



INNOVATIONS FOR SUCCESSFUL SOCIETIES

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SCHALKWYK: Today is the 20th of November 2008. I am with Mr. Eric Shitindi, the deputy permanent secretary in the President's Office, Public Service Management, at UTUNISHI House in Dar es Salaam. So I'd like to begin this conversation by talking about the role that you've played in civil service reform. Could you tell me about what you do now, your responsibilities in your current job, and the jobs that led up to this position?

SHITINDI: *OK. I'm the deputy permanent secretary, as you said. And first of all, my duty is to assist the parliament secretary in terms of managing appropriately and responsibilities. And the purpose of my responsibilities is, first of all, on policy formulation and implementation of human resource management in the public service. I was responsible for advising government and the government institutions on the efficiency and the effectiveness of government operations. That means we are supposed to introduce the systems that can help improve performance in the public service and productivity in the public service. We're also responsible for pay issues in the public service. And in terms of the Public Service Reform Program, my responsibility is to manage the day-to-day implementation of the program.*

SCHALKWYK: All right. Most of this interview will revolve around your work in the reform process, and I would just like to begin with some general questions about the civil service reform process here. And then we want just specific questions about types of reforms that you've undergone. Would you talk about the issues and challenges that were facing the civil service before the reforms started?

SHITINDI: *OK. The reforms, I mean, the public service reforms, I would say, started in the '90s. And I think the key issues that led to reforming public service, first of all, were in terms of managing the cost of running government operations. I think what we experience in terms of managing the service of that, there was a big expansion in terms of employment within the public service. And that is because, prior to reforms, everything within the public service, most of the services, were done by the government and public service institutions. And the government was almost the sole employer in any of the [...]*

Can I start again?

SCHALKWYK: OK, this is part two of the interview with Mr. Shitindi.

SHITINDI: *OK, so you asked about—what was the situation before we started the reforms. As I said, the main reason for reforming public service was, first of all, the issue of the cost of running the public service. Another reason was the declining service levels to the citizens. Because now, there was expansion in terms of budgetary expenditure to run the government and the economy by say, late '80s, '90s. It was not performing well, and this led also to declining resources to support the services that are provided by the government. So there was a need to really address the issue of, how can we improve the services, but how can we manage the cost of running the government? And I think there was also a problem of capacity within the public service. I think we didn't have enough professionals now to really manage and provide services to the public. So that's why we introduced what we call the first generation of reforms, for which the main focus was on cost containment, to reduce the government costs of running the government. And this first phase of reform, which you call civil service reform programs, started in the 1990s; then we implemented it up to 1999. And the key focus of this reform was—of civil service reform—was to reduce cost. And the*

one area on which we focused was to look at the size of the government in terms of the structure. And we managed to cut down the ministries that existed by that time, but also some departments, some sections within the government, through either hiving off because of the—now what we are looking at in reducing the cost of the government was identifying areas which were key for the government to remain with. And in those which were more operational, we decided either to hive off or to invite the private sector or to create executive agencies.

SCHALKWYK: How did you decide which areas would be—were key? Which could be hived off and which would go into executive agencies? Who was involved in that?

SHITINDI: *The involvement was, we formulated teams within each ministry that was going through analytically on the responsibilities of the ministries. And we agreed that the key, the main function of the ministries, was to deal with the policy issues, policy formulation and implementation, but also issues of regulatory function. And for operational issues, we thought there are operations which could be handled by private sector, and there are some which are very sensitive to the government but still not a policy issue, which we thought we could still maintain within the ministry, the ministry structure, but be implemented by executive agency.*

SCHALKWYK: What was an example of those?

SHITINDI: *An example is, for example, the Civil Aviation Authority, which for us was more operational within a ministry. We decided to transform it into an agency, what we call semi-autonomous agencies. Another example is, for example, operations under the Ministry of Health, which are done by the government chemist. We thought, "OK, well, instead of being a department within the ministry, this could be done as something which is semi-autonomous, but really supporting the strategy of the ministry." So I think that the whole issue of agencies, that they're still part of the ministry, because they are implementing the strategy of the ministries, but they're not under the day-to-day management of the permanent secretaries.*

SCHALKWYK: All right, could you talk about the motivation for civil service reform? When you say the first phase was about cost containment, where did you get—who was providing the main push? Was it the Finance Ministry? Was it external donors? Was it the general public?

