Public Administration in Ethiopia

Terefe Gemechu, Dereje, Ayenew Warota, Meheret, Bouckaert, Geert, Kebede Debel, Bacha

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II.3

MANAGING INSTITUTIONS
Institutional Change and Reform in Oromia’s Public Sector: Challenges and Prospects

Hirko Wakgari Amanta

Box 1: Key messages of this chapter
✓ Ethiopia’s civil service system has never been politically neutral, professional, and stable.
✓ NPM-inspired public sector reforms in Oromia have largely failed, mainly because of incompatibility with historical and politico-administrative contexts.
✓ Historically, NPM presumes the existence of a longstanding, professional, and rule-bound bureaucratic system, which has never been the case in Oromia.
✓ Lack of political settlements has been a major challenge to institutional reforms in Oromia.
✓ Inclusive political settlements, customized (re)-bureaucratization, and meritocracy will provide good prospects for future reform efforts in the region/country.

Box 2: Key lessons of this chapter
Reading this chapter will give you insights in:
✓ The concepts of institutions and contemporary institutional change theories;
✓ The key precepts of NPM and its role as a paradigm of public sector reform in Ethiopia;
✓ The institutional evolution of Ethiopia’s/Oromia’s civil service and reform waves since the 1990s and
✓ The politico-administrative contexts of (and challenges to) reforms in Oromia since the 1990s.

Box 3: Abbreviations
BPR = Business Process Reengineering
BSC = Balanced Score Card
CSRP = Civil Service Reform Program
EPLF = Eritrean People’s Liberation Front
1. Introduction

The view that the contemporary varying level of countries’ development has been heavily influenced by their institutional histories has become a well-established line of argument in both the administrative and development literatures (Acemoglu & Robinson, 2012; Evans, 2004; Shand, 2015; Todaro & Smith, 2015). As a corollary to this basic argument, Acemoglu & Robinson (2012) further emphasize that the prospect of a country to embark upon a path to sustainable development depends highly on its ability to seize opportunities provided during critical junctures to reform its governance institutions.

Seen from the above perspective, and as has been suggested by several scholars (Asefa, 2001; Bedasso, 2017; Moges, 2013; Zawude, 2000), the present-day general underdevelopment and poverty in Ethiopia has primarily been a problem of institutional failure. In relation to this, Zawude (2000) categorizes the turbulent institutional evolution of the Ethiopian state into three historically distinct periods: 1941-1974 (the period of institutional building), 1974-1991 (the period of distress), and the years since 1991 (the period of restructuring). He, like several other scholarly observers (Hassen, 2009; Lata, 1999), also notes that the beginning of each period was marked by critical junctures and missed historic opportunities for effecting desirable institutional changes.

Particularly, the 1991 change of government was widely expected to serve as a critical turning point for addressing a mass of both old and new institutional challenges in the country (Hassen, 2009; Miruts & Daba, 2016; Terefe, 2016). Supposedly consistent with those expectations, the EPRDF-led GoE soon embarked upon a series of public sector institutional reforms that broadly
fall under three major phases (1992-1996, 1996-2000, and 2001-onwards)\(^1\) (Mengesha & Common, 2007). The last reform phase, in particular, involved the adoption of a plethora of NPM-inspired reform initiatives, including district level decentralization, BPR, BSC, and the Citizens’ Charter, all of which have since been under implementation (Fida, 2016; Araya et al., 2017).

However, implementation of those reforms was seriously hindered by several problems and challenges that rendered their practical contributions very much questionable. For example, the results of numerous past studies and official assessments (Beyene, 2009; Fida, 2016; Kacho et al., 2016; World Bank, 2013; PSCO, 2015; Wakgari, 2016) identified competency and attitudinal gaps among civil servants and their organizational managers, lack of sustained leadership commitment, and inadequate incentives as major challenges to the successful implementation of reforms in the country in general and in Oromia National Regional State in particular. Some of the studies (Kacho et al., 2016; Wakgari, 2016) also reported lack of meritocracy and professionalism and prevalence of political partisanship in the civil service as being among the critical challenges that constrained effective implementation of PSRs in Oromia’s public sector.

Nevertheless, most of the existing studies on the public sector institutional reform in Ethiopia/Oromia have focused mainly on the operational challenges and immediate causes of ineffectiveness in reform implementations rather than looking into the contextual root causes of those challenges. In particular, this author is unaware of any study that has explicitly treated challenges posed by historical and broader political contexts to effective implementation of public sector institutional reforms in Oromia National Regional State. On the other hand, the currently unfolding political and socioeconomic conditions (beginning with the coming into power of a new administration in April 2018) in the aftermath of several years of popular protests has heralded the arrival of yet another critical juncture in the country’s institutional history. This further necessitates a proper understanding of the forces that shape implementation of institutional reforms within specific local/regional historical and political contexts, which are currently lacking in the institutional change literature in general (Batley et al., 2011; Shand, 2015) and in the Ethiopian context in particular (as highlighted above). It is thus against this background that the author set out to explore the topic with the general objective of analyzing past challenges and future prospects for undertaking effective reforms for sustainable institutional change in Oromia’s public sector.

