



INNOVATIONS FOR SUCCESSFUL SOCIETIES

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WIDNER: I'd like to begin this conversation by talking about the role you've played in civil service reform. Could you tell me about what you do now and the jobs that brought you to this position?

KIRAGU: *Today I practice, or at least I describe myself as a public sector management specialist. Historically I would say I trained as a management consultant because way back in 1979 after my MBA, I joined Coopers and Lybrand, one of the largest firms associated with PricewaterhouseCoopers, as management consultant. Before that, before my MBA education and trading, accounting and become a Certified Public Accountant. So I have been in management consulting but I would say the last twenty years more in public sector management consulting. I really do very little private sector management consulting.*

I am at the moment the Chairman and Director of a firm which we started last year with a few of my colleagues who left PricewaterhouseCoopers in the past. I was a partner at PricewaterhouseCoopers for four years from 2002 to 2006 July because they took over a firm I had founded and led for fourteen years, called KK Consulting Associates. Before I started KK Consulting Associates, I had been a Director in the management consulting services of Coopers and Lybrand. I had risen through the ranks there because I started as an assistant consultant after my MBA degree in 1979. So that is generally how I ended up being where I am at the moment in public sector management.

I think we can say I strayed into public sector management because as I said I started in private sector but I found myself in the '80s very much involved in the—and raising management issues in particularly three programs. One was the Kenya Rural Access Roads Program which had something like seven development partners working on it. The leaders sponsored me to make in collaboration with an engineer a six-man internal review of progress in the management of the program. Subsequent to that I did quite a bit of work with the USAID (United States Agency for International Development) during their support to the Kenyan Agricultural Sector Reform and other development programs and later on in the health sector programs in Kenya.

I would say those particular three programs, the Rural Access Roads program, funded by many donors but in my particular case the program sponsored by DANIDA (Danish International Development Agency) and the USAID programs in health and agriculture in Kenya, in many ways moved me, shifted me from private sector management consulting to public sector management consulting. I would say that I entered into Tanzania in 1991 with the World Bank to do some reviews of public sector management as part of a public sector adjustment credit operation that was a structural adjustment credit facility which they were trying to persuade the government of Tanzania to do but after three years of work there was still no agreement between the government of Tanzania and the World Bank.

Then somehow by coincidence, you know, DFID (British Department for International Development) in 1993 requested me, because at the time I had developed some rapport with the government of Tanzania officers, to go and sort of do some work on human resources management systems, but the main responsibility was persuading the government of Tanzania to accept their engagement a lot of the World Bank in moving ahead with public sector reforms. I suppose the rest of it is history because in 1995 then they invited me to be the

Chief Technical Advisor for the Public Sector Reforms or Civil Service Reforms at that time in the Office of the President.

I did that for four years. After that, I needed to go back to my family in Nairobi, KK Consulting Associates, but I continued to be very much associated with that particular reform program. Of course I worked in many other reform programs on the continent. I spent the last eight months of last year and January of this year in Nigeria helping to develop the strategy for the reform of the federal public service of Nigeria. So those are the kind of things I have been doing lately. Thank you.

WIDNER: Thank you. This interview will revolve mainly around the Tanzania experience, but I wonder whether from time to time you might make comparisons to the other countries in which you've worked or the other positions in which you've served. Why don't we begin by just talking a little bit about the challenges that faced the civil service and the public service in Tanzania at the time you started your position there?

KIRAGU: *Nothing unique, because it was, I think, in many ways, the legacy of the economic collapse of Tanzania in the late '70s, early '80s--I think precipitated by the war against the Idi Amin (Uganda) regime in 1979, 1980 and the fact that, at least from the fact that there was a socialist elite in power until I would say 1995. It was difficult for them to agree on a structural adjustment program with the Bretton Woods institutions or even with the countries of the West. And, at the same time, it is also true that, you know, they knew they had problems because they had done their own studies way back in 1975. Now it is established that even in 1985 President (Julius) Nyerere himself had tried to reduce the size of the public service. So they knew they had a public service which was bloated, which was not performing, which did not have the necessary skills. I mean the national economy was doing very badly. So I mean, whatever can go wrong with a public service was evident in Tanzania at that particular time.*

I think the only thing which we can say was not that bad for the Tanzania public service was that for whatever reason [people knew they needed change]...although the socialist ideology...was generally, generally appreciated by most of the population actually, you know, and maybe even in the elite. Because I still remember, although the economy was very bad when I went to Tanzania I always thought it was very interesting because the public servants were not—these were the public servants, not even the elite from the University of Dar es Salaam--actually anywhere, we would say, critical of Nyerere's governance. But they knew that they needed to change. So that I think was what was interesting about it. But everything else that we could say can go wrong with a public service, all the pathologies you would associate with a public service that needs to be fixed were there.

WIDNER: Thank you. You've led right into the next question I was going to ask which was, in your view, what kinds of conditions created a groundswell for a public service reform or, if not a groundswell, at least what led the senior ranks of the government to say now is the time to go ahead with civil service reform?