SHITINDI: *As I said before, the whole history of public civil service reform or public service reform is also very much linked to the economic situation of the country. So the economy was not performing well, and because the economy was not performing well—actually, what the government decided was also to reform the economy. And in all that reform, the economy also needed to have a public service that can really manage the reforms of the economy. So there was also a need to do that. But since most of the country was receiving a lot of support from development partners, there was a push. I mean, the issue was, what would be the opportunity cost in terms of the resources that are available if you cut down numbers, let the private sector also play a role in the economy, and the government concentrate on the key policy issues. So I think the push was from different donors, but also the economy itself. And in terms of the cost, I mean, I mentioned about the size, but also the size in terms of the numbers. Because now if we are letting the private sector be a key player, then there was also a need to really cut down in terms of the numbers, because some of the functions which are performed by the government were now being taken over by the private sector. So we also*

addressed the issue of cutting down the number of employees within the public service. We also focused in terms of managing our wage bill—the wage bill by that time was not well-managed—and we saw a lot of issues like goes to workers within our payroll. So all this was part of the areas which we addressed to make sure that the cost of running the government operations are going down and becoming more realistic.

SCHALKWYK: All right, you said that the reforms finished in 1999 with the first generation. What was the second generation?

SHITINDI: *OK, so the second generation started in the year 2000. What we did is, after first phase of reform, civil service reform, we conducted a study. And actually, one of the objectives, apart from cost containment, another objective was really to improve service delivery in the public service. But by the end of 1999, what we realized is that services had not improved. Although we managed to cut costs, services had not improved, and there were still issues like capacity building. I mean, we still had the shortage of professional staff, issues of corruption were still existing, and bureaucracy was still there. So we thought—after studies, then we thought that it was important for continuing the reforms, but with the main focus in improving our services, service delivery. So we shifted from cost containment, which I think was very successful, and then we moved to reforms that focused mainly on the service, improving service delivery.*

SCHALKWYK: And who carried out those studies? Who was involved in the studies?

SHITINDI: *The studies were carried out by local consultants, independent consultants, but also we were receiving feedback from ministries, departments, about how we performed. So it was a combination of different stakeholders and our clients who gave us feedback. And that is what resulted now into designing the new phase of reform. And in the second phase, actually—what we did was, again, take into account that most of the areas now which we decided to focus on were not going to be implemented within a short time period. We decided to design a program which was going to be implemented for a long-term period, but then divided into three different parts.*

SCHALKWYK: Were these decisions mainly made by POPSM [President's Office, Public Service Management]?

SHITINDI: *Yeah. I think this, from the second phase, the designing of the program involved many people within POPSM, but also people from other public service institutions. Definitely we had received help from consultants, international consultants, in designing the entire program.*

SCHALKWYK: Considering how the reforms have gone, do you think the right decisions were made, or do you think the process should have concentrated on other things? How well do you think the planning has turned out to be?

SHITINDI: *I think the decisions were right. I would say the decisions were right, but there are many -- the decisions is something else, but the implementation is also another, another thing. So I think the decisions to focus on improving service delivery was right, and I think when we started in the year 2000, we implemented for about two or three—two years, I think. Along the way, I think after two years of implementation, we reflected back on how we were progressing, and we revised, again, our implementation and strategy. And maybe for the benefit of the*

listeners, when I'm talking about the second generation of reform, public service reform, what we had is three phases. The first phase, which was to be implemented for four years, was the main focus on installing performance management systems. And then we had to plan for a second phase, which was really institutionalizing. This is like a second phase, after introducing and putting in place the systems, then in the second phase was geared towards the, deepening the use of these systems within the public service. And then the third phase was now to make the public service reform focus on quality, quality service and quality service delivery. So we had these three phases, which also in terms of implementation are interlinked. It's not like when you finish one phase, you move into another one. It's just almost overlapping implementation of the reform. But all the three phases are addressing the one key issue of improving service delivery to the public.

SCHALKWYK: You said that you changed your methods of implementation after a review. What sort of changes were those?

SHITINDI: *I think, first of all, it was in terms of speed of implementation. I think what were the advantages in terms of implementing the first phase, which was introducing the performance management system—actually, let me go back to before we started. After finishing the civil service reform program in 1999, what we did was, after agreeing that we were going in this direction, we developed what you'd call a model, performance improvement model, which we piloted into some ministries and agencies. And then, when we were satisfied that it was going to work out, we decided now to roll it out to other MDAs. So when we started, I think we thought we were going to move faster, but then we realized that speed was not very good, so we changed the strategy in terms of installing these systems to the ministries.*

SCHALKWYK: And when did you first start rolling that out?