In view of its stated objective, the study attempts to critically examine a series of research questions that have not yet been addressed, to the best of my knowledge. The key questions to be addressed are: how compatible was the
institutional heritage in Oromia’s public sector with the main assumptions behind the PSRs in general and the NPM-inspired reforms in particular? Were the political economy contexts in the country/region favorable for introducing those reform measures? If they were not, what repercussions have they had in the process of reform implementations? The ultimate goal in trying to answer these questions is to explore possible mechanisms for getting around similar problems in future reform efforts in general and during the currently unfolding critical juncture in particular.

Attempts shall be made to provide answers to the basic research questions through analysis of theoretical and empirical evidence drawn from diverse sources. The main sources of evidence include: reform-related country policy documents, reviews of the institutional change and reform literature, past scholarly researches, official government agency reports, independent evaluation reports by international (donor) agencies, and empirical data from a 2016 survey of over five hundred civil servants and managers across Oromia’s public sector as part of my past research work on a related topic. This shall further be supplemented by insights drawn from my firsthand experience as a practitioner in providing technical support for implementation of reforms in the region’s public sector for close to a decade and several rounds of in-depth discussions with over a dozen senior public sector experts and past and present members of the political leadership in the region.

Nonetheless, one possible methodological limitation that needs to be admitted from the outset is that the discussions here shall focus on macro-level analysis of the issue at hand without delving into sectoral and micro-level investigations. This is so mainly because of the lack of relevant empirical data at those levels, which in turn has been dictated by constraints related to lack of research funds.

The rest of this chapter is divided into five main sections. The first section begins with a conceptualization of institutions, institutional change, and reforms followed by a brief account of institutional change and reform theories and paradigms. The second section examines the evolution and practice of public sector reforms and institutional change in Oromia/Ethiopia’s public sector. The third section examines the historical and political contexts of those reforms and the challenges posed thereby to reform implementation. This is followed by empirical discussions to demonstrate how over-politicization of the civil service sector deprived it of the human resource capacity necessary for effective execution of reforms. The fourth section highlights the need for inclusive political settlements, which it argues would open the door for positive and sustainable institutional change. The final section provides brief conclusions and implications.
2. Institutions and Institutional Changes: Concepts and Theories

2.1. Conceptualizations

Institutions
There is a considerable literature dealing with the question of how best to define institutions (Hodgson, 2006; Leftwich, 2009; Kingston & Caballero, 2008; North, 1990). However, there has not yet appeared a universally accepted definition across the literature. Instead, the different theories (which shall be briefly discussed below) define institutions variously and authors use different definitions, which vary depending on the theoretical perspectives they adopt.

Among others, one relatively common definition of institutions considers them as the rules of the game in a society (Herrera et al., 2005; Lindegaard, 2013). However, according to Leftwich (2009), institutions are best understood in broadly Northian terms (North, 1991), which define institutions as the humanly devised constraints and/or enabling mechanisms that structure political, economic, and social interactions. The constraints and enabling mechanisms as stated in the latter definition can further take the form of either formal or informal institutions. Formal institutions exist in the form of laws, acts, regulations, constitutions etc., which are enacted and (usually) written. Informal institutions, on the other hand, are the unwritten but socially shared norms and codes of behavior enforced outside official channels (Leftwich, 2009; Lindegaard, 2013; Shand, 2015).

Institutional Change
Since institutions are humanly devised, they exist only as far as a sufficiently high number of individuals believe they exist and act accordingly (Olsen, 2009). In other words, dissent can lead to collective actions that may result in changing existing institutions or the establishment of new ones. Institutional change thus refers to changes in formal and informal rules of behavior both between agents and between agents and organizations (Wegerich, 2001). The changes so defined may further take the form of either a de-institutionalization, where existing institutions become discontinued, or a re-institutionalization, which implies either a retrogression or a transformation from one set to another (new) set of institutions (Olsen, 2009; Peters, 2000).

In short, every institution is vulnerable to influences and hence to change, which means that formally organized public sector institutions that maintain a certain kind of order are nonetheless liable to change under certain conditions. These conditions for change can arise from deliberate reforms embarked upon
by governments or from collective dissent and revolutionary movements against incumbent governments that may contribute as much as peaceful reform to the change of existing institutions or the establishment of new ones (Olsen, 2009; Wegerich, 2001).

Public Sector Institutional Reforms
Reform implies a deliberate action taken toward a change for the better as a way of correcting wrongdoing or defects in a system (Omoyefa, 2008). The change so implied may range from minor adjustments to management arrangements to fundamental changes in governance and management arrangements (EU, 2009). Given the diverse scope of the concept of reform itself, it is no wonder that there also exist numerous definitions of public sector reforms, depending on the scope and context of the reform one is dealing with.

One of the definitions that goes with the theme of this study is the one provided by Ayee (2008), which describes public sector administrative reform as deliberately designed efforts to induce fundamental changes in a public administrative system through system-wide change (of institutional arrangements) or at least through measures for improvement of one or more of its key elements in terms of their scope, modus operandi, and implications. Another related definition, suggested by Omoyefa (2008), also considers public sector reform as deliberate policy measures and administrative actions taken by a government (or a government agency) to change existing institutional arrangements (organizational structures, processes, and people’s behavior) in an attempt to improve its administrative machinery for performance at optimal level.