KIRAGU: *In 1981 a study had just been completed by a team of senior public servants which had indicated that Tanzania's public service needed to be downsized by 8000 employees because they were excessive. I think that study was indeed completed with the support of UNDP (United Nations Development Program). So they knew something was wrong. As I indicated, Nyerere, in previous years Nyerere himself in spite of his socialist position had indicated they needed to downsize the public service.*

But on the other hand, the government of President (Ali Hassan) Mwinyi, which Nyerere handed over power to in 1985, but which in a sense he politically supervised, were able to make quite some strides in the early 90s in terms of the liberalization of the economy. But they found it very difficult to do systematic, structural change to the extent that it had some social implications like retrenchment and so forth.

Fortuitously I would suggest they got President (Benjamin) Mkapa, as the new President in 1995. One of the things which probably is not in the public domain is like how much Mkapa is an elite in terms of an intellectual elite. It is not just that he had gone to Makerere (University in Uganda) as one of the first cohorts of Africans there, but he studied, you know, linguistics and so forth, and became a journalist, trained at Columbia University. So you know, I mean, he was quite informed by the time—and had been a foreign minister for a long time. And he suggests that when he came in it was very clear to him, he needed to put the country in a new gear in terms of reform.

As I say, it was very symbolic that in his first inauguration public servants got some—senior public servants got fitted with three-piece suits and that kind of thing which was really unprecedented for Tanzania. So the signal was very clear from the one who was President that we are in for change. It is not like he had a very clear idea of what he wanted in terms of public service, but during the campaign itself, in 1995, there was quite some rhetoric from him in terms of, from him, about what changes were required in Tanzania. He talked about the need to make the public service more efficient. He talked about the need to decentralize. So, and he found us ready. So he just seized the opportunity.

I think one of the interesting things is that at that point...and he had a very smart head of public service and Secretary of the Cabinet whom he had inherited from the previous regime. In the prelude to his coming to office we did some background work or what changed we wanted and how we wanted a smaller government and so forth. I think one interesting episode was trying to persuade him to establish a cabinet of seventeen ministries. I think at that time, in the previous regime, the cabinet was about thirty. Then he said “No, this is a very weighty matter and I need to establish my cabinet, so advise me before I take that decision.”

Obviously, you know, he was saying he was not going to do it because if you are going to get all these people appointed as ministers, they are not going to be the ones deciding to make a smaller cabinet. It means they would be sacking themselves. But there is no doubt that he was committed to reform and we worked on a strategy and he encouraged very much, engaged with the development partners. He got engaged in terms of a structural adjustment program, which was very quickly agreed within a year with all the development partners. There was a major parties meeting in one year after his ascendancy to the office of the presidency. For all those things, we looked for the opportunities to get him to commit to certain things.

In terms of downsizing for example, by the time he was going to the meeting in Paris in 1996, the first consultative group meetings where a sort of government met with the donors and agreed what was the framework of policy reform and so forth. We know, we had already agreed with him, through the steering committee headed by the Chief Secretary and other key Permanent Secretaries—Finance and so on—who were going to reduce the public service by 8000 as it stands in 1981 and had indicated.

So he went there with that, for example, particular message, and by the time he came back, you know, on our part, we were moving, together, the first group of 30,000 out of the service and we managed sort of to get him to persuade the development partners, donors as they were then called, to accelerate their release of funds to a fund, which would compensate this 30,000. I would say after that there was momentum for the reforms, which included notoriously the most difficult. Most other things looked a little easier after that. So that's what happened.

WIDNER: I wonder if you could speak a little bit about the way the direction for this reform program was situated within government. Now I believe it was placed in the Office of the President. It may have migrated a little bit since then, but it is still very much a high-level kind of direction. Could you describe that and then say whether you think that kind of location in the Office of the President helps this kind of process along?

KIRAGU: *Oh it did, it did, I think there were three, I want to say, three personalities who were very key to what was happening. One was, of course, the President himself in terms of the signal he gave. I think he had, not I think, he definitely had a very smart, enlightened, head of public service and Secretary of the Cabinet who could communicate very well with him and so forth. Then he also appointed a new head of the, what would you say, Permanent Secretary was for public service in his office, what was then called the Civil Service Department in the Office of the President.*

I think those three had very crucial roles to play in the whole game plan in terms of public service. In the end it was all clear that the Permanent Secretary in charge of the Public Service had direct access to the President. The head of public service himself was also, who also became the Chairman of the steering committee who also had very direct access to the President. And also for my, you know not that I got involved with them as a trial, but it was clear that these two had very open access to the President. But due to that, they also could talk candidly to the President about the issues, about the options and so forth. That was very helpful for sure. All the way forward, all the way until I left that, I think I would say even ten years later as he left the office, that was still a very important feature of that leadership.

So it is important that the people who are responsible for far-reaching reforms, for structural changes, have access to the President. But secondly, they also can be candid with the President in terms of the issues and the options. One of the big problems we have is sometimes, some have it but they spend a lot of time trying to please the President and listen to what he wants to do instead of giving good advice about what needs to happen. I would say to the credit of the then Permanent Secretary for Public Service, Mr. (Joseph) Rugumyamoto, if you have not met him, and then head of Public Service, Mr. Matern Lumbanga. I was very impressed because they could tell the President things as they were, they could present the options to him as we observed them technically and you know, I think that is very valuable.

WIDNER: Thank you. Would you also describe the people who could have been considered constituents for this reform. You had mentioned earlier that maybe some of the intellectuals, the people who were actually quite tolerant of some of the problems that had existed before. But was there a growing constituency that you could identify and then link up with in making this reform possible?