SHITINDI: *We started in the year 2000, yes. But then, the approach which had planned the area was like going from one ministry to another, and we thought it was going to take a long time, so what we changed was to bring in some consultants to assist us to roll it out to the entire public service and to the ministries and agencies.*

SCHALKWYK: And which were the first ministries to get it, to receive it in the trial period?

SHITINDI: *The trial period, our ministry was the first. I mean, we tried it within our ministry.*

SCHALKWYK: That's POPSM, right?

SHITINDI: *Yeah, POPSM. And this model, of course—I mean, now what we are doing is to introduce this strategic thinking within the public service, you know, the planning as well. So introduce strategic plans, and MDAs were supposed to also help for operations and operational plans, annual plans. We changed the way we were evaluating performance of our employees. We introduced now what we call Open Performance Appraisal and Review System, and instead of the [...], also introduce the concept of client-service chatter. So this, and the monitoring and operation. What we wanted is to promote accountability at the level of institutions but also to the level of individual employees. So the pilot was done to POPSM, then I think that it was the Ministry of Water, and there were two other agencies as a pilot. I think there were five. The Ministry of Health, too. That was five institutions, ministries, and agencies which were piloted before we started*

moving into other ministries and agencies.

SCHALKWYK: How long was the pilot period in those ministries?

SHITINDI: *The pilot period, I think, it was—one year, I think. Because you had these tools which were to be introduced when they started facilitating these institutions into putting in place strategic plans, and then we moved into other elements of the model. So it was—I think the pilot was for about one year or so before we started implementing it to other agencies.*

SCHALKWYK: Did you make any changes in the program before you implemented it in other agencies?

SHITINDI: *In terms of the model?*

SCHALKWYK: Yes.

SHITINDI: *I don't think we really made any changes. I think for piloting, I think it went well. But when we started implementing it to other ministries, that is where we realized that maybe even the piloting period was not really enough to get some feedback, because there are some elements, which we later realized are very difficult for ministries to comprehend and for people to accept them to implement.*

SCHALKWYK: So what would those be? What were those?

SHITINDI: *In the process of introducing, I think, for example, apart from strategy to planning, when the MDAs are doing situation analysis. There are some areas where we wanted them to do—OK, service, they were very savvy, but there's something which we call self-assessment. OK? The method that we used or introduced was a bit complicated, and even the level of understanding within our MDAs in terms of strategic planning, and this—we used the EFQ model. I don't know if you know it. European Foundation Quality, something, so it is something which we found it difficult to be implemented within ministries, so we thought maybe we needed to look for a simpler approach for ministries and agencies to do their self-assessment.*

SCHALKWYK: And have you found anything? Have you developed anything?

SHITINDI: *We have some simpler approaches which we have used later on, but I think it is something which we started reflecting late, after the whole process in many ministries had already been completed. But I think that is an area which we decided later on that we are not going to use.*

SCHALKWYK: And did you develop this new approach yourself?

SHITINDI: *Yes, yes, we have done it ourselves. So we'll see. I cannot say that everything by ourselves—because some of these models are already in place in different countries. I know in South Africa, they have some, they've customized it from the EFQ model. I think there is a [...] which is in the U.S. or somewhere, Japan. And so, but I think what we really need is to have our own model which takes into account our own environment, rather than copying something which is difficult to fit in, in our own environment.*

SCHALKWYK: So how was it difficult to fit in? What differences did you make to make it fit into

Tanzania?

SHITINDI: For these countries which are using this kind of model, they were also—they took time in terms of coming up with these models. But for us, it's like we just copied and wanted to use it in our environment, which I don't think is right. You need—it's possible it is something good, but you really need to test it. If it fits into your environment, there are some elements within the model which maybe are not realistic within our environment, so these are the issues which we are now again working on to see what can fit in our environment, what doesn't fit, and again, introduce it to our public service.

SCHALKWYK: Are these done in—are these typically done in English?

SHITINDI: The facilitation and...?

SCHALKWYK: When people do their self-evaluation, are the forms done in English?

