management, of targeting, that there is even one term, that the system is not function-orientated but problem-oriented.*

SCHALKWYK: Yes.

KIPIANI: *And this kind of stuff—and this is very good thing, and, of course, if the organization has reached the pace of very efficient etc., it can change to this model. When the—everybody is working based on the complete contract which has concrete terms, which gives concrete stimulus in order to upgrade their skills and work very hard, and not help guarantee jobs for the rest of his or her life and not doing it. So of course there were very good things in that model, but their model had been—as I understand, was based on the assumption that, number one, that all the managers of the organization would be very good managers. I don't think that this is right, because in Georgia we don't have some kind of political secretary and permanent secretary.*

So the permanent secretary is the professional manager, has very good experience in managing organizations, etc., and the political secretary, it changes according to political changes. This person stays with his or her staff in that case, but here we got the minister who is in charge of managing the organization, and very often the very good politicians—and good politicians are not very often good managers, meaning that if we will delegate responsibilities and duties of full management without any formalized procedures, it means that the organization can collapse.

By the way, a very good example of that is minister of foreign affairs, Mrs. [Eka] Tkeshelashvili, because as a politician she is very good—I would say that she is excellent. So this is one thing. Another thing: the business sector, you are managing your own money—in the public sector you are managing the taxpayers' money. So when you are managing your own money, of course, you can do anything with them—what kind of structure you want, what kind of people you want, how you would like to recruit the staff, etc., but when public and publicly-owned organizations and publicly-owned money, I don't think one should be given the authority and right to manage this money according to his or her own opinion.

So under this kind of staff—and this kind of staff was in on the discussions, because all the other things—of course, we didn't invent anything, and everything how we knew—how we saw what kind of changes should be done, is within that code, that you can just take and read. Just speaking on very broad issues.

One thing that I would also would like to mention is that a very interesting project was the World Bank finance project—very strange, but I don't remember its name, but you know it was—so it was the very broad project [Public Sector Financial Management Reform Support Project], which encapsulated four organizations. It was Ministry of Finance, Treasury, Branch of Control, and Public Service Bureau. It was four organizations, and you know what—there was the attempt which was being implemented to make the Medium Term Expenditure Framework. To adopt that, the Ministry of Finance based on concrete economic forecast or trend to plan the budget.

SCHALKWYK: Yes.

KIPIANI: And we have already moved to get the system of budgetary planning, and there was one of the component civil service, and when you are planning what kind of finances the civil service will need or what are the major reform initiatives, how much money we will need for that, you need one huge base, for which a lot of information will be needed, structural information, when you can give concrete questions or concrete criteria and the system will give you information on that.

And we were one of the components, and by the way, on the Public Service Bureau, I negotiated the \$2,100,000 contract, it was a really an—not a database, how it's often called; it was some kind of management information system for the civil service. The idea there was, first of all, to formalize all the job descriptions, to digitalize job description within the civil services. Before digitalization, of course, we knew some kind of reform exercise in all the ministries in terms—for improvement of the structures of ministries—not, let's say, by the Public Service Bureau, but by the organizations themselves.

But by coordination with each other—because we were trying to create some kind of common system of the jobs to create one hierarchy, like the World Bank or any other organization has, because each layer in the management has its own code, and when you are—say that I'm this person working on this layer, so you exactly know what kind of—where you are at the moment.

Try to create this codification—and this codification was impossible without improving and founding the structures, and of course when founding the structures new job descriptions should be written and then of course digitalized.

And then of course there would be several fields which would describe the competence of the concrete employee, his or her professional skills and personal skills. We had this kind of technology brought from England. There is the so-called SHL Management Center, and we had some not very good business ties with them. This SHL Limited, this is the London-based international consulting company which specializes in psychometric testing, psychodiagnostic testing, as well as developing the job descriptions, and they are contractors for Milan, Nokia, General Electric—so a very serious company. And we are trying to use this experience in order to adopt this new methodology here.

And you know, we were developing this model which is in the bureau, and if you will ask Mr. Lasha Mgeladze, and maybe they should have remained the description of this database, because we already had the tender documentation. So my component was the foremost out of this three.

SCHALKWYK: OK.

KIPIANI: *Because we knew exactly what we had to be doing, and we were developing our tender recommendations, but by the assistance, of course, of the World Bank consultancy. So what I'm saying, I'm not saying I am the only one in the know; it's just that business analysis is the result of the thorough analysis of international experience as well as involvement of the World Bank consultancy who were performing these projects in other countries too.*

And this database, conceptually—we created this database, I mean theoretically, virtually; now we had the money and we were ready really to go forward, but this was the exact time when I was asked, I don't know by which reasons, but as you can see I'm not joined the oppositions outside, no, no, no. I don't know, maybe I deserved that or maybe I didn't deserve it; I don't know, but one thing is clear: that what I managed, by the end of my headship I managed to really, from zero, to create an organization which had its premises, more or less trained staff. It was the best of all, but more or less trained staff. Four serious projects undertaken, including which created preconditions for further improvements, and \$2,500,000 in my account, which was zero, and it wasn't the budget money, it was donor money.