KIRAGU: Well, I think there was an ambition to change Tanzania on the part eventually of the political leadership. But it was not--again, it was not because of the fact that this was not particular to that time. It goes, I would suggest, that even as Nyerere introduced socialism into the mind of Tanzania, underlying the whole initiative was an ambition to transform Tanzania rapidly. And in our way therefore there was a national frustration with the fact that that experiment has not worked. I would suggest that therefore there was a sense in which, you know, the elite in Tanzania was looking forward to the day when this country could reassert itself. Because again, even in its poverty, even in its economic weakness, you know Tanzania had sort of become a regional powerhouse, definitely in diplomatic terms.

You know, whatever happened in Africa, it was Tanzania, with its poverty was probably, could only be over-shadowed, if at all, by Nigeria. You know it was the voice of reason, it was the voice of wisdom for Africa. Therefore, you know, I would suggest that there was an element of that as, you know, as Mkapa came into the presidency. They wanted to sort of regain part of their national pride and it was never expressed at least in that way, but I think at the back of it, if I reflect now, there was a good element of that.

So in the end I think there was sort of a consensus that the country needs to change. The specifics were not clear necessarily to the different constituencies, but at the end agreed that this country has to change.

WIDNER: Now, in the Tanzanian case, its reform team took on very many different types of reforms and they have happened over a number of years. But I wonder if you could go back to that original time, where you were thinking about how to design this program and talk a little bit about the choice of which reforms to deploy, or the sequence of the reforms. What was running through people's heads at the time?

KIRAGU: I think at the outset, when I became Chief Technical Advisor, it was very clear to me that whatever reforms we were doing needed to be aligned into the fiscal macro economic agenda. Once that was clear, you know, then there was no hesitation and we agreed therefore that that initial phase we must move to help the fiscal macro economics liberalization which had also tried to get the mindsets to change, to be more friendly to the private sector and so forth. So it was essentially about the economics and it was about shifting the ideological mindsets of the public servants. That was a very, that was quite clear, I would say by the time Mkapa was in office, because a lot had become very clear, that that was what we were pursuing at the moment. But it was also very clear that that was not the end game, that was just an entry point for the change that we wanted to do. So that's so—so retrenchment was there. It complemented the changes made to the organizations and the divisions we reviewed. We could find out what was happening in the ministries and so forth. It was a quick and dirty job in the organizations and divisions we reviewed. [Parts of the audio tape are difficult to hear in this passage.]

We knew we needed to fix the payroll system because there were obvious leakages in the wage bill and so forth. So a lot of things we did were about establishing some sort of basics of fiscal responsibility in the management of human resources. That's probably—I've never thought about it that way, but that's essentially what we were trying to fix at the beginning.

WIDNER: So at the beginning that was the emphasis. You mentioned changing the mindsets of some of the public servants as well. I wondered if you could describe

that in a little bit more detail because several people have mentioned that to us in the course of these interviews.

KIRAGU: We agreed, it was not—we wrote it down in some of the literature on public service that now Tanzania was shifting from a socialist and centrally-controlled economy to a market-oriented economy and the private sector was going to be the agent of economic growth. On that basis therefore, the public servants needed to be friendly to the private sector and to be enabling and facilitating the public sector. So quite early we sort of created a small component of the program where we encouraged seminars to talk about this particular aspect of change.

At the same time of course, the privatization program was going on. We were not responsible for it in the civil service reform program, but we maintained dialogue and close contact with the people who were involved in it. So we would say—and I would say also, I mean, by 1996 again, which is one year, in the middle of 1996, one year after President Mkapa came into power we organized a major conference on decentralization in the government in Tanzania. Even within that particular conference we talked about the need for a more pluralistic approach to service delivery and so forth. So it was those kinds of, not so systematic but generally targeted aspects of communication about the change that Tanzania needed to have to be the country that they are aspiring to make.

WIDNER: Some people have told us that it is actually pretty hard to change the way civil servants thought about their roles, that that would happen only very gradually. One response was to create some independent agencies. This might well have been after you left, but to create some independent agencies that would issue licenses or provide other kinds of routine services that businesses needed. Those tended to adopt this different frame of mind more easily than some of the mainline civil servants.

KIRAGU: No, actually, no, I mean, okay, let me put it this way. When the creation of agencies, or agency creation as some people call it, from the way it is looked at from an ideological, whether neo-liberal or liberal ideologies. But actually by 1995, and by the time now we were devising strategies seriously, in 1996, we decided in Tanzania we are going to introduce agencies from a managerialist perspective, not from any ideological perspective. What we thought, it was obviously going to be very difficult to change government ministries very rapidly. Therefore, in our minds, and I think we articulated that at one stage, were going to create agencies to become enclaves of good practice, of efficiency, in the anticipation of that they would influence the ministries and the bureaucracy.

So we had, in 1996, a paper and I believe--yes, by 1997 there was the Agencies Act. We had a group of permanent secretaries and other senior people going to see what was up in Britain and began with that. So we cannot say that you are totally isolated from what we have observed happening elsewhere. But I think we're trying to rationalize it differently. It was basically that we wanted to create enclaves of good management practice. Those would influence what was happening within the bureaucracy. That's what happened.