SHITINDI: OK, the forms are in English. Yeah, the language which we use is English. But the discussions and everything can even go in Swahili, so people are free to use that. But the forms which we use are in English. Of course, I don't think English was a problem. But I think the model—because they have different subject areas and elements which you really have to address, I think that is something which maybe it was too early for us, when you are just starting introducing. Yeah, maybe, there's something—I don't know if I can make a point. In terms of shifting from the first generation of forms, again, there are two key points which maybe I should have mentioned. One is that we, after 1999, towards the end of the first phase of reform, we all thought that was the end of having a policy, and we came up with a policy, a public service management and implementation policy. This is now—which was a cornerstone of all these reforms which are happening after 1999. Because within this policy, we—the policy stated that now the direction of the public service would be results-based management. That was the key. And within the policy, it is stated that now, strategic management would be the key in terms of planning of our activities and in managing our activities. And in moving into a meritocracy, OK? Before, you could just walk into the public service, but now the shift changed it: there would competition in terms of employment, recruitment, based on merit. So those were the key shifts, and after that, now we started it but then we also came up with a Public Service Act in the year 2002, which was also key in terms of now legalizing what is in policy. And most of the issues are now more legally binding when you are implementing the public service reforms. And the way we manage our day-to-day operations [...]

SCHALKWYK: So I wonder if we could return to the executive agencies. What is their relationship with the ministries that they are in? Or are they separate from ministries?

SHITINDI: I mean, we like to use the term, "eyes on, hands off." As I said earlier, executive agencies, their activities are more operational. And if we take, for example, POPSM—before, we had a department that is related to—now we call it the Public Service College. So this one was like a department within—but it's more of operational, teaching, and all of this. And there are some decisions which need to be made, you know, that we'd make sure those operations go smoothly. And if now, the problem was that they are also being affected by the bureaucracy within it, because now every decision that relates to that operation was to be decided by the permanent secretary. There are some delays, problems of resource

allocation. So that is why it was decided, if there's any operational function which can be done on the outside the normal operations of the ministry, then make it semi-autonomous and have it as an agency. So in 1997—again, this is a decision which was made early on, in the first phase of reform as part of reducing the size of the government operations—the act was created, the Blanket Act or Executive Agencies Act of 1997. And again, I think maybe this was also another way of piloting result-based management. Because from 1997, from the act, the agencies are supposed to operate under result-based management, and if possible, if there are any avenues to create their resources, revenues then, they are allowed to create revenues to charge fees and all that. So I think that was another area where we tried to pilot it, for result-based management can also work within the public service. And now, I think we have about 24 or 25 executive agencies.

SCHALKWYK: All right, and where does their funding come from?

SHITINDI: *The purpose of establishing executive agencies, of separating them from day-to-day operations of the ministry, was to improve service delivery. So the funding mainly for executive agencies is coming from the government. And there are some few agencies, I don't think if we have even more than four, which are free as self-sufficient in terms of funding their operations.*

SCHALKWYK: Which are those?

SHITINDI: *We have a business registration and licensing agency, that is one. Also, Civil and Aviation Authority is another one. And all Tanzania Port Authority, they do partially, I think, they're some—and I don't remember the fourth one.*

SCHALKWYK: Who makes the decisions in the executive agencies?

SHITINDI: *There is a chief executive, and according to our law, our Public Service Act, in terms of implementing, the chief executive is always in charge of the agency. So he makes the day-to-day decisions. But, as I said, they are also implementing the strategy of the ministry.*

SCHALKWYK: OK. And the people working in the executive agencies, those are civil servants who used to work within ministries, correct?

SHITINDI: *Yes, because now most of them—for example, if we go back to the ministry, you don't find Civil Aviation operations, so they moved the people. But they are given a condition: once we establish agencies, you have a 12-month period to decide whether you want to remain an agency or you want to go back to the ministry employment. In most cases, people decide to remain as agents. But if people decide to come back and they cannot be absorbed by the ministry, they are given the option to be retrenched.*

SCHALKWYK: How much autonomy does the executive agency have in its operations?