Recent PSR measures, in particular, have focused on the need for reforms toward a private-style management for achieving better results (especially in terms of efficiency) in the public sector (Olsen, 2008; Peters 2003). The presupposition is that things are not properly managed in the public sector, that unnecessary wastage has crept into the ways the public sector is being run, and that too many people are doing poorly what fewer people can do efficiently (Omoyefa, 2008). These kinds of approaches towards PSR have generally come to be labeled under the umbrella term of the “New Public Management,” which is the subject of the discussion in the next section.

The New Public Management (NPM) as a Paradigm of Public Sector Reform
NPM is a model of public administration that has developed in opposition to the bureaucratic model (Charbonneau, 2012). It assumes that bureaucracy inhibits adaptation and thus advocates for the replacement of the traditional model of public administration based on the principles of bureaucracy by
market-based public service management (ECA, 2004; Olsen, 2008). Moreover, proponents of NPM claim that the kind of governments that developed during the industrial era, with sluggish centralized bureaucracies, preoccupation with rules, and hierarchical chains of command simply no longer work very well (Peters, 2003).

The fundamental logic of proponents of NPM is that management in the public sector is not in any meaningful way different from management in the private sector, and that the public sector has not paid sufficient attention to management and to the role of the manager. They further maintain that if managers and their organizations are released from the constraints that politics places on them, then the system will perform better (Charbonneau, 2012; Peters, 2003).

With the aforementioned theoretical assumptions, the NPM perspective also developed positive, action-oriented phrases, such as: reinventing government, re-engineering, transformation, downsizing and “rightsizing,” and the likes (Ayee, 2008). In regard to the historical evolution of such NPM thinking, Peters (2003) suggests that, like many changes in the political and social life, it is difficult to assign it an exact date. Rather, according to Peters (2003), there was the growing sense during the 1970s and into the 1980s that something was wrong with the way in which government worked and that change was necessary. For some authors (Charbonneau, 2012; ECA, 2004), however, the event consecrating the emergence of NPM was the reform of Britain’s administration, launched in the wake of nascent neoliberalism and coinciding with the coming to power of Margaret Thatcher in 1979. What is evident, in either case, is that the percepts of NPM have dominated the public administration reform agenda of most OECD countries from the late 1970s (Charbonneau, 2012; Peters 2003; ECA, 2004).

Moreover, NPM has since served as an umbrella term for a variety of approaches going under different names. One common typology of approaches seen in the evolution of NPM practices has been provided by Ferlie et al. (1996). According to these authors, the first NPM model is characterized by an efficiency drive in public administration, wherein improvements are sought through tight hierarchical control of work processes. The second model seeks to introduce flexibility into organizational structures through downsizing and decentralization. The third model seeks to develop a culture of excellence within public administration through an emphasis on innovation. The fourth model accords customers/service users a greater role and voice in decision-making (Ferlie et al., 1996). The NPM models thus developed have become the source of the principal impetus for reform across many countries in Africa (ECA, 2004), including Ethiopia, as shall further be demonstrated in a later section.
2.2. Institutional Change Theories: Towards a Theoretical Framework

The New Institutionalism
Analyses of institutional change in recent decades have been set within what has been collectively termed as “New Institutionalism,” which embraces rational choice institutionalism, historical institutionalism, and sociological institutionalism (Lindegaard, 2013; Peters, 2005).

Rational choice institutionalism draws heavily on neoclassical microeconomics and political economy and emphasizes the function of institutions through systems of rules and incentives as individuals maximize self-interest (Lindegaard, 2013; Shand, 2015). Its underlying logic is that institutions are arrangements of rules and incentives and that the members of the institutions behave in response to those basic components of institutional structure (Peters, 2000). Rational choice institutionalism also presumes that individuals (or groups) are rational and calculating in making choices within constraints to obtain their desired ends and that their decisions rest on an assessment of the probable actions of others (Leftwich, 2007). Given its emphasis on actors’ rational, strategic behavior to fulfill their preferences, rational choice institutionalism explains the creation of (and changes in) certain institutional structures in terms of their benefit to pertinent actors and thus generally relies on exogenous bases for change (Lindegaard, 2013; Shand, 2015).

On the other hand, sociological institutionalism considers institutions in the context of more informal, cultural practices (Lindegaard, 2013). It argues that culture, not just efficiency, shapes institutions, and considers institutional forms and practices in light of the cognitive scripts and moral templates that provide the “frames of meaning” guiding human action (ibid). Central to this perspective is also the view that institutional conditions are malleable and, while there may be strong forces that work to preserve particular arrangements where these favor elite interests, institutions can change as a result of the “friction” between rules and the effects of their application on social actors. It thus emphasizes the importance of social interaction in forming and changing institutions (Mahoney & Thelen 2010; Shand, 2015).

