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SCHALKWYK: All right. Thank you very much. OK. Today is the 13th of November, 2008. I'm speaking with Mr. Rugumyamheto, the former permanent secretary for public service management in the Tanzanian government. So I would like to begin this conversation by first confirming that you signed the release and have agreed to this interview.

RUGUMYAMHETO: *Yes I did.*

SCHALKWYK: All right. Now can we start by talking about the role that you have played in civil service reform in Tanzania and could you tell me about what you do now and the jobs that have brought you to this position?

RUGUMYAMHETO: *Well, I managed reforms in my capacity as the permanent secretary. Started off with an office called civil service department in the president's office. Basically managing human resources, all civil servants in the country. And evolved into a different office called public service management, which translates into the reform process which we underwent along the way. But it amounts to the same thing - that I was basically managing civil servants, public servants, and providing leadership into government business as it was all focused from my office.*

SCHALKWYK: All right. Thanks. Most of --

RUGUMYAMHETO: *Now moving to what I do now - basically is I do share a lot of my experiences with a good number of people in this region of the world, Africa, southern Africa, central Africa, eastern Africa. I guess out of recognition of the immense -- I don't know success -- but a lot of effort that went into the reform program reforming the civil service, reforming the public service in Tanzania. So I do share -- I'm invited to share with them. I do some consulting. Sometimes it's just being resourceful, resourcing out seminars, workshops, different countries. And sometimes just participating in meetings and conferences around the region.*

SCHALKWYK: All right. Well, most of this interview will probably revolve around your work here in Tanzania. And I'd like to begin with some general questions about civil service reform and then move on to some specific types of changes that Tanzania has undergone. And before we start on some questions could you give me a very brief history of civil service reform in the recent past in Tanzania?

RUGUMYAMHETO: *Yes. Let me start with an existing situation. Particularly in the mid 1980s, the public service or civil service had evolved from a fairly efficient outfit to almost a totally dysfunctional outfit. And that wasn't only public service. That was a reflection of basically the entire nation or country's situation, economic situation. There have been explanations. But in brief we were quite dysfunctional, the public services given to the general public. Rules and regulations were not observed. It was a very costly outfit whereas the economy was going down and we couldn't meet basic requirements of maintaining the civil service.*

From that situation Tanzania the country emerged from that situation by adopting drastic changes, not only in the management and administrative sector. I would say changes in the administrative sector came later. But we undertook serious drastic changes in the economic arena as well as the political arena. And that created a big demand for drastic changes in the administrative sector. So that's the background to this.

SCHALKWYK: So would you talk about some of the specific issues and challenges that faced the civil service before the reforms began?

RUGUMYAMHETO: *Yes. Specifically we were not delivering the services that were required. We were not managing that outfit, public service, that organ, well enough for it to be appreciated by the general public, by the taxpayers. We were not able to motivate it so that it can motivate the employees and civil servants so that they deliver the services. We were not able to take care of the values and integrity of the employees. So those were basically -- and the management systems were totally eroded. In brief. You can go on and on if you want. In brief that's really the situation, the challenges that we were facing.*

SCHALKWYK: And could you talk about the goals of the civil service reform program?

RUGUMYAMHETO: *Yes. The immediate concern was just to bring that outfit to some level of credibility, some level of integrity. So we went on to say what does really the public service -- what does the civil service, what is its role and its functions in the society? And we discovered a lot of mismatch. We discovered there were a lot of overlaps. We discovered that civil service was entrusted in providing services that were not necessarily its role, as part of the centralism, the central management approach, where everything is basically centralized. And the politics of the day defined that the civil service was the institution to provide all services, including selling tomatoes and meat and what. That's an example. So we started from there. That let's first of all redefine the roles of the civil service and rationalize them. And define its costs, whether you can cut down costs so that we can now address other things. And whether we require such a big institution that we can't really manage well.*

So those were the entry points for civil service reforms. And that took quite a while, took quite an effort. Until the latter part of the reform efforts, where we began to define our service delivery. That comes much later. Now well, should we first of all dwell on civil service reforms a bit more before you go to the next stage of this?

SCHALKWYK: I'd like to just ask who was involved in setting these goals.

RUGUMYAMHETO: *Who was involved? The government was involved, heavily involved. We were advised by external development agencies, World Bank, IMF, bilateral partners or donors and other agencies - UNDP and others. What I can't say is whether we got advice from the general public about the situation. But there was a general outcry. Those days the media wasn't particularly well advanced to voice difficulties and problems. If the situation was today I think things would have been different. But occasionally we kept getting signals of bad image and dissatisfaction of the society about the civil service. So that led to the government and the stakeholders defining the goals.*

SCHALKWYK: All right. And at the beginning was there an effort to sit down and plan the process or the order in which things would be done?

RUGUMYAMHETO: *No, I wouldn't say very orderly and in order. But I think it was -- what is the word? Not ad hoc, but opportunistic. I may say you have a dysfunctional situation, what are you doing? The first thing is how do we make it begin to function again. What are the issues that we address immediately? Just organize the things, bring things to some level of organization. And that is first things first. And then I think we started learning from that. On the other hand I could say there was a lot of I would say extensive diagnosis of the nature of the problem.*

Because the reform efforts themselves started with close to four, five years of studying the situation, analyzing the problems and the challenges and what was the right way of entry facing those challenges and addressing those problems. So while we can't say there is that orderly planning of what comes first and then what comes second and so on and so forth, but I would say the interventions are backed up by some extensive efforts to find out what the problems are and how we can address those problems.

SCHALKWYK: All right. And who was involved in that?

RUGUMYAMHETO: To a large extent a good number of Tanzanians actually. I know that a lot of -- including myself. By that time I was not yet on the top of the ladder in terms of government organization. But a good number of Tanzanians. And the major external agency that supported this process was the UNDP. I recall the UNDP feeling a bit let down when at a later stage we invited the World Bank to participate, because we wanted more money and UNDP doesn't have that kind of money. And they felt let down. But UNDP was very critical in supporting that first phase, the first stage of reform efforts. And other bilateral donors. But not too enthusiastically I must say.

SCHALKWYK: All right. And considering how the reforms have gone since they started, do you think the right decisions were made or should the process have concentrated on other things? Was there anything that was absolutely vital that was left out?