SHITINDI: *I think in terms of operations, they have autonomy because the chief executive is the one who is also accounting of the—so I'd say they have enough autonomy as the organization. Because they are the ones who are deciding—I mean, the chief executive is supported by a management team, and they develop their own strategic plans, so they can make the decision to develop their own budgets. But I know it's not very possible to have 100% autonomy, and it isn't because they're*

still part—I mean, they're still a department of the ministry, although operationally they have this autonomy. But they are still part of the ministry, and they are implementing—they cannot come with their own agenda, because what they are doing is to implement the agenda of their respective ministries. So from time to time, they have to be responsible to the permanent secretary, responsible to the minister, because when the ministers are going to the Parliament to report on the performance of their ministries, definitely what is done by agencies, they also have to report in what they are reporting. So they have autonomy, but again, they have to also understand that they are addressing the agenda of their ministries. But I know there is a complaint from time to time, also maybe a lack of understanding from people in the ministries or even other public institutions. They don't, possibly, understand clearly what the role of agencies is. Some people in the ministries, when the agency is created, then they think this is now out of the ministries, which is also very wrong. They are still part and parcel of the ministry. It's only operationally.

SCHALKWYK: All right. And are there different standards for employment in the executive agencies? Do they have more autonomy over who they can recruit or fire?

SHITINDI: *I beg your pardon?*

SCHALKWYK: Do the chief executives have more autonomy in who they can hire and fire within the agencies?

SHITINDI: *Yes. Because, as I said, the law provides that. Because under the law, agencies—under the Public Service Act, agencies, the chief executive is the employer of the agents. The permanent secretary is the employer, so in terms of recruitment, the permanent secretary of the ministry cannot interfere into the recruitment or even on the financial matters, so they have that autonomy. They can hire and fire if—but indefinitely, again, we have the Public Service Act and regulations only for the operations that are provided. They have that autonomy.*

SCHALKWYK: Right. And you said that they were the first experiment with public performance management. Do they differ in their performance management schemes from the systems implemented in the last few years?

SHITINDI: *What I would say: in the first years before we introduced performance management systems in the rest of the public service, it was different, you see. Because for them—they are supposed to sign the performance agreements. There are some indicators that were monitored in terms of their performance, financially and the rest. You see? But after, I'd say, 2000—after 2002, after the Public Service Act, I would say many things have converged. So now, even the Public Service Act itself, most of the issues in terms of managing human resources are not very different to what is in the public service, in the executive agencies act. So in a way, they converged. There's no difference, no difference.*

SCHALKWYK: OK. Was there any resistance to creating the executive agencies?

SHITINDI: *Not much. There was, but not much, I would say. Because it's possible that—I mean, some of the—what I would say, there is some resistance in some cases, because some of these operational issues within the ministries were also some kind of source of revenue. So when you take this operation out from the normal day-to-day powers of the ministries, then the people are really feeling like they are losing their powers. But in most of the agencies which we have created, I*

don't think we have experienced much resistance. Because there's also a lot of preparations in terms of change: changing management programs, informing people, informing the entire ministries. So we go around informing them: what are the benefits, what are the costs involved. I don't think we have really experienced much resistance in terms of, if you take the numbers. We have some few cases, definitely, about three or four cases, which we had run to a very advanced stage. They had reached a very advanced stage in terms of creating them, to become agencies—but then again, in the ministries, possibly people within those areas drag their feet to establish them. I think sometimes people get worried, because when they would create the agencies, it's like after you create it you let everything free. There's no guarantee that if you are head of that department, you will become the chief executive. Because everything has to be advertised—the position has to be advertised. And these are some of the things which maybe people get worried and hesitate to give support. But I think from my assessment, I would say so far we've been very successful.

SCHALKWYK: Are people in the executive agencies paid differently from those in the rest of the civil service?

SHITINDI: *When we started, yes. And up to now, there are a few of them. But the process to approve—I mean, they are not, they don't have a freedom like they can just decide to raise their pay whenever they wish. They are closely monitored. They have to demonstrate that there is an improvement in terms of performance, in terms of resource generation. They are allowed to supplement for—because still they are paid under the normal wage, some of them. But then, if they have something to complement, to augment on what they are given from their own revenues, that one they are allowed. It's part of motivating because they—I mean, although we are all implementing a performance management system now, I think executive agencies are conditioned to be tighter than what is happening in the rest of the public service, the ministries.*

SCHALKWYK: So do you think they've been a success?

SHITINDI: Yes.

SCHALKWYK: Are there any ways in which they haven't met expectations, or they've been difficult or challenging?

SHITINDI: *We have conducted two studies.*

SCHALKWYK: When were those?