In contrast, historical institutionalism defines institutions largely as the formal or informal procedures, routines, norms, and conventions embedded in the organizational structure of a polity or political economy (Lindegaard, 2013). Nonetheless, this perspective often focuses on formal aspects of institutions and the asymmetric power relations they propagate (ibid). With regard to change, historical institutionalism holds that institutional function is governed by precedents and emphasizes the persistence
of rules along a “path” until affected by exogenous shocks (Shand, 2015). Thus, while maintaining an implicit focus on the role of power in explaining institutional change, the historical institutionalism perspective generally considers institutional trajectories as being “path dependent,” or prone to continuing along an established trajectory. It presumes that change occurs sporadically when institutional trajectories are punctuated by points of sudden and substantial changes leading to a new trajectory, referred to as “critical junctures” (Lindegaard, 2013). The overall implication of this perspective is that the policy and structural choices made at the inception of institutions will have a persistent influence over their behavior for the remainder of their existence (Peters, 2000).

Incidentally, it is to be stressed here that the central theme of this paper is to analyze challenges to past institutional change and reform efforts in Oromia’s public sector from historical and political perspectives and to map out future prospects for such changes. The foregoing descriptions of institutional change theories has thus been made in search of the most relevant theoretical framework that best accommodates the underlying objectives of this study. In relation to this, despite some advances in historical institutionalism in terms of engaging the role of power relations in explaining institutional change, the new institutionalisms in general have not yet grappled seriously with the critical role of political factors in explaining how domestically legitimate and appropriate institutions might be set up, reformed, or maintained (Combornous & Rougier, 2010; Hudson & Leftwich, 2014;). On the other hand, over the last two decades, the variety of scholarly works analyzing the role of political factors in explaining such changes have together come to be loosely labeled as political economy analysis (PEA) (DFID, 2009; Hudson & Leftwich, 2014), which shall be briefly discussed below.

The Political Economy Approach to Institutional Change
The political economy approach to institutional change focuses on how political power and resources are distributed and contested in different contexts. It also emphasizes the role of political settlement for facilitating effective PSRs (DFID, 2009; Jones, 2015; Khemani, 2017).

According to DFID (2009), political economy analysis is concerned with the interaction of political and economic processes in a society: the distribution of power and wealth between different groups and individuals and the processes that create, sustain, and transform these relationships. DFID (2009)’s definition draws particular attention to politics, understood in terms of contestation and bargaining between interest groups with competing claims over rights and resources.
Similarly, a framework for assessing the political economy of reform suggested by the World Bank (2008) stresses the need to look particularly at the reform context in terms of political contexts and the related social and ethnic cleavages affecting the reform under consideration. With regard to conceptualization, the standard definition of an institution used in most PEA studies considers institutions as the rules of the game that determine the limits of choice and structure incentives, wherein incentives determine whether or not players follow the rules of the game (Hudson & Leftwich, 2014; North 1990).

Finally, in light of the foregoing discussions, this study shall draw on the historical institutionalism theory (a strand of the new institutionalism) along with a political economy analysis approach to understand the challenges posed by the historical and political contexts of reforms in Ethiopia in general and in Oromia National Regional State in particular to the effective implementation of PSR since the 1990s. In view of this, the study adopts an operational definition of institutions that considers them as the formal and informal structural properties of social groups within an organization, which are constituted by the rules and procedures that constrain some forms of behavior while enabling other forms of behavior between people and groups across public sector organizational domains.

3. Public Sector Reforms and Institutional Change in Oromia/Ethiopia

3.1. Overview of Reform Waves since the 1990s (PSRs under the EPRDF Regime)

The EPRDF-led Ethiopian government embarked on multiple administrative reforms that have generally evolved over three phases beginning from early 1990s (1992-1996, 1996-2000, and 2001 onwards) (Mengesha & Common, 2007). In the first reform phase (1991 to 1996) the focus was essentially on structural adjustment, with economic liberalization and structural reforms in the public sector. Accordingly, among the main objectives of this phase of reforms was to reassign the civil service employees hitherto organized under the unitary state to the newly emerging regional states and to improve the efficiency of public service delivery (Debela & Hagos, 2012).

However, public sector services did not improve much; consequently, the government attempted to systematically articulate the problems of the civil service by establishing a task force (TF) that was supposed to produce a new
reform program suited to the needs of the country. The TF made assessment of the existing system and made reform recommendations, based on which the Civil Service Reform Program (CSRP) was prepared (Araya et al., 2017; Mengesha & Common, 2007).

The CSRP was thus designed in 1996 as the second reform phase consisting of five sub-programs: top management system, human resource management, service delivery, expenditure management and control, and ethics (FDRE, 2001; Mesfin, 2008). Moreover, the CSRP also involved the introduction of new policy and legal frameworks as well as operating systems and procedures into the civil service. Among others, institutional reform initiatives such as amending civil service laws and codes of ethics, setting up complaints-handling procedures, and the adoption of a new service delivery policy in 2001 were undertaken as part of the reform measure packaged under the CSRP (Beyene, 2009; Fida, 2016).

