

The Challenge of Strengthening Public Institutions in the Sahel*

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► Problem and Justification

The fragility of Sahelian states is clearly linked to their intrinsic vulnerability which result from a landlocked geographical position, the climate, and their weak economies, however, it is also caused by weak institutions. Their institutions, particularly those which deal with economic issues - Ministries of Finance, Budget, Planning, Economy, Trade, etc - are fragmented and poorly coordinated, both at central and local level. Poor organizational structures and staffing, with silo operating methods, are major obstacles to the rapid implementation of the national development programs needed to swiftly improve their peoples' living conditions.



* This short note summarizes many years of reflection by the author, based on experience gained in fragile countries. It will soon be the subject of a more in-depth working document.

The views expressed in this document are those of its author and do not necessarily reflect those of FERDI.

LA FERDI EST UNE FONDATION RECONNUE D'UTILITÉ PUBLIQUE. ELLE MET EN ŒUVRE AVEC L'IDDRI L'INITIATIVE POUR LE DÉVELOPPEMENT ET LA GOUVERNANCE MONDIALE (IDGM). ELLE COORDONNE LE LABEX IDGM+ QUI L'ASSOCIE AU CERDI ET À L'IDDRI. CETTE PUBLICATION A BÉNÉFICIÉ D'UNE AIDE DE L'ÉTAT FRANÇAIS GÉRÉE PAR L'ANR AU TITRE DU PROGRAMME « INVESTISSEMENTS D'AVENIR » PORTANT LA RÉFÉRENCE « ANR-10-LABX-14-01 »

The reasons for these shortcomings are often political, and especially in multi-ethnic contexts due to crippling cronyism. Because public institutions remain weak and inefficient, international assistance builds on sand, attempting either to circumvent institutions considered beyond repair by creating temporary project implementation units, which are properly staffed and closely controlled but ephemeral, or to strengthen inefficient public institutions with the classic toolkit of technical assistance and training. Nevertheless, as already noted as early as 1993 by Professor Elliot Berg,¹ because the political problems at the heart of the dysfunctions are not tackled, the results continue to be extremely disappointing.

All government institutions, including sovereign institutions – the army, the police, the judiciary, and local administrations – face these problems. In the worst cases they are no longer able to ensure the population's security. A typical case is Mali, where the army's weakness when confronted by jihadist groups has been repeatedly exposed since 2012. Today the whole of the Sahel is in a worrying regional security situation. Strengthening, or sometimes reconstructing, public institutions, particularly sovereign institutions, is therefore fundamental to ensuring peace and security at individual country and sub-regional levels.

The delays accumulated over 30 years, for example in the vital area of rural development, now require the simultaneous implementation of coordinated, village-level actions over the whole Sahel. The same is true for the accelerated development of small-scale irrigation, and all rural development projects which target greater water retention in soils - in a context

of global warming, expansion in animal-drawn cultivation, small-scale mechanized farming, wider access to drinking water, rural electrification, maintenance of rural tracks, and provision of inputs, healthcare, basic education, and appropriate vocational training.

The implementation of such ambitious development programs cannot rely on either short-lived, donor-financed project structures that bypass and weaken public administrations nor on totally ineffective administrations. Implementation of ambitious programs requires the establishment of real development institutions capable of designing and stimulating a type of development that is more complex and more demanding in terms of educational qualifications, like South-East Asian countries were able to do.

The Sahel sub-region now faces many challenges if it wants to successfully transform ineffective administrations, whose management has long been selected more on ethnic and political grounds than on grounds of competence, into real and effective development agencies. Ultimately, what is at stake is the medium- to long-term social and political stability of the Sahel countries, and their peace and security. The World Bank's World Development Report 2011, which was devoted to development challenges in fragile countries and countries emerging from conflict, underscored the link between weak state institutions and recurrent cycles of violence.

► A challenging issue

Institutional reforms are thus badly needed; yet they are also difficult, and failure has been extremely common. However, as long as the political will to reform is clearly affirmed, the accumulated experience of the last 15 years can help us to define basic principles and intervention

1. "Rethinking Technical Cooperation," Elliott Berg, UNDP 1993. In 1981, Berg's famous report "Accelerated Development in Sub-Saharan Africa" led to a general re-evaluation of African economic policies. Berg was a professor at both the University of Michigan and the Center for Studies and Research in International Development (CERDI) - Clermont Ferrand.

.../... methods that can, within three to five years, greatly strengthen the efficiency of those institutions which are experiencing difficulties.

In countries where public institutions are weak, the classic approach has long been to combine donor-financed project structures, technical assistance, and the strengthening of ministerial political offices. Unfortunately, experience demonstrates that this approach invariably leads to a dead-end, by creating serious imbalances in wage structures, which cause managers and technical personnel of public institutions to look for attractive salaries in the donor funded units, thereby weakening traditional public administrations. In practice, these donor funded project structures turn into parallel administrations, which can become more important than traditional administrations, but which collapse as soon as the external finance stops, as can be seen in Afghanistan at the moment.