SHITINDI: *I think one was in 2006 and another in 2004. I don't remember exactly, but I think it was 2004, and now, we have conducted two impact studies on executive agencies. And definitely, there are some mixed results. But there was improvement in terms of financial management if you compare before and after, in terms of human resource management. They've done a lot of capacity-building in their areas, I think, in terms of procurement. So we had areas which we focused on in terms of looking, if there is improvement or not. But generally, there is improvement. But if you go into case by case, specific cases, if you want to go by agency by agency, there are some agencies which have not performed very well. There are agencies which have performed very well. But overall, there is a big improvement in terms of the way they perform.*

SCHALKWYK: What do you think accounts for the agencies that haven't performed well?

SHITINDI: *OK, one possibly is the relationship between the agency and the ministry. You see, if there's a poor relationship, the ministry does not support the agency, the agency doesn't perform very well. And definitely, you find most of the people who are managing these agencies, again, they are people who are in the civil service. So if you continue managing the agency as a civil service entity instead of a business entity, then definitely your performance will not be very good. I think those are some of the reasons. Another contentious issue is funding elements. You see, how should the government fund the agencies? You see? We are still discussing the issue of what we call service-level agreements. Is the government paying the right price to the services given by the agencies or not? So those are the—. So there is a situation where although they receive some [...], maybe it is not up to the level of really paying for the cost of the services provided by the agency. So, all these affect the performance of the agencies.*

SCHALKWYK: In what ways would you describe the agency as similar to businesses?

SHITINDI: *In what way?*

SCHALKWYK: Yes.

SHITINDI: *OK, I think—and before, we were not even thinking strategically, OK? They are supposed to have strategic plans; they are supposed to have business plans showing how they move, and I think this is how the businesses are doing. But also, they have that autonomy, you know, to hire. That kind of thing. It's like they are not part of the day-to-day bureaucracy. The decisions have to go into different strata before the decision comes out from the permanent secretary. Before they have business plans. Because we know, I mean, we have people recruited competitively, and even from business, from the private sector. So I think although they don't have competitors in most cases, I think in terms of operations, we think they are supposed to really operate competitively. They also charge some of their services. But although it's so—we don't want them to concentrate on generating revenues to the level of affecting, again, the consumers. Because we know how people can be motivated to charge very a high cost, because they think if they generate more revenue, they also have more pay. So we don't want them to go to that level where they are, again, going to be a nuisance to the public or to their clients.*

SCHALKWYK: OK. Are they held to performance contracts—

SHITINDI: Yes.

SCHALKWYK: —to the ministry?

SHITINDI: *Yes, they are supposed to. They are. What they are supposed—I mean, even chief executives, they're there for, I think, a period of five years. It's a performance contract, and it is renewed when it is really seen that they have done something.*

SCHALKWYK: And how are those worked out? Who's involved in establishing the criteria, I guess, by which they are judged?

SHITINDI: *We developed the criteria, but we have then trained the ministries to do the*

assessments. The agency, they have what we call advisory boards where the chief—the permanent secretary is the chair of the board, with some of the people who I expect in that area—

SCHALKWYK: Those people from the private sector?

SHITINDI: They have people, members of the board, who are coming maybe from the private sector. I mean, it's different. It's more key clients or stakeholders of that respective service. And so they are supposed to provide performance reports on a quarterly basis to the ministry, but also to our ministry and to the Ministry of Finance on a quarterly basis. So there is a continuous monitoring process, but we are also in the process, again, of really coming up with a better framework of monitoring the performance of the agencies.

SCHALKWYK: What has the public's reaction been to the executive agencies?

SHITINDI: Well, what I would say—I think it's positive. It is positive. I could give an example of an airport. I think, before, it was still a department within the ministry; even the services of the airport were not very good. People are not creative. I think you have to—I think in becoming an agency, people become more creative and they're—we could see improvements. You could even go there when you were waiting for something and get a chair to sit. It was not the same some years back. It is cleaner, it's all—I think the process has helped to really make quick decisions and quick improvements which were not possible before. And so I think in general, the response from the public, I think, is positive because of the service. There is improvement in terms of services that are provided by the agencies.

SCHALKWYK: All right. I'm just going to ask you about any organizational changes that have happened within the civil service other than the creation of the executive agencies. Have you changed the way in which the civil service has been structured or organized?

SHITINDI: In terms of what?

SCHALKWYK: Such as the career paths—

SHITINDI: Yes, yes.

SCHALKWYK: --of civil servants, or lines of authority.