In the meantime, the occurrence of internal dissent within the EPRDF in 2001 and the resulting renewal scheme undertaken by the front provided yet another milestone in setting the government’s subsequent reform direction. Among other initiatives, the front ventured into a new ideological terrain in favor of the “developmental state” in the aftermath of concluding its renewal process in 2001 (Araya et al., 2017). Following the decision to adopt a developmental state model and by drawing on the success factors of earlier developmental states in East Asia, the government also apparently felt the need for further reforms to build a professional and capable civil service system (World Bank, 2013). Consequently, the EPRDF-led GoE commenced the third phase of its reform agenda in 2003 in the form of a five-year Public Service Capacity Building Program (PSCAP) by establishing a Ministry of Capacity Building as a new super ministry in charge of coordinating all civil service reform initiatives (Araya et al., 2017).

Subsequently, the PSCAP arranged its intervention by repackaging the CSRP into seven areas: strengthening the capacity of the civil service reform coordinating structures at the federal, regional, and local levels, improving expenditure management and control activities, improving governance of human resource management, improving public service delivery, improving accountability and transparency, strengthening top-management systems, and building the capacity of emerging regions (Mesfin, 2008).

Moreover, following the adoption the developmental state as an important ideological model in 2001 and as part of the third reform wave, the EPRDF-led GoE also moved on to a second phase of decentralization, which was ostensibly meant to devolve service delivery to districts (woredas) (Araya et al., 2017). Theoretically, Ethiopia’s system of decentralization had multiple dimensions
that included political, administrative, and fiscal decentralization (World Bank, 2013). However, despite the outward commitment to such decentralization initiatives, the actual practice has been severely constrained. For example, it has been reported by several studies that parallel to the professed processes of decentralization, the EPEDF government in practice developed structures of top-down rule, particularly through its party apparatus that was used to dwarf local initiatives and autonomy (Harald, et al., 2018; Kena, 2016; Pausewang et al., 2002).

Besides, and in particular, the Ethiopian government also launched a range of other reform initiatives that broadly fall under the umbrella of the “New Public Management” paradigm as part of its third reform wave (Araya et al., 2017). Such NPM-inspired reforms implemented in Ethiopia as part of the third reform wave under EPRDF included Business Process Re-engineering (BPR), Balanced Score Card (BSC), and the Citizens Charter (Fida, 2016), which shall be described in the next section.

3.2. The New Public Management as a Paradigm for Reform in Ethiopia/Oromia: Selected Cases of NPM Inspired Reform Initiatives

It has been widely attested that the initiation of many reforms in Africa since the 1990s have been inspired by the concept of NPM (ECA, 2004; UNDP, 2009). Likewise, conceptual descriptions of the NPM and the range of reforms inspired by the paradigm (as described earlier under section 2.1.4 of this chapter) also capture well most of the structural, organizational, and managerial changes taking place in the public services of Ethiopia.

For example, beginning from 2003 (and with the rather flawed assumption, as shall be argued in the next section, that the Ethiopian civil service had grown into an overly hierarchical bureaucratic system), the GoE made a sweeping decision to initiate BPR across all government agencies (Araya et al., 2017). According to Hammer & Champy (1993), BPR focuses on changing four components of an organization, namely; business processes, job and structure (which involves changing a hierarchical organizational structure to a flat one), management and measurement, and values and beliefs.

In relation to NPM, the focus on work processes and flexibility in organizational structures through downsizing as described in the first two models provided by Ferlie et al. (1996) (discussed under section 2.1.4) have been well taken up through the adoption of the BPR reform initiative in Ethiopia.
Moreover, BPR also shares with the NPM reform paradigm such core issues as restructuring to reduce cost, de-bureaucratizing hierarchical organizational structures for greater efficiency, enhancing outcome measurement for better performance management, and increasing customer satisfaction by placing customers at the center of business decision-making. Furthermore, Pollitt and Bouckaert (2011) describe BPR as being at the more “radical” end of NPM initiatives, pursued by countries especially interested in importing private sector practices into the civil service and in reducing the distinctions between the two, such as New Zealand, Australia, and the UK (cited in Araya et al., 2017).

Similarly, the emphasis on innovation and a culture of excellence within public administration in the third model and the centrality of customers in decision-making emphasized in the fourth model following Ferlie et al. (1996) perfectly aligns with the BSC and Citizen Charter reform initiatives that have been under implementation in Ethiopia as components of the third reform wave under the EPRDF regime. For example, BSC is commonly described as a management, communication, and measurement system for translating an organization’s strategic objectives into a set of performance indicators distributed among four perspectives: Financial, Customer, Internal Business Process, and Learning and Growth (Kaplan & Norton, 1996). BSC is thus an essentially NPM-inspired reform tool with a customer focus as one of its four pillars and an emphasis on innovation through its learning and growth perspective. Moreover, its emphasis on performance management based on clear and explicit managerial targets combined with managerial autonomy and incentives to perform is also at the core of the NPM (ECA, 2004). In the same way, the Citizen Charter, which has been under implementation in Ethiopia since 2012, incorporates the concept of perceiving the citizen as a “customer” of public services, which is a key feature of the NPM as well (Ayee, 2008).