RUGUMYAMHETO: Not left out. I would say that it was an incremental process. We kept doing things and addressing things. And we found this wouldn't work before you do this other one and so you learn. You learn, we learned through the process. And I wouldn't say we reached a point where we regret that we are not able to do this and that before we did this and that. But what I can assure you is that the very first interventions were very difficult. Difficult to undertake. That involved retrenching a number of people. It involved redefining the organization of government and scaling off -- hiving off a lot of functions and activities that had been going on, that had been taken for granted, and people who were doing these activities, they had to be chopped off the payroll. We had to clean the payroll to make sure that it has integrity to it. And there were people who were benefiting from this mess. So the earlier decisions were quite difficult I must say. And some of the early stages I would say that government was not bold enough in taking some decisions until later on in the day. But to me it's not something that you regret about, it's something that you feel yes, it was a difficult situation, and we learned a number of lessons and we went back on the drawing boards and see what we could do, intervene with at any point in time. And incrementally or increasingly we gained boldness and capabilities to take bigger risks and address things more rationally, more systematically.

SCHALKWYK: And what relationship do you think do the government politicians have with the reform process? Where was it in their set of priorities?

RUGUMYAMHETO: Yes, it was fairly detached in the first case. I would say where it was necessary, where it was inevitable that you go like that, because some of the therapies were difficult in political terms. Retrenchments are not the most attractive processes politically. So earlier on in some of the efforts, some of the interventions were more bureaucratically determined. And the political aspect was marginalized. Maybe again -- take you back to a situation where the first interventions are context in the structural adjustments for the entire society and for the entire economy. And those kinds of measures don't go too well with

political decisions. Later on, though, as we began to embrace the broader reform aspects, the service delivery, accountability, values and integrity of public servants, we involved the political leadership, the members of parliament to discuss those. So it was necessary that we do that. But the earlier part of the reforms, the political leadership or the politic organs weren't intensively involved in decision-making.

SCHALKWYK: So where did the motivation come from for the reforms? Could you talk a bit about that?

RUGUMYAMHETO: *I would say the leadership, the top leadership. There were changes taking place. We had a president who had been there for almost the entire life of this country and we never knew that he was going to leave. He suddenly left. And suddenly started bringing some awakening into the society that there is a dynamism. The second leadership that came to power, and the dynamic that was taking place in the political arena, I think led to a different thinking, that we need to address these things differently, we need to address the problems more realistically. So it was a challenge on the political leadership to take steps to improve things. Not only in the administrative -- as I said earlier, the economics, the economy, we started tolerating private interventions, market forces, inviting people with private funds, external funds to import in goods. It was liberalization within a dynamic that was taking place. Not only for this part of the world but I think globally too.*

SCHALKWYK: All right. My next questions pertain to the specific kinds of reforms that have happened in Tanzania. And I'd like to talk about various sets in turn. So listeners can understand the story behind each. But feel free to make links between them. And first I'd like to talk about professionalization and issues of merit within the civil service. So could you describe the procedures and standards used in the system of recruitment in the civil service and how this changed over the reform period?

RUGUMYAMHETO: *Yes. I must say again going back to what we used to have, a one-party political system, a centralized system, all-embracing or all-inclusive participation, whether you -- public servants, civil servants had to be part of the political system, they had to be vetted by the political system. So it was by nature highly patronage-oriented. And whether we liked it or not we kept a semblance of some rules and regulations that existed that were inherited from the colonial system. But it was trying to fit -- it was old wine in new bottles like. The regulations are supposed to promote competitive meritocratic civil service. Yet the rules and the practices just define it differently.*

Now as I said I was part of these studies and I was part of the process of diagnostic process. And I knew that we extensively looked at all these problems. What is really inherently problematic with the management of civil service? And we came to a conclusion that we must redefine what a meritocratic civil service is. And those kinds of changes were as I said more conducive or easier to undertake after the liberalization of the political or -- what do you say? Pluralisation of the political system. And formally adopting market forces in the economic processes.

So it comes later when we had to adopt a new policy on the management of public servants which was about ten years after we started introducing serious reforms in the civil service. By the time we changed the law, we adopt a new law, public service act, that's 2002, that's more than about 15 years from the date we started making interventions in reforming civil service or public service. So you can see that it was a process that was going on. I may

also wish to say that the studies, the diagnostic studies that led to drastic change of this policy and the new law, were conducted in 1994. So today we are still -- I think government is still -- struggling with whether to move forward with a meritocratic civil service or to move back, go back, make a U-turn, water down a bit, so that we can combine a bit of patronage and a bit of meritocratic. One appreciates how difficult these things are to make this big U-turn, 180-degree turnaround of things. Yes, those are the challenges of reforms.

SCHALKWYK: So within the changes and perhaps specifically in the act, what sort of policies were put in place for the criteria used in promotions and recruitment?

RUGUMYAMHETO: *Well, the second phase of reforms dating from the year 2000 was when we could say we adopted the new public management NPM approach. And that redefined accountability regimes, performance systems, performance appraisal systems, new performance appraisal systems. And in that context you also -- well, I would say that the meritocratic principles are anchored in those new public management systems, performance management systems, appraisal systems and so on and so forth, recruitment systems, competitive entry as well as promotion. And these are defined, became defined.*

Whether they worked well or not I would like to say it wasn't easy. From the beginning people felt it's a very difficult process. Managers felt it was a very difficult process. And I agree. So when I say that people tried to go back again, I know what it means, because it's not easy to apply the systems. People who grew up - who operated in the old systems.

SCHALKWYK: And in many countries for efficiency and for other say political reasons, formal procedures are not always followed exactly to the letter. How is that done in Tanzania? Do you know of differences between formal promotion procedures and promotions in practice or recruitment in practice?