I think from then on, I mean it took time and it is an approach which still continues, but we immediately then went full blast—and there was an element of that which was already happening because I think by 1995 the idea of the Tanzania Revenue Authority, as an agency, had already been mooted. So in a way there were also developments, they also were in the public service which was suggesting that this is probably the way to go. What we did was then to develop a program to actualize it.

WIDNER: In the course of these discussions, did you look at the experience of any other countries? Were there any experiences that were particularly formative in the way you thought about this problem?

KIRAGU: *I think we can say, we always had some British influence because we got some British consultants. I can say, at least in the four years I was the Chief Technical Advisor, there was always some debate with some of them in terms of how maybe some of them would look over-zealous in terms of what they're trying to do with the reform program in terms of copying best practices and so forth. But I think we always try to temper it with much more pragmatic perspective. At least that was my previous position and to the extent that I'd influenced, I think I tried to exercise it that way.*

But yes, I think the British influence was definitely there. I think later on people went to—in those early years, I think it was written that people went to New Zealand and so on. But essentially, initially, it was British influence, people going to study in Britain, coming back with ideas, consultants coming to Tanzania. I think there was one, no I think, there was definitely one or two trips to the UK Cabinet offices organized with the British government. Maybe more so with the British Council, actually, that's what I recall, yes.

WIDNER: Several years into these reforms, what challenges do you think proved most significant and how did you address these, you were thinking about the difficulties of implementation. Were there any that stand out in your mind?

KIRAGU: *In the time I was there I would say I think there are two things which we wanted to fast track and see happening faster than they happened—and which are still a problem today. One was the whole issue of restoring meritocracy in the public service. I think by 1996 or so we were preparing a paper on public service management policy and it was basically about trying to persuade the President to reinstate the Public Service Commission as an independent organ for recruiting and selecting and promoting public servants and to persuade him also to relinquish or limit the number of senior officers he directly appointed. I think essentially we were trying to persuade him that he should just be appointing Permanent Secretaries and that everyone below that should be appointed by the Permanent Secretary.*

I don't think that has happened in the case of Tanzania yet. I would contrast that even with a country like Kenya, which really never did away with its public service. I'm not saying therefore for that reason Kenya is superior in terms of how, in terms of the moment, meritocratic it is and so forth, because again Tanzania has its own ways of doing things, which to an extent actually ensures meritocracy it has some checks and balances which are not so off yet. They are not so much an institution, as much as a tradition, in terms of how the President operates in the country.

So that is one area where I would say some progress has been made, but as I said, and more progress has been made since then, but I would say it is still not a closed chapter. But again, as I say, it is not a particularly patronizing environment. I say that deliberately because I have seen all the senior appointments over the years and so forth and I know it is not a question of the President all around getting who he prefers. There is a system of vetting within the public service which involves, I believe, also even the intelligence service and which the President, at least I've seen two Presidents, respect it to a point. So it is not, you know... So there is a way in which, okay, maybe national loyalty is

important, but I can say there is a degree of meritocracy... but yes, there is some homework to be done.

I think the other one was public service pay reform. For me, and I believe I convinced the other technocrats there was need, very early, to move rapidly to get good pay for senior civil servants, for professionals and technical people. I believe by 1997, it was very clear what we wanted to do. There was obvious resistance from the political leaders and in November 1997 we actually contracted the University of Dar es Salaam and it was being very deliberate to run a national symposia on public service reform with particular emphasis on how to handle the issue of public service pay. We also had sessions which were moderated by the leaders of the trade union movement. Just because we were seeking a consensus that what we trying to do in terms of the compression of salary structure and so on, was the right thing to do.

On the background of that particular conference then we wrote our first comprehensive cabinet paper on public service pay. It was prepared in 1998 and it was taken to the cabinet. But the cabinet I think skipped reviewing it for four sessions. When in the end the—well, I think there is one meeting where the President had suggested that it can be deliberated in his absence, but the Chief Secretary then said no, this is so weighty it cannot be deliberated in his absence. When in the end it was deliberated—now, I'm just saying what we were informed; as a technocrat, I was not in the cabinet meeting—but apparently, during the first cabinet meeting after presentation, the ministers were requested by the President to go and think about this seriously so that it can be discussed in the next meeting.

I think in the meeting of November, this is after several months, in the meeting of November, 1998 it was decided not to take up the policy. In my departure note, because I was leaving in December 1998, I wrote to the Chief Secretary that the issue of public service pay, the war to get public service pay policy adopted, is a situation in which the battle has been lost but we cannot afford to lose the war. I can say as I am here now, I think that is a war which continues, because I don't think we have gotten, they have gotten the structure right yet in terms of compensation of the provisional and senior technical officers in Tanzania. But, there has been very steady progress. I know that a few years back, early in 2002, or so, there was a very dramatic increase where both groups got 50% pay increase and so forth. But, that even could have traveled a little more, and consistently, but that has not happened.

So yes, there are things which were started then which we know were very important then but which still continue and which, in my own mind, still, to an extent that are in line with the rest of the strategic objectives of the public service reform program.

WIDNER: In that second case, in public sector pay reform, what do you think the concerns were that were blocking this?