Overall, the discussion in this section has attempted to provide a quick overview of the three broad waves of reform initiatives undertaken in EPRDF-led Ethiopia since the early 1990s. The final parts of this section in particular described how reform tools such as BPR, BSC, and Citizen Charter implemented in Ethiopia over the last decades relate to the NPM paradigm of de-bureaucratized and private-style management. The following section examines particular challenges encountered in the implementation of reforms in Oromia National Regional State since the 1990s in general and the third wave NPM-inspired reform measures in particular from the historical and political points of view.
4. Challenges to Institutional Change and Reform in Oromia/Ethiopia

4.1. Historical Challenges: De-bureaucratization before Bureaucratization

As discussed earlier (see section 2.1.4), the NPM paradigm is based on a number of fundamental assumptions about the existing civil service systems that determine the viability of its reform recommendations. The most important of these assumptions is that there is already a well-established system of public administration in place to be reformed and that this system is generally infused with the values of the traditional hierarchical and rule-bound bureaucratic system of state administration (Olsen, 2008; Peters, 2003). With this note of caution in mind, the following paragraphs highlight the historical evolution of Ethiopia’s civil service system in general, and the genesis of Oromia’s public administration system in particular, to discern whether it meets the stated fundamental assumptions of the NPM.

To begin with, the establishment of modern civil service in Ethiopia dates back to 1907, when Emperor Menelik II initiated the formation of a few ministries (Kacho et al., 2016). Later, Emperor Haile Selassie introduced some measures to modernize public administration by appointing salaried and educated personnel in the civil service (Beyene, 2009). However, given the high regard to political loyalty and the level of political interference affecting standard operating procedures, the civil service repeatedly failed to deliver the intended service to the public. This contributed to public discontent that finally resulted in overthrow of the imperial regime by the Dergue military junta in 1974 (Kacho et al., 2016; Mengesha & Common, 2007).

The Dergue regime, in its move to establish a socialist state, took extensive nationalization measures accompanied by the proliferation of new government institutions, parallel party structures, and the appointment of party functionaries to key decision-making civil service positions. Such measures resulted in a tremendous expansion along with the overlapping of roles in the public sector, which created a mix of military-bureaucratic dictatorship (Ayenew, 1997, Clapham, 2002). The subsequent years were characterized by the centralization of administration, duplication and fragmentation of public functions, utter downplaying of merit and professionalism, and inefficiency in service delivery until the Dergue too was finally ousted in 1991 by a coalition of several rebel groups, including the EPRDF/TPLF, EPLF, and OLF (Gebresslase & Berhutesfa, 2016; Mengesha & Common, 2007; Pausewang, 2009).
The Post Dergue Period: Genesis of the Existing Oromia’s Public Sector Institutions

It has been argued in the literature of institutional change that periods of institutional genesis correspond to critical junctures that place institutional arrangements on trajectories that are difficult to alter (Hogan, 2006; Pierson, 2004). This is mainly because of the fact that institutions express the ideas, interests, purpose, and power of those who designed and supervise them (Leftwich, 2007). Understanding the origins of institutions thus requires knowledge of the “all-important matter of the material and ideological conditions on which they are founded and of the political leadership and their ideas” (Grindle, 2001; Leftwich, 2007). Taking this fact into consideration, the subsequent discussions examine the ideological conditions on which Oromia National Regional State public institutions were founded, starting from the period of their genesis, which also corresponds with the critical juncture marked by Ethiopia’s political transition in the early 1990s.

From the outset, several rebel groups were involved in actively fighting the Dergue regime before its final demise in 1991 (Smith, 2007). However, toward the end of the military dictatorship, around 1989, when TPLF together with EPRDF and several other liberation movements (among them the OLF) was on the verge of winning the resistance war, TPLF organized Oromo prisoners of war into the OPDO with the intent of preparing it in its image for controlling the political arena in the future Oromia regional state. On the eve of the final ousting of the Dergue in May 1991, OLF was invited together with TPLF and EPLF to a conference in London, where the future structure for Ethiopia was discussed and a Transitional Charter was proposed in lieu of a constitution for a transitional period. And OLF leaders were reported to be the key players in the subsequent drafting of the proposed Transitional Charter (Hassen, 2009; Lata, 1999; Pausewang, 2009).

As a follow-up to the London Conference, the Addis Ababa Conference of July 1999 was organized in which a total of thirty-one parties (including the OLF, OPDO and three other Oromo political parties) met to discuss the future of Ethiopia and agreed upon a Transitional Charter (Hassen, 2009). The conference established these representatives as a transitional parliament, adopted the Transitional Charter, and called on TPLF and their leader, Meles Zenawi, to form a central transitional government (Pausewang, 2009). The transitional government thus assumed power in 1991 and subsequently passed several proclamations in accordance with the spirit of the Transitional Charter. This included Proclamation No 7/1992, which provided for the setting up of regional state governments (TGE; 1992; Terefe, 2016).
Accordingly, the Oromia National Regional State was set up with its own organs of government (with legislative councils, executive committees, and judicial bodies) adapted to its own newly adopted regional constitution. The government of the Oromia National Regional State, now under the exclusive leadership of the OPDO\(^3\) (a member of the TPLF-led EPRDF coalition which was leading the central transitional government) also created regional public sector agencies (bureaus) and built up administrative structures at zonal, district, and village levels to replace the structures of the now defunct military regime (Harald, et al., 2018; Pausewang, 2009). In short, the genesis of the existing Oromia National Regional State public sector institutions, which were exclusively managed by the OPDO, traces its origins back to this period of the transitional government of Ethiopia (early 1990s).