RUGUMYAMHETO: *Well, not the theory, but the rules and the regulations are well defined. Positions need to be advertised and people apply and I think earlier maybe that was a misstep too. I think we wanted to follow those rules strictly without accommodation of what? Accommodation of modifications and so forth. And maybe that was a bit too drastic. I know we made provisions for certain deviations, like in difficult areas to recruit, teachers, health workers in remote areas, so we could give them a dispensation. And we were not very strict. But for many other positions in the civil service we insisted on really applying the rules and regulations. I would say now there's been a bit of realization on that point and one may wish to be critical about it that you're watering down, but maybe it's a situation. I wouldn't like to -- because I'm not there. I guess George is the one who can tell you. But the practices, we tried to be quite tough on practices - that practices match the rules and the new regulations. As I said except for the difficult areas of recruitment, difficult areas of service delivery.*

But contrary to that, again in the reform process you may wish to appreciate the pendulum swinging from one extreme where things are so bad and you want to get them all so well, particularly when you are supported by external agencies like World Bank and so on. So you want to swing, swoop all the way, and somehow you find that you can't stay there so you find your way again back. And the pendulum swings back. And over time I think you find the balance in between. That's how I'd like to illustrate the reform efforts. Not only in this particular human resources management area but on many, many fronts. So reform fronts - the new appraisal system, which was very strict on performance targets and what, and it's difficult. People who weren't used to it, people will begin to question what am I getting out of this? When it comes I have to work

very hard, much harder, more robust and more stringent appraisal system. When it comes to promotions I have to compete with someone else. These things you can't explain. So it creates maybe room again as I said earlier for you to learn. Whoever is pushing for and is managing these reforms and is leading these reforms. It's like the process of leadership where you see that sometimes you have to -- when you are pushing change so much that the recipients of change, the followers, are not seeing the logic around it, then you begin to loosen a bit, to untighten, so that you become more strategic and you can reach your final end, final results, without ending in between in the desert, in Sinai Desert.

SCHALKWYK: So I wonder if we can -- you talked about performance management. And could you describe the process of performance management and evaluation in particular?

RUGUMYAMHETO: Well, as I said that was part of the new public management approaches that were adopted as part of building capacity and improving service delivery and getting people to be accountable in the accountability regimes. And that meant really that we all adopt new attitudes to work, new performance systems, new styles and different paths in working. So we said we'll take through the entire government process where people adopt performance management system as the basis for their functioning as civil servants. But you had to define performance targets, organizational targets, translate them into individual targets. And match it with budgetary allocations and budgetary targets. It's quite a complicated process.

SCHALKWYK: Who made the performance evaluations?

RUGUMYAMHETO: The supervisors.

SCHALKWYK: The supervisors, OK.

RUGUMYAMHETO: Yeah, the supervisors.

SCHALKWYK: All right. And what they were evaluating people against?

RUGUMYAMHETO: Against the performance targets.

SCHALKWYK: OK. And who made the targets? Who set the targets?

RUGUMYAMHETO: The individual, and agreed upon by the supervisor.

SCHALKWYK: All right. So the civil servants were involved in the process.

RUGUMYAMHETO: Certainly involved in that process.

SCHALKWYK: All right. And what were the main challenges in introducing the system? Was there resistance from some groups or did other groups support?

RUGUMYAMHETO: Well, the resistance is a strong one. But resistance is strong, one, because people are just not used to that kind of thing. Life for them was different. They see the need to improve things but they don't think that's the way to improve things. They think the way to improve performance is to have a tough supervisor to make sure there is money, enough budgets, and they will do work, and they will achieve results. And secondly it's a function of skills because it's not just what people are used to, but do they have the technical skills around

those processes? Or is it something they will just adopt and fumble around with? So there has to be a lot of imparting of skills and knowledge around those processes. Thirdly, I would say that -- and this is my observations. The new civil servants who were coming into service were more adaptable. But the older ones, people like advanced and who had years of service -- only a few years of service -- don't see really the benefits. Like you don't teach an old dog new tricks. And in this respect they are backed by again the old guards in the political arena. Because also the old guards think all these things that you're introducing are a threat to their dominance in the political arena.

So it was a big, big problem to get this act accepted. I think it was rejected, it was thrown out of parliament twice before government took it in again for discussion and finally endorsement. So on the one hand the change has no friends. People who benefit from it don't see those benefits, can't define the benefits. And people losing from it definitely will resist those. So you have people resisting from all corners, from civil service, the bureaucratic leadership, who want to have status quo, as any other adopting new system, new processes involves them to think differently, taxes their mental frame and so on and so forth. Can I get you a glass of water?

SCHALKWYK: I'm all right.

RUGUMYAMHETO: *Are you sure?*

SCHALKWYK: Yes. So how did you get around that?

RUGUMYAMHETO: *I don't know whether we got around it. I think we accepted it as the situation, so let's just move. Those that would succeed, let's move, and demonstrate success, and others - join us with time. And I'm not sure whether it has worked or is working. Maybe it's working partially. If I were to gauge what the ambitious outcome targets, I would say they can be disappointing. Realistically I would say no. When I go to other countries and I see how it has been difficult even to discuss, let alone to adopt, those systems, I see that we made a good account of it.*

SCHALKWYK: So what parts of the program do you think were the most controversial? And what steps did you take to try and persuade people of their --

RUGUMYAMHETO: *Most controversial I would say that's introducing new management systems. Most difficult and most challenging was to make pay, to pay public servants better, to enhance their pay so that it really matches with what you expect of them to deliver.*

SCHALKWYK: I definitely have some questions for you on that a little later.

RUGUMYAMHETO: *That's a big challenge. It wasn't controversial. I think it's straightforward. But it's very difficult because all these efforts don't immediately translate into financial resources.*

SCHALKWYK: So looking back at the changes, what would you say worked particularly well and have accomplishments endured or have they slipped back? You talked a bit about them slipping a bit. And what advice would you give to other people in this regard?

RUGUMYAMHETO: *What went really well is that we're able first of all to organize government, organize this outfit, the civil service. It's better organized in terms of*

information, in terms of data, in terms of statistics, in terms of knowing where people are and what numbers of people are. We have introduced a lot of integrity in the information and the basic information, management information. We also have achieved significant progress in redefining the role of government and reorienting it as a service-oriented outfit, not just a bureaucratic, somebody who jumps and comes to the office just to do things for them without having the general public, the country in mind. We were able I think to instill a sense of service. But we were able to get the recipients of services to appreciate and to raise a voice against this institution, which as we were beginning and kept saying people in civil service define themselves to be a notch above the rest of the society. So I think we have achieved that. We definitely have made significant progress in introducing new management systems, though I would say we still have serious shortcomings. But I say that's a process. It needs more time. It needs new people, more vibrancy, leadership, and a more competent leadership to take it on, to take on the challenges and continue that.