KIRAGU: *I think, it is not unique to Tanzania, I think not even unique to developing countries, it is just that public service pay is generally looked at from a egalitarian perspective. Sometimes I would say there is also a lot of ignorance, even among the development partners. There are some people even argue about relating the public service pay for senior public servants in Africa to the GNP per capita and so forth. But actually all those are misplaced concepts because there is a certain extent to which unfortunately, the elite exists in a [indecipherable] environment.*

You know the things which they need in Africa actually are more expensive in Africa. They need a car? A car is more expensive in Africa than in the north, in the west. They need a house, and to construct the kind of houses, a three-bedroom house, they are not going to continue living in grass-thatched houses, to construct the house which was there for the colonial permanent secretary actually is more expensive in Africa than in Europe. That is why, I will say for example, even in Tanzania, they're still living in the old colonial governor's house. If it was cheaper to construct in Africa properly, their buildings would have been different.

When it comes to education, unfortunately because education, health services, at least the public provision of those things have collapsed, it does mean therefore, you know, to the extent that you are an elite and there are certain expectations of you from the society, you are not going to take your wife, even as a Permanent Secretary, to the public hospital to deliver. So the demands in terms of income levels for the public, for the senior public servants in Africa, are as much as they are for the private sector employees and they are not very different from those which the middle class aspires for in Europe and elsewhere. That's the other part of the paradox that our governments have not addressed in looking at public service pay issues.

WIDNER: One of the other things that has come to my attention in talking to people about the Tanzanian case, is that concurrently with all of these changes of course, you were having the devolution of some authority to local government. And when that happened, there was a bit of blurring of control. Many employees were now under the control of local governments. You still wanted to be able to change attitudes, make them more effective, but no longer had that kind of direct authority over them. That probably happened more after your tenure than during your tenure, but I wonder if you have observations about what could make that kind of twin process work effectively.

KIRAGU: *Let me say in 2007, I was lead consultant advising the government team on their strategy for the new face of decentralization. So I'm very much in the picture and last year, but one, in 2007, I also was supporting the process of developing the strategy for the new face of public service reform in Tanzania. So I am very much in the picture.*

I would suggest that actually decentralization has stalled in terms of human resources management. There has not been effective transfer of responsibility for teachers, health workers--literally most of the employees are still under the control of the central government in spite of the rhetoric of devolution. I think if you go to the ground you'll find a lot of people who are—especially those who are for political decentralization, or political decentralization perspective. That's the major frustration. That's because the public servants have resisted transferring their services to the local governments. They are wanting to remain at the central government for two reasons.

One is because of the fear of parochial patronage aspects of being under the control of the local government political leaders. So that they have been afraid of. The second one is because they consider that, or at least they are—both at the individual level and even in terms of the trade union movement, the union of teachers and so on and the union of health workers, they consider the local authorities to be too fragile to guarantee their pay as well as their retirement benefits. So decentralization of human resource management is a key problem, even today, that has to be addressed by the decentralization program in Tanzania.

So we can say in many ways they never, I mean, functionally, all the technical and front line service providers of public service who are in local governments are still under the control of the central government. They have their management by the Office of the President, public service management. Their terms and conditions at the time are under them, and so forth, yes.

WIDNER: Another challenge that people have alluded to is the civil service reform movement in Tanzania touched very many different projects and still does. Some say well, relatively few managers, they were spread thinly across these projects, and yet you got movement on most of these whereas you don't have movement in many other countries. I wonder if you would talk a little bit about the deployment of experts, like yourself, senior officials within the public service and how you managed this reform process. How often did you have to go out in the field? Was there enough manpower to do this effectively?

KIRAGU: *Well, I will share two perspectives. One is, I think, okay, one fortunate thing is that whereas in the early to mid '90s, at the time I went to Tanzania there was a lot of resistance to external advice. We got to a point where at least in terms of the public service civil service reform program it was very much accommodated say in the late '90s. Therefore we made extensive use and selective use of technical assistance. At the same time, we were very conscious of the need to build local capacity. In fact I recall that in 1996 we got a cohort of good public servants from other ministries and we trained them so that they could start working in the public service management office.*

Some of them have only recently left the department on retirement. So the lack, the dearth of capacity in the public service management office in the presidency was recognized from the outset. It is not like the problem was resolved. I think the more tragic thing is that at least, again, by 1996-97, it was very clear that the ministries were also weak. Weak in the sense that yes, in a lot of places we did not have strong directors where we thought we needed strength—but again, you went around and you found some really good people and so forth. So we can say to an extent the dearth of capacity was exaggerated in the sense that people had the knowledge and the skills; they just did not have the mindsets and the environment in which to deliver.

I think in many cases, that is actually the basic problem. It is not like, I think we've got, there is sufficient, there is a critical mass of reasonably well-educated people and so forth. On the other hand, it was also the case that the—in certain areas like in information technology and so on, it was obvious they want people. Therefore for example, in 1996, we created a position of Director of Information Systems in the Office of the President in the Civil Service Department. We knew we did not have somebody in the public service so we went out, advertised. We had the Civil Service Commission do the interviewing. I was present because we persuaded the British government to fund that position, and we recruited from outside who was a civil servant but who was funded by the British government for that particular position.

So the issue of capacity I would say is still there, but it is probably more a case of not having the right incentives, not having the right mindsets among the people who are there. I think there is a good enough group to deliver. They can always benefit from a bit of external technical advice and so forth, but it is not that desperate.