SHITINDI: OK, in terms of the key issue: first, what we introduced is meritocratic principles and other key changes in terms of the way the service is managed. So you enter competitively, but again, promotion from one level to another, we also changed. In terms of career path, in the public service we are guided by this scheme of service, and the scheme of service is one which is stated like—OK, this level requires this type of qualification, and the responsibilities are this. What we did earlier, before: the problem was that we had a lot of people who are delayed in promotion or people who are moving very fast, and then when you reached the bar of your scheme or salary, it was not very possible to move into another level or another grade of the salary or of the scheme of service.

SCHALKWYK: This is part three of the interview with Mr. Shitindi. And you were talking about the meritocratic—

SHITINDI: Yeah, meritocratic. I was saying about—you asked about the career path, and I was saying we addressed something on the issue of career path. First of all, we looked into the schemes of service. I think by 1997, 1998, up to 2000, I think we had about 260, more than 260 schemes of service. And we conducted what we called job evaluation study: looking into paid activity, I mean, the job's worthiness in the public service—

SCHALKWYK: Can I interrupt you? What is a scheme of service?

SHITINDI: Schemes of service is something which describes how a public servant or an employee can progress within his occupational group. Say, for economist, it'd be grade one, grade two, grade—how would you move up from the entry point of this. So this is where issues like key qualifications, pay grade, and job description, general job description, improves from one level to another. It's what we call scheme of service, and this is what determines the career path of a public servant. So what we had noticed is that a key problem was we had too many schemes of service, which were also difficult to manage. But again, we had very narrow schemes of service. For example, if you had an economist within the public service, then you'd find that there is agriculture economics, environment economics—I don't know, different types of economists which were also managed by different ministries. So if you've graduated today, if you monitor these two people who have graduated today but they entered into different schemes of service, after three, four, five years we find them in different levels the in scheme of service, and this raised a lot of complaints from public servants. So we addressed it by reviewing schemes of service and creating broader schemes of services, by merging schemes of service which, in a way, had a similarity in terms of qualifications, but also a similarity in terms of skills that were required to perform given jobs.

SCHALKWYK: And this merging was done by the POPSM?

SHITINDI: Yes, what we did was, we created a team of what we call job analysts, who come from different ministries but are working within the ministry here. And we had the questionnaires; we moved almost the entire country collecting information, what we called job analysis, interviewing people and comparing notes and giving scores. That exercise helped us to grade jobs within the service, track jobs with the public service. Then they also come up with the new schemes of service, and what was existing by that time, the schemes of service had too many levels. We find that a scheme of service had about nine levels; some had 19 levels. But when you look at those different levels, if you relate them to responsibility and relate them to pay levels, it was like people were being promoted but they still continue working the same things. No change in terms of responsibility, but what you change is pay, which again affected the wage bill, you see. You're paying people higher, but then there's no change in terms of responsibilities. So we decided to reduce the number of levels within the schemes of service. Also, after reducing the number of levels, we also looked at the other side, that is on the service track. We created the levels, more levels, within the—we brought in the salary scales within the given salary grade so that people can continue progressing within the salary scale, although there's no change in terms of, whether there's no vacancy which allowed them to change their levels in terms of schemes of service. So those are the two key areas which we had addressed in terms of a career path. So after—as a part of implementing meritocracy now, again, all these—in terms of career paths that mean promotion and all this, it was

supposed to be informed by the performance appraisal system. It is supposed, I mean, that is what we are doing at the moment. If we have good record in terms of performance, and if there is a vacancy, then you can get promoted. Because again—now, before it was like automatic. After every three years, people got promoted—after every three years, you see. So that was also another area which we decided was causing a lot of pressure to the wage bill. You pay people higher salaries but you don't change their responsibilities, so I think it's in those three areas which we addressed. First to stop automatic promotion, make it merit-based, change the schemes of service to also address the issue of salary structure.

SCHALKWYK: And how did civil servants react to this?

SHITINDI: That one was not easy. That was not easy because it touched their hearts and their thinking.

SCHALKWYK: So what did you do to—

SHITINDI: We did a lot of communication. After we finished this exercise, we did heavy communication and strategy, moved it to different employees, employers, and found them trade unions. But I think the implementation did not go very well.

SCHALKWYK: What were the challenges there?