SCHALKWYK: Could you be specific about those challenges and those shortcomings?

RUGUMYAMHETO: Shortcomings. Like the performance - like defining performance targets. Like the skills, the competencies, to define those, to appraise, to make objective appraisals, to match budgets with what you can achieve - being strategic about things that you can achieve and things that you cannot achieve. And define them and just come back when you are making appraisals to things that are articulated. So you have those challenges. I say maybe we need more time. Need a longer period for that. And it's not only time but also a strong leadership that can sustain, can be persistent. That would need to be there, rather than a leadership that begins to accommodate mediocrity around it.

SCHALKWYK: So another important point of debate is the level of political appointees within the civil service. And typically there's a distinction between political and nonpolitical or career civil servants. Could you describe the structure of the civil service in this regard and describe the distinctions that are made between these two types of --

RUGUMYAMHETO: Yes. In the law we had the law, the act, the public service act had defined that all positions up to a point of the second level - only noncompetitive was the top person, the permanent secretary. Anybody below that, commissioners, directors and so forth, had to be appointed by the permanent secretary through a competitive selection basis.
And that was a major shift from a situation where the president had been the appointing authority for almost four, five levels of people in the civil service. Now I'm not sure whether it is still the case. I think they have revised the law since I left to bring another level of appointments to the president, bring it back to the president, I'm not sure. But I know from practice that he's now appointing directors or influencing the appointment of directors, second level. And I'm not sure about assistant directors, third level. So apart from other positions like ambassadors, those were left with the president. There are also other few -- by the time we drew this law we allowed some positions like commissioner of lands, commissioner of mining to be appointed by the president.

SCHALKWYK: I'll stop there.

[BREAK]

ANDREW SCHALKWYK: So just let me kind of start, and...

JOSEPH RUGUMYAMHETO: Yes, go ahead.

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

RUGUMYAMHETO: Yes.

SCHALKWYK: Continue of the discussion of political -- political posts.

RUGUMYAMHETO: Yes, so we -- we had, um, the law -- the law that was passed in 19-- the year 2002. Had, as I said, this illustration about swinging the pendulum of change from one end to the other end, and maybe -- maybe it be swinging back to some positions and get that kind of program to be -- to become presidential appointees. But again, that's something that you can just check with the judge.

SCHALKWYK: Yeah, this permanent secretary I'm going to speak to him tomorrow. And --

RUGUMYAMHETO: However, the spirit, actually, of -- the spirit I think remains the same, and again, over time they may find it's necessary to get rid of it. Because, earlier on actually, we were intending - and some countries have this - that even the appointment of top leadership, like bureaucratic leadership like permanent secretaries become competitive and appointed by a separate body from the president. But maybe that's sometime of the future.

SCHALKWYK: OK, I wonder if you could talk about the public service commission.

RUGUMYAMHETO: OK, the Public Service Commission in the earlier context, in the earlier management context, was also the appointing -- appointing and a promotion organ. It used to promote people for the entire civil service. So, whatever service it was, whether local government's service, or teachers' service. And, we said, "That that's really eroding the powers of the executive -- chief executives". So, while we shifted appointment powers of promotion towards the chief executives, we said, "We should have a commission that now becomes an appellate board and overseer of this meritocratic principle as well as the performance because advancement of the career and promotion and even recruitment should be based on the need to improve performance." So, the -- the commission was entrusted with overseeing the management of human resources that it really fits into this management process, the new management, to improve their performance quality and performance.

SCHALKWYK: And then did this change happen?

RUGUMYAMHETO: That's within the law.

SCHALKWYK: In the law, OK.

RUGUMYAMHETO: That's, early, early, early 2000. Some, 6, 7, or 8 years ago.

SCHALKWYK: Right. How are the members of the Public Service Commission chosen?

RUGUMYAMHETO: There's -- appointed by the president as the law defines. On a certain criteria, which is easy to ...

SCHALKWYK: And, the independence of the Public Service Commission is not an -- an important issue?

RUGUMYAMHETO: *No, it's not an important issue. The commissions traditionally have been very dependent. And, I've seen the commissions, from time immemorial, making decisions of -- independent decisions that nobody would go against them except if you really felt dissatisfied, you could resort to the legal system; the justice system.*

SCHALKWYK: And so, do you have any thoughts as to why they're well respected in that regard?

RUGUMYAMHETO: *Uh, I think they have not been much of a threat to people's power. (overlapping dialogue; inaudible) Yeah.*

SCHALKWYK: Oh. So, what precise powers and responsibilities does the Commission have? How does it relate to the decisions made by managers within departments?

RUGUMYAMHETO: *Yes, well as an appellate body they can turn -- turn down or turn around decisions of the chief executives. They can - earlier on, even turn down the decisions of the president. (Laughter) And they did, in a case which I recall. And in the sense it was a bit embarrassing, that here's the president, who used to be the top head of the Civil Service who has to have his decisions turned around by another organ which he also appoints. So, there are some contradictions here which need to be recognized.*

SCHALKWYK: Next, I'd like to talk about an issue you brought up already, the retrenchment in staff size. In Tanzania seems to be particularly successful in this regard, and I was wondering if you could talk about reform efforts to reduce the size, or change the size of the Civil Service?

RUGUMYAMHETO: *Yes we were relatively successful. First of all, it came - I think the timing for some of these decisions. As I said, some of them were bold decisions which the environment, the changing environment, allowed that. And not only that, there was -- there was quite significant support from external agents supporting us on the compensation packages which sounded attractive -- not too attractive, but very reasonable. We took some measures to ensure that the retrenches were retrained into these, you know, to uplift, and provide shape and tools, different skills. And, we were also operating within a general -- generalized shortage of skills and educated people in the country. So, the retrenches wouldn't lose hope -- they thought it was easier if the private sector was expanding, they could absorb them. So, the dynamics of the -- the historical dynamics of this country created a better environment that many other countries where retrenches in public service don't see other opportunities. Here, they would see the private sector growing and expanding, and that would be a comfort to them. But, a number of factors really.*

SCHALKWYK: And did you -- did you set specific goals?