WIDNER: I think that those of us who looked carefully at this case, marvel that you could manage this process really with such few people. They were pretty good but there weren't very many of them for all the things that you were doing.

KIRAGU: *Yes, I mean, as you know, we initially started with a project implementation unit and it was very clear to me very rapidly as their chief advisor that this model is not going to deliver for many reasons including the fact that it does not have a good rapport, good linkage with the rest of the public service. Then we moved very rapidly. By 1997 it was very clear that this is not the model we want. We want the department—because each of the departments in the civil service department in the Office of the President or the Public Service Management as they call it now-- has a responsibility which cuts across the entire public service. Therefore, really, the change you want to do within the systems, belongs to a director within that department. Therefore you viewed the capacity in that department to be able to do an outreach in that. In the same case, for example, in the other department which has a major outreach into the rest of the service is what was called Management Services Department. There again, we did a quick...a number of changes, some of the people that were trained in 1997 from other ministries joined that particular department.*

Also by bringing the people from most of the ministries, it meant that this reform is not just about what the Office of the President does, it is also about what they do in those other ministries. I think there was a lot of opposition to that particular aspect of it. So that was helpful. And we also had good people. I would say also one unique aspect is how the Permanent Secretaries especially in the mainstream of the public service, how much they sort of appreciated what we were trying to do. There is also, fortuitously for Tanzania, even before I went there, there is a system where the Permanent Secretaries meet almost on a weekly basis—anyway they meet every time before the cabinet meets and go through the papers that will be presented to the cabinet. I will say, I haven't found another country on the continent which has got that. That does mean therefore you have the Permanent Secretaries as a college of potential change agents. They are in the middle of things. As I said, it is unique because they meet every week, just like the cabinet. A lot of other places where I have advised, this has got to happen. But I know it is taken very seriously in Tanzania. So to that extent then, it is possible to move across the government through the organ of the Permanent Secretaries.

WIDNER: That leads to my next question. I was going to say, are there lessons from the Tanzanian experience for other countries, whether on the continent or elsewhere. That clearly is one of them. Are there others that you think you would add to that list?

KIRAGU: *I think for me if I talk about it in terms of areas--in terms of entry, in terms of vision, in terms of strategic path. I think it is, in my mind, it is the case that, if you have enlightened technocracy, they should equal and they should work to influence the political leadership. Sometimes the political leaders know what they want to do but they don't have the conviction that the risks are merited. Therefore I think, in terms of how the key Permanent Secretaries, including the ones in finance and so on and head of public service, the Chief Secretary, the Secretary to the cabinet, the Permanent Secretary in charge of public service and so on, how they relate then to the political leadership under the President was very important. And how they try to influence him, to make the right decisions. I think that is something which I think doesn't happen often enough, frequently enough, in other countries of the region. Of course it has partly to do with the quality of the political leaders but also the quality of the technocrats themselves.*

So I think that to me is an important part of it. But I think the second aspect of it is the stability of the service. I must say I have written this, I don't know whether you have seen it but there is an article I wrote for the World Bank as background to the World Bank publication on "Stable States" or something like that...I think 2005 publication. I wrote a background paper about the legacy of Tanzania's comprehensive reforms and so forth.(See citation at end of transcript.) I emphasized how President Mkapa brought a unique sense of stability into the service. He brought smart people, some of them he brought from Central Bank which was paying better than others. Some of them, one or two, from outside the public service. But after that, there was a lot of stability.

Among the maybe twenty-one or so Permanent Secretaries who started to serve in Mkapa's cabinet, half of them served throughout the ten years of his presidency. That for me, I think was very unique and has been helpful. The Chief Secretary never changed for those ten years. He inherited him from the predecessor, President Mwinyi. The Permanent Secretary for Public Service Management never changed for those ten years. There was some change, I think, one time change in the Permanent Secretary for Ministry of Finance. So those were very helpful factors in terms of getting change.

I think if I had a situation where even as an advisor I had new Permanent Secretary to advise every year or every two years it would be very different. So that is another important aspect of the reform. Now given those two, then it is very important that there is some sense of shared ends, especially among the key technocrats and the center of the political leadership that there is a sense of where you are all going. It doesn't have to be very elaborate, but there should be a sense that actually you are aspiring to make clear changes and that there is no time to waste and that everybody should agree that what is important and needs to happen and so forth.

Therefore, some courage of conviction on the part of the political and technocratic leadership is very important. Some ability to take some bit of risks. As I said they never, were never able to take the real risks in terms of meritocracy, in terms of pay. And in terms of, in a sense, decentralization of human resources management. Those are some of the areas where we still have problems in Tanzania. But, I would say there is also of course the reason of getting a fairly large group of senior civil servants who are keen to go ahead with the reform, whatever the difficulty is.

In recruiting, in that sense, getting especially the key ministries to talk to each other. I think one of the great things about Tanzania is how the Ministry of Finance, from those days in the mid-'90s, how the Ministry of Finance and the Ministry of Public Service Management and the Department of Public Service Management of the Office of the President, how the two have related well. I would say uniquely well in a way in which I haven't seen (often) there has been collaboration, which we have struggled for in other countries but which has not happened. But if, for example there is no question if public service pay has not happened. There was no question of the Ministry of Public—of Finance in Tanzania, accommodations of the people in the President's office, Public Service Management suggested, and vice versa. And what they thought was good for us to do, we're trying to do.