And now I don't know, but the problem is, even with today's Public Service Bureau, top leadership does not give you the very clear and concrete orienteer, what kind of civil service they want, and very often it is the situation that it's remained on the level of ad hoc approaches by different ministries.

By the way one very interesting phrase that Minister Lejava, is also laughing that there was the Council of Europe's project, GRECO (Council of Europe's Group of States against Corruption), and there were their representatives, and it was the meeting within the office of the state minister on reform coordination issues. There was one girl, I remember her face, she asked Mr. Bendukidze, "Mr. Bendukidze, what is your holistic view regarding public administration reform?" And Mr. Bendukidze was very clever. You know I think we don't have such a clever ministry even now, but that's my personal opinion in term of economic region—and he thought a little while and said, "My holistic view regarding public organization reform is that I have no holistic view of running public administration reform." Yes, it's a very famous phrase. Everybody laughs. But he was saying that we're at the moment of ad hoc intervention, and not the same planned and long-term directed gradual reform exercises. It was really his view.

SCHALKWYK: When you were the head of the Public Service Bureau, were you trying to develop a more long-term gradual—?

KIPIANI: *What we were working was a real long-term plan for the civil service reform. We even—we didn't try to plan, but we also knew who would finance what, and we knew that where we had the shortages of money, we were working to fill that shortage, and not that generally we lacked money for public administration reform, no. We exactly knew what we were doing, we exactly knew what donor would finance what, and what was short of financing.*

SCHALKWYK: But this was at the Public Service Bureau?

KIPIANI: Yes.

SCHALKWYK: OK, and you didn't develop an official plan.

KIPIANI: *Yes, it is the work, and it should be remain there, you know I didn't bring it with me. Of course, I copied all the documents to me, but they reached such kind of document there, elaborate of course.*

SCHALKWYK: And was that supported by the Public Service Council? Was it approved by any senior political body?

KIPIANI: *As I remember, yes, because when we proposed activities for the financing, of course, the donors created some kind of endorsement of concrete recommendations by the government that the government meets that. Without that no one would give you even a penny.*

SCHALKWYK: Before we were interrupted a little bit earlier, I was asking about the structure of the Public Service Bureau. How many staff did you have?

KIPIANI: *I had 28, so I had there three divisions. Division one was civil service reform division. Division number two was personnel management and personnel agenda division, which was coordinating with the personnel management department of the old civil service—there was the also civil servants training department. The third one was the financial department.*

SCHALKWYK: OK.

KIPIANI: *Logistical department.*

SCHALKWYK: OK, yes. And you said that when you left, you had four projects, one of which was the database, right?

KIPIANI: *One of them was World Bank project, another was—I had the already won the project with USAID [United States Agency for International Development], a \$1,000,000 project, and we had—*

SCHALKWYK: And what was that for specifically?

KIPIANI: *It was for—if I remember properly, you know it was three years ago. By the way, the project operates at the moment, but how I don't know; it was the project the USAID project to enhance the capacities of the Public Service Bureau.*

SCHALKWYK: OK.

KIPIANI: *And there we had exactly the propositions, but I don't think that if I would be now in the position, really one of the most feasible propositions is to pressure some kind of turning projects, because to take two staff, let's say, from this department and send them for two months or three months there and put—take staff from there and put here.*

SCHALKWYK: The U.S. or—

KIPIANI: *It doesn't matter, in U.S., etc.—it's any country which has very much developed this kind of service, because one with training, it's nothing—it's really very hard work. It is both theoretical as well as practical experience, because by taking those experts here that would work on not only recommendations but would be involved in solving these issues, you know, this is one thing. These people who would go there, learn and gain the practice, it's a very good thing.*

SCHALKWYK: So what were the other two projects?

KIPIANI: *Actually it was three.*

SCHALKWYK: OK.

KIPIANI: *UNDP project one was the introduction of modern personnel management methods, and by the way it created very good documentation. We had the reports and everything. One was public service code, and one was—we were the first, which I gained from the UNDP, for procuring furniture and modern technologies, conditioners and this kind of stuff.*

SCHALKWYK: So, let me have a look... Do you have anything else to add, I suppose? I am running out of time a little bit, but...?

KIPIANI: *No, nothing.*

SCHALKWYK: Are any of these being continued, these projects. Were they carried through by the Public Service Bureau after you left?

KIPIANI: *When I left, these UNDP projects were finished, the World Bank project was ceased, and the USAID had started its operation, but—*

SCHALKWYK: OK.

KIPIANI: *I don't really know the state and the status of the operations*

SCHALKWYK: OK.

KIPIANI: *And, by the way, one thing that will help now—experts from Estonia have come, and they have negotiated with the head of the Public Service Bureau that they would like to take fifteen civil servants to Tallinn to show them how their database operates—maybe this is good intervention, but it will be just the trip to Tallinn. It's nothing. So that's why I think that now we are at the stage that much more massive interference by UN, attracting foreign expertise here or really sending some of our staff there to really work 24 hours a day and study, because in Georgia, you know, everybody considers himself president, if you are saying, they know everything. The problem is that they really know regarding the subject, and developing this is very critical.*

SCHALKWYK: OK, well, thank you very much.

KIPIANI: *You're welcome.*

SCHALKWYK: I appreciate your time.