RUGUMYAMHETO: *Yes, we have specific goals. Some of them I think were ridiculously ambitious. I recall in 1997 that, particularly in relation to -- to enhancement of pay. We said if we really wanted to pay people well, we need to have fewer people, and these fewer people would increase the efficiency and productivity so they would be able to deliver. I think we were pretty naive. (laughter) We -- at the point, the figures would say and when we reached around 100 -- 270,000 servants - they were paid from the public purse down from -- that's -- down from 355. And, I think we set a target of going down to 220. And I think, I think that*

was ridiculous because that would mean cutting down on a number of service; public services. But, that was down in good faith that we were targeting and enhancing - enhancing pay for this few remaining, and also increasing productivity. Increasing -- introducing better systems of supervisions or, sort of - pretty naive at some points, but (laughter) that was the case.

SCHALKWYK: So, in what sort of ways did you reduce the staff size?

RUGUMYAMHETO: *We would -- I'm recalling what was said. Retrenchments related or based on efficiency measures like -- we achieved efficiency measures - this task, instead of having ten people we'd have only five. Those were the kind of models that we were working on. You know it's not right, because a classroom -- a class of children -- if you have a number of children in the schools you cannot cut the number of teachers from ten to five, unless you want these five teachers to break down. (laughter) So, those kind of things. Um, I'm giving those as examples, but also based on the targeted entrenchments, we cut down the number of servants to a hiving off of further functions like creating executive agencies and taking them off payroll as they would generate their own pay -- money, or the finances to pay the cost. That didn't go fast enough. Yeah, those kind of things. Those were the programs that we were utilizing back then.*

SCHALKWYK: Are there any -- are there any other methods that you think you should have attempted?

RUGUMYAMHETO: *I don't know, we could have been more realistic in terms of the pay targets, at an expense also that you're creating less enthusiasm for reforms. (laughter) Because when you create attractive targets -- pay targets -- over a period of time, and it's an inducement for people to subscribe to the reforms. So, it's -- it's, oh I don't know, what would I say -- it's a difficult situation. It's not one that you get answers to, and go back and say, "Well we should have been more - - we should have articulated a bit better than that, defined differently, and..."*

SCHALKWYK: You talked a bit earlier about the studies you did before you started the reforms, and did you carry out any sort of census of civil servants before you did?

RUGUMYAMHETO: *There was several censuses, I think -- well dating maybe back 1980 -- 1970s, particularly 1980. But, they were -- oh, not helpful --*

SCHALKWYK: Why not?

RUGUMYAMHETO: *-- those environment, the management environment, the results, the -- the -- the computer systems, the data systems weren't developed and it would go back again to the same mess. And, the integrity -- levels of integrity. The checks are making the -- the checks and balances were not created around those circumstances. So (laughter) so, at a point we just, I think, stopped making these successes and slipped out and held each supervisor accountable for the number of people there, and we said to them if we discover that there are discrepancies, you would lose your job immediately, and you know, things started to improve. The target also, some better technology; computer systems and a few more resources management system, integrated systems improved things ...*

SCHALKWYK: And, what were the political constraints on the plans that you made. Were there any influencing the size of the Civil Service?

RUGUMYAMHETO: Oh, I don't know whether that became an issue. I know every now and then we had seminars about reforms with the members of the parliament, with political leaders, they would -- voice, but not too strong because to them what was really important was that our services are provided, and the right number of people are on board. But, you know, we were -- we were also addressing a lot of things -- ghost workers- and no political leader wants to see ghost workers. So, if you make a case, I didn't feel there was a strong, strong -- even from trade unions -- a strong, strong voice against retrenchment, not the way I find in some of the neighboring countries. Again, I think that's because we were working in a different environment; historical, political environment.

SCHALKWYK: And were there any financial constraints on the plans that you made?

RUGUMYAMHETO: Well, yes and no. The -- the -- the -- the -- the major financial constraint relates to enhancement of pay. OK, not only enhancement of pay but in making a pay structure and a reward structure; a pay-reward structure that is rationalized, that would evolve bigger budgets. And, on the other hand, the -- the -- the finances just to -- to -- to support the introduction of these systems has not been much of a problem. We have had sympathetic support from external agencies, bilateral donors, and I know -- I guess it's because we made a case in taking some of the bold decisions -- difficult decisions. So, they've -- they've -- well, they found it not difficult to support that financially. I'm not sure of the situation now (laughter) whether they still enjoy the same kind of financial support. But, I know when I go to different countries: Kenya, Zambia, they keep quoting that Tanzania has been very successful in its reforms because the donors were able to support it financially, more than what they are able to do in their countries. Come back, with that responsibility. We are able to do -- to take difficult decisions that were bold decisions that within your countries you were not even able to do. (laughter) So again... so, in certain contexts you have financial constraints particularly in creating a good -- attractive pay that motivates civil servants to better performance. On the other hand, we're quite comfortable.

SCHALKWYK: And how did the civil servants themselves react to the -- to the changes?

RUGUMYAMHETO: To?

SCHALKWYK: To the -- the retrenchments?

RUGUMYAMHETO: The retrenchments? Definitely not comfortable, but...

SCHALKWYK: I mean, not only those who got -- who got retrenched, but those who remained?

RUGUMYAMHETO: Of those who remained? Those who remain and if I (pause) maybe speak from what I've -- the voices I used to hear, is that we are cutting down numbers so drastically that people were finding that they had to do more work than they used to. They didn't like that. (laughter) And I'd say, "That's exactly what we intend you to do, what we want you to do -- work harder and earn your salary." (laughter)

SCHALKWYK: And, what was the public opinion like with regards to the changes?

RUGUMYAMHETO: These changes? Well... (pause) to some extent -- I mean, as I said, we - - we -- in the earlier part we were not good enough in communicating the messages so that they're not -- they didn't care. The only thing did was that nothing is really happening to change the image of the government. To change

the -- that you have a government that cares. After addressing that problem in communicating it, we see more -- more responsiveness; good and bad. Good in the sense that some come out very frankly criticizing, demanding -- demanding services; quality services. Bad in the sense some are just too cynical about it and taking it that the governments will never change anyway. They are arrogant, whatever the case might be. So, it's again something that needs to be -- something that needs to be continued for a couple -- you know, maybe something that is permanent; a permanent feature of the management environment in the country.