So that kind of collaboration—and that even suggests that as lesson of experience, you know, you definitely need to get the Ministry of Finance and the Public Service Management, the group responsible for human resource

management, to cooperate from day one and for the Ministry of Finance to see this as also part of its reform. It is therefore in a sense instructive that I think in 1997 one of the things which I did in 1997 as Chief Advisor was to write a note which suggested to the Ministry of Finance why they needed such a strategy for the reform of the public financial management, that the changes that they were doing, yes they were doing okay in terms of fiscal stabilization but they needed to go beyond this and this means also to talk to what we are doing in terms of civil service reform and vice versa. So that's also a very important part of the lesson, getting the center of government to collaborate—. It doesn't always work very well together.

I know some years back, and I think if it hadn't happened, there would have been more progress in decentralization. But I know some years back there was tension between the public service leaders in the ministry responsible for local governments and the President's Office for Public Service Management and that has, that is part of the reason why I would say we still have that problem of decentralization of human resources management. Policy is clear and everything else, but you know, the actual actions have not taken place and that is the reason. So I would say that is one of the other reasons.

As opposed, I made a point earlier on of the extent to which you cannot—I mean you need the knowledge from outside. We are in a global village, so you need to know how the rest of the world is doing. Therefore we read, we sent—you know I can say we sent the head of public service management to the US, some of your institutions, you are not strong on Public Service Management though, so I know we sent the head of Public Service Management, the Permanent Secretary to two programs on Harvard, very deliberately. We sent the Chief Secretary to the Oxford Strategic Leadership program, very deliberately. I know, I mean those kinds of things are good. I mean, those are just among the two.

We sent other key Permanent Secretary to some of these programs and it was very deliberate. So yes, the knowledge from the outside was important. But at the same time, from the very beginning, we emphasized why this has to be a Tanzanian way of doing it. We articulated that in, particularly as we moved into the new phase of reform at the end of the '90s, we developed what we called the Tanzanian model for performance management. It was to be simple and it, but it was going to deliver. We spent a lot of time actually articulating it. It was, at the center of the strategy for the phase of the reform in the 2000 and beyond.

I know, in the end it was not implemented in the way—with the simplicity with which we designed it. In fact, I went back to Tanzania, then when I was a partner at PricewaterhouseCoopers, because we got a contract to implement the performance management in five ministries. We had a lot of problems because this, as far as I was concerned, what they were trying to do was moving away from the spirit of that particular model, simplicity and so on. We were forced to adopt somehow, you know, some of the expatriates who wanted to come in and maybe some one or two people who had gone for studies in Europe, came back and now they were even introducing the European excellence model for performance management and we are being forced to use it as PricewaterhouseCoopers, while that that may not be the best. They were at the same time mixing it up with a manual system of scorecard, right? Okay?

We said if you really have chosen to go with the European excellence model, let's use, let us use an electronic platform and we gave them—we showed, we tried to demonstrate to them how simple it was. And it was a big battle as we persuaded them to do this. Therefore the reason of keeping it simple, but also, in

that sense relating the models you are trying to bring to the capacity that exists is very important. I would suggest that because of that parachuting of European excellence model and all the elegance and sort of exotic models into this whole thing, it never really—. I mean, and we have written about this. We wrote a piece as PricewaterhouseCoopers in which we made commentary on this. It never really got institutionalized in the way we wanted and therefore part of the current phase of the program is still struggling with institutionalization of the kind of model which you sell Tanzania, in terms of performance management, as sort of the integrating instrument for various aspects of human resources management and interfacing it with a budget and interfacing it with monitoring and evaluation. That's what we had already done.

It was going to be very simple. I mean, I think even in the World Bank of of 1999, that reflects how simple we wanted it to be. But when it came to implementation people elegance and keeping it simple I think is a very important part of it. Because if they had kept it simple it is my own belief that they would have done their performance and reforms would be much better than they are reflected at the moment.

WIDNER: When you talk about keeping it simple, it is keeping it simple with respect to the criteria used to evaluate performance, or keeping it simple in terms of the numbers of actions that need to take place with respect to the actual—?

KIRAGU: *It is how many, it is keeping it simple in terms of how many variables you need to have it, what is the level of knowledge, competences you require of the people who are going to use it. What knowledge is required of it, okay? Yes, so it is both in terms of processes as well as the inputs, both human and other knowledge aspects of getting a model to work.*

WIDNER: I understand. Any lessons from other countries that you think Tanzania can usefully draw upon at this stage? Tanzania is a bit of a leader right now.

KIRAGU: *Well, I will say one thing for which I have no reservation because I know I said it as I left Tanzania in 1998 and I said it there, not to their political leaders but to the public service leaders, technocrats who I was working with. I said, I see Tanzania as a country teetering on the threshold of prosperity. [laughing] In fact, I intended to write a book on that but I have never gotten to write it. It is because when I would bring all the factors together and I did not see why Tanzania was not running at 10%. Even today, I know Tanzania has not achieved that 10% rate of economic growth. But I'd like to believe that everything in a country that enables it to achieve Tanzania has. But somehow it has not happened. Therefore my theme still is still for it. So as I say, it is something I told the Permanent Secretary, I even told the head of public service as I left: "You know, you should not be surprised if I am coming back to do research on this book I want to say about Tanzania teetering on the threshold—."*

So in a way we can say maybe it is part of the national psyche, you know in terms of—and some people say so. I mean, I am not totally bought with but there may be an aspect of national psyche in terms of pole pole, as we say in Swahili—slowly, slowly-- don't try to run very fast. The national psyche in that Tanzanians are very proud people, they are not extroverts in terms as a national psyche is not exactly an extrovert psyche. I would say, I'm not sure sometimes, I think Nyerere was extrovert. But in that sense, at the same time we got a national psyche in which people are not so overly aggressive and so forth. At the same time they are not showy. In that sense then, it means they probably do not have as much drive for ambition and so on to show off as other countries would.