The overall implication of the foregoing description of the evolution of the public administration system in Ethiopia in general and that of the Oromia National Regional State in particular is that the country has never had a politically neutral, professional, and stable bureaucracy throughout its history of modern public administration. In other words, the country has never had a well-bureaucratized and longstanding system of public administration whose ills needed to be cured through the de-bureaucratization remedy prescribed by the NPM-inspired reforms. Given this, it needed to be clear from the outset that the proposals for institutional change through de-bureaucratization inherent in the NPM reform measures were poorly suited to the actual problems and reform needs of the Ethiopian civil service systems in general and to the even much younger administrative system of Oromia’s public sector in particular. Even worse, some scholars (Olsen, 2008; Peters, 2003) have long warned that if there is not such a system in place, the loosening of hierarchical controls inherent in NPM can become a recipe for mismanagement, as has been the case in Oromia/Ethiopia.\(^4\)

4.2. Political Challenges: Institutional Reforms without Political Settlement

Existing political accounts of the transitional period (Hassen, 2009; Lata, 1999; Pausewang, 2009) during which the Oromia National Regional State’s public sector institutions were founded indicate that the period (1991-1995) was characterized by political polarization between EPRDF/TPLF/OPDO and the other Oromo political parties. Among the five political parties that represented the interests of Oromia in the TGE, OLF was given four ministerial posts in the central government, against three for OPDO. On the other hand, the OPDO, under the direct leadership and guidance of the TPLF/
EPRDF, was put in charge of singlehandedly building up the region’s system of public administration. It thus controlled organization and recruitment into all of the region’s public sector agencies across the regional, zonal, district, and village levels (Pausewang, 2009).

Moreover, by forcing out key political groups such as the OLF from the TGE, the EPRDF later came to control and monopolize the political process (Smith, 2007). After the OLF and all other Oromo political parties were forced to withdraw from the TGE in 1992, the OPDO continued to administer in Oromia on behalf of the EPRDF (Pausewang, 2009). Nonetheless, because of its origin and ideological dependence on the TPLF/EPRDF, the OPDO did not have any meaningful support or legitimacy among the Oromo people (Harald et al., 2018; Vaughan 2011). As a result, it turned out that OPDO found it difficult to find qualified people locally. It thus went on recruiting school dropouts and a few other unemployed and merely literate opportunist individuals who, having seen their chance for secure jobs and positions in being recruited for the party, acted swiftly to take advantage of the opportunity. Among these elements, OPDO recruited a corps of unconditionally loyal administrators who knew that their positions, their newly won social roles, and their power were owed to and depended on their loyalty to the party (Lata 1999; Pausewang, 2009).

Consequently, what emerged in subsequent years was the domination of the region’s public administrative sector by one political party (the OPDO), which itself was a member of a larger governing coalition of political parties (EPRDF) dominated by another party/front (TPLF), thereby leading to two layers of domination in the region’s public sector institutions. One clear testimony to this phenomena is a remark made by Lemma Megersa, the president of the Oromia National Regional State from 2016-2019, in a televised speech during the massive protests in the region in 2017, in which he noted that the region’s administrative institutions were designed and run for the purpose of serving “God fathers,” a situation that he stressed must come to an end. Similarly, in the words of Hassen Ali, the first President of Oromia (from 1992-1995): “The government of Oromia is autonomous according to the Ethiopian Constitution, [but] the Federal Government and [the EPRDF] soldiers interfere in all matters of the Oromia regional state” (cited in Hassen, 2009).

Such practices arising from lack of political settlements have particularly hampered the effectiveness of decentralization reform initiatives. According to the World Bank (2013), the predominance of a single party has been the principal factor constraining decentralization in Ethiopia. As a result of the centralization of power in the dominant party, hierarchical party discipline and top-down management have substituted upward accountability for the
desired downward accountability of sub-national officials and civil servants to the citizens (World Bank, 2013).

Similarly, a study report by Kena (2016) notes that, despite the rhetoric of decentralization, regional and local level government units and their institutions of public administration remained instruments of political control by the central government throughout the EPRDF’s rule. This and other related institutional violations of human, political, and socioeconomic rights generated a chain of unrelenting public protests over the course of several years (Kena, 2016). Other commentators have gone even further to suggest that the federal state under the EPRDF rule – which at the formal level may appear highly decentralized – has had a stronger administrative and political presence in the periphery compared to any other previous regime (Lie & Mesfin, 2018; Pausewang et al. 2002).

In conclusion, the lack of inclusive political settlements resulted in a weak base of human resource capacity and a lack of ideological diversity and inclusiveness that were important for effective execution of reforms for a meaningful institutional change that would maintain professionalism and impartiality in the region’s civil service. Likewise, as shall be empirically demonstrated in the following section, it paved the way for over-politicization of the civil service, which resulted in fomenting a complex set of clientelism and political patronage across the regions public sector that curtailed any meaningful reform efforts.