SCHALKWYK: So, what did you do to make the country more --

RUGUMYAMHETO: We have extensive communication appearing in the mass media in printing and materials, and meeting people, you know, arranging seminars of stake holders who were chosen. And, an intensive -- highly interactive process improved significantly and I think continues to be sustained. And, I feel it needs to be a permanent feature of operations of management of government. That they really interact with the tax payers and the general public and the clients and subjects of their services.

SCHALKWYK: So, with regards to the retrenchment -- what -- how well do you think the accomplishments have endured since you cut down the numbers so much?

RUGUMYAMHETO: What? Come again?

SCHALKWYK: How well have those numbers stayed stable?

RUGUMYAMHETO: Very stable. Incredibly stable, I must say.

SCHALKWYK: Why do you think that's -- that's the case?

RUGUMYAMHETO: Because, I think we -- we were very (laughter) strict -- over strict to some extent with recruitment, putting people on the payroll, to some extent that now it's more than about ten years since we reached the very down low level of public service numbers. And, after that, beginning in 2002 -- three years later we started expanding service delivery, expanding health programs, expanding regulatory agencies like the police, anticorruption squad, the over-seer of human rights, that sort of thing. And, all these have translated into modest expansion of Civil Service, and I think now they're -- the -- they're about 330-35 thousand. So, that's about ten years. So, we have been quite strict considering that we're having had big expansion of demand for more people on -- that far, I could say it's a very successful situation. Having said that, though, the regrettable thing is that even though we also translated all these changes into growth and into improved revenue of public wealth, not being able really to enhance pay commensurately, so the pay still remains a thorny problem.

SCHALKWYK: Well, let me ask you some specific questions about their policy, then. I've got a set. So, could you talk about some of the major changes that were made to the pay policies and what were the major goals? Was it to decrease pay or to decompress pay?

RUGUMYAMHETO: Well, we -- it was both. It was to increase pay, to decompress pay, to rationalize pay, and to -- to -- to make, yeah, rationalize basically, making it an instrument for career development. And, I think we have -- we were not bold enough. I think we needed to -- to be much bolder, particularly in the

decompression process. I think we continue to be more egalitarian oriented. (laughter) And that, I think remains a problem. I think we did not take the necessary risks in -- in allocating more budgets for pay instead of just services and development programs. So, in the end that structure -- reward structure -- that we intended to rationalize to make pay more transparent, instead of allowances and -- to different -- and, you know, manipulation of, you earnings. You know, personal earnings. I -- I think we -- things have degenerated to some extent, and this is because we are not able to make the bold decisions in terms of decompression and in terms of just allocating more funds and possibly -- postponing other demands for financial -- for financial resources. Maybe we -- maybe we needed to -- we needed to run slower on -- on the demands of capitalization, building roads and what -- but, again, it's -- it's not easy to do...

SCHALKWYK: And how do Civil Service wages compare to the private sector?

RUGUMYAMHETO: Not very well. It's really -- in fact it's a poor situation. Well, but, here again one may wish to identify two levels of -- two types of private sector. There is the new private sector, the high productivity -- the new banks, telecommunications companies, the mining companies -- these pay astronomical salaries at all levels. Then you have the other private sector which is traditional agriculture or this type of service, small business, there are traders, and all who employ quite a number of wage-earning workers, and these compare not to well, and particularly at the lower levels -- lower levels. Now, I think public service pay at the higher level -- at the highest levels: the judges, the permanent secretaries, I would say compare very poorly to their counterparts, both in the new private sector and in the old private sector. The lower cadres compare very poorly to the new private sector, but they compare extremely well -- actually well above what is paid for the low cadres in the old private sector. So, you have a dilemma that one needs to address. To me, again, that was a situation where we were not able to go far enough in terms of the big corporation -- that we shouldn't have allowed the top and senior people to move forward, move higher than the lower cadres.

SCHALKWYK: So, I mean, did you consider the need to balance the macro-economic or budgetary concerns and the needs to make Civil Service employment more competitive and to attract skills? And, what were the pressures in either direction and how did you -- how did you deal with them?

RUGUMYAMHETO: The -- the -- the pressures were to pay senior people well, better, but use the same budget -- that means, really, cut down on the lower cadres. (laughter) And, in practice that didn't -- when I was permanent secretary, no, I wouldn't -- in some years instead of rewarding the higher cadres we held them constant when we were -- and -- rewarded the lower cadres. Not even from the pressure of trade unions, but just the political consideration. The -- the earlier years of reforms, the numbers, the wage bills were an issue -- at later part, the wage bill was not an issue. And, this was just that as long as you have balances in the budgets, and the budgets were balanced. By the time we left I think we had a surplus budget. But we could not use the surplus to reward senior people better (laughter). So, as I said, it was a bit of conservatism there, of -- different philosophy.

SCHALKWYK: And what -- what information did you want and use to measure the effects of the changes such as competitiveness or attracting skills?

RUGUMYAMHETO: The kind of information?

SCHALKWYK: Yeah.

RUGUMYAMHETO: I always said and I always thought that we are scholars at our universities here, and even the research organizations are not -- why I'm not sure, but they're not taking keen interest in the researching of these issues of human resources management, what are the impacts of what, what does this -- and I think this is -- this is what in the States you'll see, you know, being done, that finding out. But, here it's still -- if not for any other thing -- they're researching everything else except the management of human resources. And, you need that information constantly with having people respond to this. How, why are they responding to this? What could make them keep better? What would make management more (pause) more vibrant? In a sense, that policy's built on a blind alley (laughter) and a lot of assumptions.

SCHALKWYK: So what -- what changes did you -- did you -- were you able to enact, and how did you -- how did you do them? Did you do increases -- increases by percentage? Or, bonuses?

RUGUMYAMHETO: Increases in...

SCHALKWYK: In pay for; in pay for.

RUGUMYAMHETO: Oh, percentages and we had some targets -- we had worked out targets which we tried to adhere to.