SHITINDI: Well, I think the challenges were, first of all, to make people understand the relationships, OK? And because other people are used to automatic—because now, people are just waiting for three years, but the argument was, OK, there are some people who are really not delivering. So if you are not delivering and at the end of the day you get promoted, where somebody who is also performing well, he's accountable, she's accountable, and then somebody who's really not being very responsible still gets a promotion. So, definitely, the people who are used to taking advantage of the old system were really making quite a lot of noise. But I think now people understand; I mean, it's slowly sinking in. I don't expect as much noise as it was before, you see. But still, a lot of communication, education is still required to the employees, but also to the people who are implementing this. I don't think everybody understands it at the same level, or it is something which we will continue communicating to people so that they can see the relationship and why the government is headed to move on that direction.

SCHALKWYK: Did you have political support? What was the political support like?

SHITINDI: Yeah, we did. We did have—we do have—our ministry is very supportive, I think. To the high level, I think it was—couldn't have introduced this without having political will around.

SCHALKWYK: So I just have two more questions, concluding questions just to finish up. Are there any aspects of the design or implementation of the civil service reform that reflects specifically Tanzanian ways of doing things, that may or not be transferable to other areas?

SHITINDI: May or may not be?

SCHALKWYK: Yes.

SHITINDI: *I don't know. I think this is—the whole thing which we are doing is, I don't know if it is one which is referred to as a new public management, the way the government operates, and the way governments have copied from how the private sector operates. But I would say, when you are designing a program you need to take ownership. Now we've finished the first four years, five years. I mean, we finished the first phase of public service reform in the year—last year, 2007. As I said, we changed the strategy; instead of four years, now we ended up implementing it up to seven years. Now, when we are designing the second phase, again, we had to go back to stakeholders. And one of the key lessons that we learned is that people are not very happy with the way we are implementing the reform, because most of the issues were directly managed by our office. So I don't think people are very happy. They wanted [...] So I think ownership and the commitment to the reform, again, was affected. When we were designing the second phase, which we are implementing now, we said, "OK, I think now we need to make sure there is ownership and commitment by changing our implementation approach." And what we have done now is that we have let the ministries themselves identify areas of priority that they think they can implement. So what we have done, the program, we've just given the key priority areas of public service reform, the agenda that we want to implement, and then let the ministries go through the agendas and pick from the menu, like, "OK, I think for me, I want to do this, I want to do this, I want to do next here, do this and this and this." So that is what we are doing. And then they are given the resources. So I think possibly for people to learn from us, I think this is a key lesson in terms of how you implement the reform. Maybe don't centralize too much. So we have decentralized to MDAs, but also you need to be realistic to get well-informed of what should be on the agenda. And I think also, something you mentioned about sequencing the reforms; I think this is another key area which people need to take into account when you are designing the reform. Maybe you don't want to introduce too much, too many interventions. You need to sequence. Or even in sequencing, you need to also know the local environment, because sometimes ministries differ. Some would be higher on this area; some will be low in this area. So how do you sequence even within these agencies in terms of reform? So that's why when they are looking at the menu, and this is after they have assessed themselves; they know, "OK, I think we need to start doing this," and then maybe you move to this. So this kind of thing is important.*

SCHALKWYK: And what do you think the most important aspect of the reform was for Tanzania? What do you think was first to get right before you could continue?

SHITINDI: *Maybe I'm not directly onto you.*

SCHALKWYK: I was just wondering just—your comment on sequencing. For Tanzania, what was the most important thing to get done first that you could move on and do other things?

SHITINDI: *Making people understand how they plan. I mean, introducing this, I think introducing the strategic planning was important because—actually before, we had already, at least we tried, we had already introduced what we called performance budgeting. You see? And the performance budgeting is like the end game of—you start with a planning process, and when the operation lies, your plan, OK? Then you—budget comes in. So I think people did not understand what it is, strategic plan. Show them the logic that goes into performance budgeting, I think that was the key. And I think ministries, I mean, when I talk to the minister of finance, I think they are happy that now strategic planning is a*

management tool. It really helps to sharpen the way ministries are planning their activities. So slowly, and now that is institutional—again, it helps people to know. I mean, why am I coming to work? OK, oh, this is the mission of the institution. These are the languages which I don't think these people are talking—like, OK, you have a mission and you have a vision. And the rest, I think, comes back. If you have these basics, then the rest addresses your mission and your vision.

SCHALKWYK: OK, thank you very much for your interview.

SHITINDI: OK, thank you very much.