4.3. Civil Service Politicization and Capacity Challenges

As already indicated, the lack of amicable political settlement in the formation and maintenance of the regional state’s public sector institutions undermined public sector neutrality and professionalism. For example, in my own 2016 survey of over five hundred civil servants across Oromia’s public sector, more than half said they did not perceive the region’s civil service system to be politically neutral; meanwhile, around three quarter of respondents believed that the public sector in Oromia does not provide equal opportunity for staff members for promotion to management positions. Moreover, empirical evidence from the survey also showed that close to two thirds of respondents believed that individuals come to public sector leadership positions in Oromia mainly through their client-patron relationships with individuals holding political leadership positions. Similarly, the majority of the surveyed civil servants also believed that political loyalty and support from external political power networks are the major routes to public sector leadership positions in the regional state (Wakgari, 2016).
Overall, the results of my 2016 survey indicated that there is little distinction between the bureaucratic and political arena in the region’s public sector and that the practice of applying the merit principle has been overridden by political patronage. These obstacles to meritocracy and the consequent predominance of patronage over merit-based selection, promotion, and appointment practices were considered to have weakened the region’s public sector human resource capacity, which in turn constrained effective implementation of reform measures for institutional change in Oromia’s public sector over the past two decades (ibid).

In relation to this, a study by World Bank (2013) also reported that capacity for critical tasks such as management, planning, administration, and service delivery is constrained by low levels of professional competence and preparedness among many staff and officials at the sub-national level. Likewise, several other studies and official assessments (Fida, 2016; Kacho et al., 2016; ONRS, 2011; PSCO, 2015) have reported that competency gaps among civil servants and public sector managers as well as the prevalence of political partisanship in the civil service have been major challenges to the successful implementation of reforms in Oromia National Regional State.

5. Prospects for Institutional Change: The Ongoing Critical Juncture as a New Window of Opportunity for Political Settlement

Critical junctures are major events that disrupt the existing political and economic balance in one or many societies (Acemoglu & Robinson, 2012). The concept of the “critical juncture” is thus used to identify moments when institutional innovation or change may be initiated or, at least, which create the opportunity for it to occur. It is marked by the occurrence of contingent events that call into question existing institutional arrangements or allow the chance for them to be changed, for good or for bad (Leftwich, 2009).

In this regard, the occurrence of a new inter-coalition settlement among EPRDF member parties in late March 2018 could certainly be considered as yet another critical juncture in the history of Ethiopia’s political evolution. Although many complex and worrisome roadblocks remain, it has opened a new window of opportunity for a long overdue inclusive political settlement, which is much needed for the realization of effective reforms towards positive and sustainable institutional change that is necessary for the country’s sustainable development. It is, hence, highly imperative for all stakeholders to seize the opportunity, first to forge inclusive political settlements, and then
to initiate contextually relevant reform measures toward building inclusive and sustainable institutions in the region’s public sector.

6. Conclusions and Implications

This chapter examined the challenges to institutional change through PSR in general and the NPM-inspired reform measure in particular in Oromia’s public sector by drawing on historical institutionalism theory and the political economy analysis approach to institutional change as a theoretical framework. In view of this, first, NPM assumes that civil service systems to which its reform initiatives are applied are overly bureaucratized and hence prescribes de-bureaucratization as a desirable reform measure for bringing about positive institutional change. This chapter argued that Ethiopia’s civil service in general and Oromia’s public administration in particular has never been adequately bureaucratized and as such did not need the de-bureaucratization prescriptions of NPM reforms for realizing positive institutional change in the first palace. Second and even then, NPM reforms also assume the adequate autonomy of managers from political interference. On the contrary, this chapter has demonstrated that Oromia’s public sector has remained highly politicized and civil service neutrality has been an almost alien concept to the region’s administrative system.

In a nutshell, historical, political, and capacity constraints have posed strong challenges to any meaningful institutional change through NPM reforms in the region’s public sector over the past two decades. The chapter also highlighted the ongoing critical juncture as a new window of opportunity for realizing the long overdue political settlements which it argued shall provide a new opportunity for institutional change in the region’s public sector.

The main implications that can be distilled from the analysis and conclusions provided in this chapter for future reform efforts in the region’s public sector include the need for:

- **Political settlement**: Depoliticizing the civil service by forging political consensus through inclusive political settlements to establish a merit-based career civil service as part of the ongoing transitional reform measures.

- **(Re)bureaucratization**: Designing and implementing a customized civil service reform package that reinvigorates desirable principles of the traditional bureaucratic model, such as impartiality, meritocracy, rule of law and professionalism, while at the same time espousing relevant NPM reform elements, such as innovations and efficiency improvements.
- **Meritocracy**: Strengthening merit-based public sector employment, promotion, and appointment through legislative amendments.
- **Further research**: Undertaking further comprehensive and micro-level research to identify the likely lingering cultural effects of past malpractices in the region’s/country’s civil service system, particularly by using sociological institutionalism as a key theoretical framework. Future reform efforts should also be informed and shaped by inputs from the result of such research.

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**Notes**

1. Detailed treatment of each reform phase shall follow in a later section.
2. Operational definition of institutions used in this study shall be provided in a later section.
3. The OLF and the other Oromo political parties were later forced out of the TGE.
4. This has been highlighted in the introduction section and shall be discussed further in the next sections.

**References**