SCHALKWYK: And how did -- how did those -- did you use the private sector to set those targets, or were those targets set independently?

RUGUMYAMHETO: A bit of it, but it was not constantly changed with the changes that were taking place in the private sector. It's -- a bit of it. If I remember -- I'm still working with Ted Valentine - I'm sure you know that name now. And, I recall earlier they had this study of comparative incomes, private sector and government incomes, but it's -- it became outdated, and it didn't make any sense at some point.

SCHALKWYK: And what were the major controversies around these reforms? Did you have any serious challenges in trying to implement them?

RUGUMYAMHETO: Yeah. I mean, the controversies -- I think I mentioned earlier -- where we have people working and believing in the system, (laughter) using the system, patronage system, loose supervision, low income and low performance, and they suddenly demand high performance, high discipline, high productivity, room to develop. You know? It's -- that's a big, big challenge. And that remains a challenge; there won't be any change for years to come. And, I -- I -- I -- I admit and I admit to them I knew that it's not -- it was not going to be a ten year process, it wasn't going to be done in 20, it was to be a generational process until people like us who have been there, who think different, you know, new breed - younger people come in service, and are more acceptable to changes of, you know, until they would begin to replace us. And it's, it -- but -- but, that remains the controversy, that remains the challenge.

SCHALKWYK: And how did the attempt to join pay changes with performance contracts work? Were there any -- were there any performance bonuses?

RUGUMYAMHETO: *Not as yet. Whether that is -- that explains again, one of the inadequacies -- in addressing performance improvement I think, or pay related to performance. I think -- we -- we -- we -- we were not too comfortable moving on this performance based pay -- kind of bonuses - bonuses when we have not even addressed the basics.*

SCHALKWYK: Sure. So, briefly, were there any issues with actually paying people on the payroll? Paying people at the lower end or in rural areas?

RUGUMYAMHETO: *In rural areas?*

SCHALKWYK: Yeah.

RUGUMYAMHETO: *There have been issues with giving motivating pay or introducing -- or introducing allowances to remote people. People wanted to attract people to remote areas. Again that's very straight forward because some people think, calling areas remote, and giving them a label, doesn't go well with the -- the political philosophy of this country, all the corners of the have to be appreciated for different things.*

SCHALKWYK: And have there been problems with people not receiving paychecks or receiving paychecks that are too small?

RUGUMYAMHETO: *Delayed?*

SCHALKWYK: Or delayed paychecks, yeah.

RUGUMYAMHETO: *Well, there has not been at least during our times, was not the biggest problem. The biggest problem was to process the newly recruited. Because I think it was a bit cumbersome because of the checks and balances that were required. And a bit of inefficiency again. And that bit of resistance of change, particularly when transferring the overseer from treasury to the ministry in charge of public service office. And treasury were not quite comfortable seeing some of their central powers, capability to manipulate things being taken away from them on the transfer. So you would minimize delays.
But now I'm beginning to see creeping. I don't know whether it's a problem of financial management, managing the finances. Maybe, performance.*

SCHALKWYK: All right. So when the overseer shifted from the ministry of finance to the public service management office, what was the thinking behind that move?

RUGUMYAMHETO: *Well, the thinking behind that move is that the human resources man -- person rather -- that knows who should be paid what and for what reason- so a person who manages performance and manages productivity is not the finance man. The finance man pays what he is being paid. So that logic prevailed. And again it had been for a long time a situation where finance or treasury was determining each and everything. And again that explains some of the irrationality, some of the distortions that crept into the pay structure and pay practices.*

SCHALKWYK: So if I could talk quickly about the actual process of reform, have you encountered any reforms that have proved difficult to complete because other reforms haven't taken place? Or have some reforms undercut reforms that have been done in other areas?

RUGUMYAMHETO: Yeah, ideally one should say all reforms take the same pace of the legal sector reforms, because the legal framework or financial sector reforms, because the financial management situation that is rationalized and efficient and so the local government reforms, which supports the central reforms. Sector-wide reforms again supported or reinforcing each other. That's the ideal situation. The difficulty around that is one, the competency. You don't just have adequate people who are competent and who have that passion to cooperate on different passion levels and competency levels. So inevitably you get others that are moving faster than others, more vibrancy in this and less vibrancy in that. And again it is the situation where maybe at a point you just need to support others that are slow and to take it slow on your end. It's a tactic more than anything.

SCHALKWYK: So you mentioned quite a bit government reevaluating its core areas of responsibility. Could you talk about what sort of areas it chose to focus on or what it did with the other areas and how it did those changes?

RUGUMYAMHETO: Well, you mean major sectors of government performance? I think we did more macroeconomic balancing the budget. But we also worked strictly in a more focused manner on financial management, accountability, using money for what it is meant and being able to account for it. But that required and demanded a human resource capacity in terms of skills, competency, attitudes. A human resource situation that could reinforce that. Local government, we put a lot of effort into that, but I think it was too widely spread, dealing with more than 100 districts. And again chief executives were almost more difficult to spread from south, central, north. It's not as concentrated as central government, central ministry. So it became more and more difficult there. Some other areas of reforms I think like legal sector reform program, the ethics and accountability, I think were difficult because of the type of structure. The legal sector, if you talk about broad, wide legal sector, you're talking about the judiciary, you're talking about the police, you're talking about the state attorneys. And each with a different historical power and definition. And so it was a difficult area and slow. Other areas, accountability I think is important. Corruption, anticorruption measures. Those are just again less tangible and defined, say. These performance, these were your targets, you have to achieve one, two, three, four, five. What can you achieve on ethics? Accountability. They remain concepts less tangible than the others. So I think those areas are quite difficult and continue to demand more effort I think from the country.

SCHALKWYK: So could you talk about who is responsible for the reforms, who managed the reform process?

RUGUMYAMHETO: I think because we had done a lot of work and had proven we were achieving results and moving fast. They entrusted us again because public service operating under the president's office was seen as an agency of the presidency. So it could reinforce and provide leadership, guidance and enforce things. Since I have left I think they have got the coordination aspect out of the public service management to the cabinet secretariat level. I think it's a good intention. I'm not sure that's getting the intended results or even if its run itself effectively. But these are the new dynamics about leadership and about managing reforms.