International experience leads to the conclusion that reforming a deficient state apparatus involves the integration of three simultaneous approaches:

1) Solving cross cutting problems that concern the entire public sector

Measures must focus in particular on: (i) controlling the size of the workforce and supervising the recruitment processes, which must be carried out on the basis of rational organization charts and transparent procedures aimed at reducing and then eliminating cronyism; (ii) reviewing the public sector legal framework, particularly to avoid the proliferation of laws; (iii) carefully managing retirement mechanisms to prevent personnel problems and aging in the public sector; (iv) streamlining salaries to find a way out of obsolete salary scales due to inflation and the proliferation of bonus schemes; (v) integrating the records of the ministries of public administration and finance to ensure con-

sistency and avoid fictitious jobs; (vi) making salary payments by bank transfer only, to avoid embezzlement.

Although these measures do not in themselves revolutionize the operations of dysfunctional administrations, they are prerequisites for restoring a minimum of order to a broken system. It should also be stressed that the flaw inherent in most programs intended to reform administrations and public sectors is that they stop at this initial stage.

2) Strengthening certain key units within weak public institutions

The aim is here to respond to the serious challenges in certain key roles, where the lack of technical skills, procedures, and organization stand in the way of effectiveness.

Because of a common lack of experienced managers in the 30 to 50 age group in administrations experiencing difficulties, the approach should consist of recruiting experienced managers and technical personnel based on merit and qualifications, sometimes on a contract basis, using transparent procedures. This creates technically skilled teams that can replace failing departments, divisions, or administrative units. It is often useful to provide these teams with young, university-educated professionals, even though they will still need to be strongly supported and trained.

The usual practice is to prioritize the strengthening of: i) administration and finance departments (AFDs) with highly qualified staff under the control of the Ministry of Finance; and ii) human resources and training departments (HRTDs) with personnel recruited under contract, given that there is almost no capacity in this area in inoperative administrations. Such personnel are then usually supported by, and report to, the Ministry of Public Administration.

This approach enables rapid responses to obvious failures and the restoration of a degree of order to an administration that has gone adrift. Even so, experience has shown the limitations of this approach which can only marginally improve the situation.

In practice, these new departments, divisions or units come up against the failings of other departments in the institutions involved, in particular the lack of capable supporting units and internal information systems. Personnel in these new departments must receive remuneration close to market levels if quality managers are to be attracted and retained. If managers are recruited abroad from the diaspora, salaries also need to align on international or UN rates. However, introducing attractive wage mechanisms earmarked for upgraded departments creates jealousy and a range of tensions. Overall, the approach is probably only an intermediary stage; it is useful, but it is also usually unstable and insufficient.

3) Transforming a limited and carefully selected number of ministries and public institutions into institutions of excellence

The performance of these selected administrations should aim to equal that of emerging countries. Initially, such an approach can only involve a limited number of administrations and institutions, for technical, financial, and political reasons.

The selection of senior management must be rigorous and based on merit. Modern human resources management methods must be introduced, and the salaries paid must allow the attraction and retention of both managers and technically skilled staff. The costs for the needed increase in salary, which initially only involves management and technically skilled staff (information technology, etc.) are modest. Develop-

ment partners sometimes agree to support additional corresponding costs.

This type of reform requires experimentation before generalizations can be made. The habitual cronyism must be challenged. Some regulations governing the public sector, which may be incompatible with the desired efficiency, must be modified or exempted. Finally, hasty and lax implementation, where salary increases do not result in significant productivity gains, present a risk of financial and political slippage.

The outcome of this type of approach can be spectacular, when conducted in a decentralized manner by each institution, at its own pace, and as far as possible following a predetermined model. Thus, in Afghanistan, within three years, the Ministry of Finance, the Central Bank, the Military Intelligence, and the Rural Reconstruction and Development ministries were built or rebuilt from top to bottom. In the Democratic Republic of the Congo (DRC), the Prime minister's office, which had been in complete chaos, was entirely reconstructed in less than six months.

- The first key to success in conducting these institutional reconstruction programs is the choice of ministers or leaders, who must be carefully selected based on managerial skills as well as charisma.
- The second key is to provide sufficient technical and financial support to finance operational audits, implement skills assessments, provide a minimum of high-level technical assistance, and provision of training programs. It is also important to provide salaries and bonuses designed to attract highly qualified personnel, who must sometimes be recruited from the diaspora.
- The third key is firm political support at the highest governmental level, first by backing early experiments which require that two administrative tiers co-exist for a time, and then gradually extending these experiments to enable a

•••/••• transition from a process in which management is appointed through cronyism and nepotism to one where appointments are based on merit and performance.

On the one hand in both Afghanistan and the DRC, the lack of the required political support and the refusal of higher authorities to abandon cronyism blocked the quite remarkable programs, because such approach necessarily limits the freedom and power of the President to appoint whomever he wants.

However, on the other hand, it should be remembered that when the CFA franc was devalued in 1994, CFA zone heads of state, who were fearful of a reform with social risks, generally appointed able technocrats to head their finance ministries. With this new generation of ministers, most of whom came from the Central Bank of West African States (BCEAO), and with technical support provided over an extended period by the International Monetary Fund (IMF) and the French Ministry of Finance, it became possible to significantly strengthen West Africa's finance ministries.

This short note proposes a similar approach; to be carried out in a more systematic and rapid way.



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