I'm comparing Tanzania with Rwanda for example--maybe my own Kenya. The, yes, they could learn from Rwanda the, to do with some degree of reckless ambition (chuckling). I'm not saying the leadership in Rwanda is reckless, I'm suggesting that in the pursuit of ambition, right? I think that is true of every day, in every day life, even at the individual level. You know, if you are really particularly ambitious, there is going to be a degree of recklessness in it. I mean, you are leaving a job, for example, you are a professor in the university and you are leaving a professorship in the university with all the respect due to it to try to become a member of Parliament so that in the future you might become a Prime Minister. It is not definite that you'll become a Prime Minister. That's what it entails. If you are going to be a professor and you want to be a Prime Minister, it is unlikely you move from professorship, however eminent you are, to become a Prime Minister tomorrow. You have to leave it to become a member of Parliament, or a member of the Senate, and from there then you try to run yourself to become a President or a Prime Minister.

In the same way therefore, for a country, in the pursuit of rapid change, okay, there is a degree of recklessness that has to be involved in it. I'm seeing Rwanda, with a bit of that recklessness inherent in ambition, in high ambition and with that of course also some risks. Of course, the key thing about risk is not, that they should not be taken as long as you can mitigate for them and as long as, at the same time you are taking them because the return, the change which you are expecting is commensurate with the risk that you are taking. Therefore I will say, you know, there is an element of that which Tanzania can do with. That's part of the reason why they are teetering on the threshold of prosperity. (chuckling)

WIDNER: The last question, because I know you have to go, the last question I'm going to ask is do you have advice for people who play a role similar to the role you played which was that of a technical advisor, a technical advisor from next door, but a technical advisor. Do you have advice about how to play that role well?

KIRAGU: *I think the biggest problem for many expatriates or many advisors, is that they forget that they are there because things are not perfect. Therefore they should go there with humility and imbed themselves in the programs as they exist. They are not, you know, you should not complain. If you see things are not working well, that is what legitimizes your presence there. Then you go with that spirit and, first of all you never get discouraged and you can remain upbeat as long as you're doing your best. I think that is an important part of it. To that extent then I would say you must be humble in your communication of the advice, always remembering that, you know, advice is to be taken or rejected. You should probably even have the humility to know that—you know, as a family man I know that even in my children, my teenage children, have been rejecting my advice. So why shouldn't the other people reject my advice? So you should always go with some options and try to give them best advice you can, but you should not be discouraged that it will be rejected. Because, again, if you do not have that humility, to me therefore people are going to find you aggressive and sooner or later they will find you a nuisance.*

So that I think is important. I think the third aspect is trying to understand the people you are working with from socio-cultural cum political perspectives. You know, what makes them tick, who influences them, what makes them—what they might be interested in, what they may not be interested in. That is not about being intrusive in terms of your relationship with them because sometimes, maybe you get too much involved with them, that is also not very good. But

you've got to find a way of understanding them and a way at the same time of making sure that you do not exacerbate the internal debates within them.

I think one of the common pitfalls is that there is a tendency for an advisor to try to take positions in the—. You know in an organization there is politics. Okay? And keeping yourself above the politics of the organization when you are from outside is very important. Most people find it very difficult to do so. In that sense also you have to be very careful not to be seen to be an advisor for the development partners. Your interest is your client, it is the country. Really, therefore, the extent to which they trust you is also going to influence a lot whether they take your advice or they don't take it. Therefore, whether or not being sort of hostile, because again, I've seen other people who try to be hostile to their development partners or to the World Bank and others as a way of trying to endear themselves to the host government. But then, you are not helping that government.

I found a particular case, I think in Kenya where some two advisors who had been there for a very long time—. You know, when I had a chance to work with them, I realized part of the problem of the Kenyan government is these advisors because basically they exist to make sure that the World Bank and the Kenyan government do not agree. There are very many of those kinds of things in different, and in terms of there are certain ways of doing it. You know you are there to help everybody to agree, not to disagree. I would say I think, even when new people or new protagonists because they are workers or that, I try to work, to make sure that, you know, they are not identified with any of the groups and that it is clear that what is driving me is that I share the ambition for Tanzania to reform.

WIDNER: Very good, thank you very much. This is a wonderful conversation. I hope the first of maybe several.

KIRAGU: *You're welcome. Thank you. It is interesting always to get together, but you have to reflect back because of course—[end of file]*

Citation to manuscript referenced in interview: Kithinji Kiragu, "Tanzania: A Case Study in Comprehensive and Programmatic Approaches to Capacity Building," PricewaterhouseCooper for the World Bank, Nairobi, June 2005.