SCHALKWYK: And how did the reforms affect the workloads people already had? Were people responsible purely for reform or was reform part of the day-to-day running of the civil service?

RUGUMYAMHETO: *Did I catch that?*

SCHALKWYK: Sorry. How did the reforms affect the workloads people already had? Did you have people whose work was dedicated to reform or was it added?

RUGUMYAMHETO: *Yeah I know what you mean. It's a strange situation. You are changing a process but you still remain with the old processes and yet you're managing change and you're adopting new situation. So you're almost doubling your workload. This is what I found when I became a PS. I used to have a secretariat that was supporting reforms. That did not work efficiently. So I demanded mainstreaming, bring all the responsibilities and get all my directors without expanding the numbers. And I found I was doubling myself. I had to think strategically, yet again come back, think routinely, do the strategic things and yet come back and do the routine things. That journey before you really reach a situation where most of the things are more strategic, more rationalized and systematized, it's a big demand on everybody. And this is why I say it requires sustained strong leadership to manage these changes. And it's not a surprise to me when you begin to see a good number of people crumbling under the weight of reforms.*

SCHALKWYK: So can I talk a bit about the organizational structure of the civil service and how that was changed during the reforms? So were there any major changes in how the civil service was structured and organized?

RUGUMYAMHETO: *Yes. There were. One, the definition of departments and ministries in itself brought in changes, reflecting areas of emphasis and priority in terms of service delivery, in terms of definition of development strategy for the country. At some point lately I've been seeing a mixing up of things. At one point we operate say with two ministries. Now we operate with one ministry subject to a separating ministry – you know, splitting down number of ministries. So I'm not sure whether we are living up to the structure that defines goals or outcomes from reforms. But internally we have - within internal structure of government we are introducing departments, abolishing other departments which were not seen to be strategic, but introducing departments, information technology and records management, departments for policy and planning, putting more emphasis on policy management, policy formulation, policy management and less on plans – the old forecasting of needs. And so there is. If you go down in the detail you can see the structure of government that has been responding to new demands for reforms and new demands for supporting reforms.*

SCHALKWYK: And could you talk about the career paths of civil servants? Have those changed?

RUGUMYAMHETO: *Yes, they changed. We did a job evaluation, job grading, responding to not only pay but also to the changing demands of skills. But I'm not sure if we have done it as adequate as I would have wished it. I think we would have required a more constant review of careers and new skills, new competencies, defining them into public service careers. So we still have gaps but there has been some effort in that area.*

SCHALKWYK: And what do you think has worked particularly well in the reforming of the organizational structure and what would you try and avoid doing?

RUGUMYAMHETO: *The organizational structures? I would maybe articulate more the kind of ministerial and departmental setup, what really matters, what you need to do,*

what numbers. Don't overextend the management, overseeing, and the supervisory load. So have fewer ministries focused and easy to identify in terms of outputs and outcomes. And within those ministerial departmental structures again, streamline and rationalize the departments and the divisions. I think we need to do more there. We can do more. And over a period of time I think we focused more on performance and systems development and didn't continue, were not as rigorous in defining the structures. I think we need to go back again and do more on that particular area.

SCHALKWYK: And for the last section, I wanted to talk about training programs and capacity building. You talked a lot about lack of capacity earlier in the process. Was there an effort to identify gaps in capacity? And how did you do this? And what was the result?

RUGUMYAMHETO: Well, as we were embarking on the new performance, new public management, we redefined capacities, translating capabilities. People had capabilities, but they were not translated into capacity. So that was the first entry point. Let's see what is inadequate, why are they not translating capabilities. And the second point and what was the problem is the attitudes to work. It's the motivation. It's the uncondusive management environment, not a supportive environment. So invest in -. People are individualistic. No teamwork. No redefining of organization or teamwork goals and teamwork outputs and outcomes. The soft interventions into capacity development. There definitely were areas that required competency building and skill development and training, new skill development, new knowledge. And that again was what we did.

SCHALKWYK: Could you talk about some of those training programs?

RUGUMYAMHETO: Yeah. Training. We did training needs assessments for this and that. Management, leadership. And then we started doing those interventions. And they continue to do those. That was not an easy part of our work. We didn't get people who were particularly competent to do those kinds of needs assessments and the analytical part. So in a sense we did what we could do. But I think we still need or they still need to get more competency to the analytical part, capabilities to analyze what is needed and translating it into interventions program.

SCHALKWYK: OK. And how have you gone about attracting scarce skills into the public sector?

RUGUMYAMHETO: Apart from the pay reform which when we say we have not done very well, but we have done significantly well compared to what it was where things were going down, they were being eroded, at least we are on the ascending situation. Pay is increased, average pay increases every other year. I would say the turning around the image of government from the dysfunctional to something that is functional, an organization you can be proud of, has done significantly -- benefits to attracting people. And creating a better management environment and more fairness and more attractive career development compared to private sector. And of course related to all this was the marketing the information that government is becoming, is known, is something that is talked about and marketed. I think that has worked to turn around people to public service.

SCHALKWYK: All right. Thank you very much. Before we finish, I just want to ask two concluding questions. Is there anything about the context or history of Tanzania that means lessons may not be applicable in other places? Do you think there's anything specific?

RUGUMYAMHETO: Yes. I think historically we have been a country of change and what kind of change? It's not the disruptive change. We continue to see change as a necessary process. When we got independence we said we had to change from colonial systems and structures and it was adopted. When we thought the economic structure then was not favorable to the majority of Tanzanians we adopted change whether it was warranted or not. And so we have been people of change. And change that is not disruptive, but change that is based on people adopting different mindsets and different perceptions and perspectives of the world. So that has worked well in historical terms. Again there is I think historically a perception that there is caring. Whatever is being introduced as change, there is caring, there is a humanistic or the human face, change, structure adjustment with human face. I think that was coined by UNICEF, was it? But I think for Tanzania that was always the case. And people always point it out. But you had to address it one way or another, whether you say this is a bitter pill you have to swallow, necessarily it's a bitter pill, but you have to explain it. It's not something just do without caring what happens to the people. And I think that is historical too for Tanzania. So in a sense I don't know -- maybe there are others. They don't immediately come to my mind. But I would say those have worked favorably to support reforms.