

FOSTERING INNOVATIONS TO DEEPEN AFRICA'S PUBLIC SECTOR REFORM AGENDA: COMPARATIVE STUDIES OF ETHIOPIA AND NIGERIA

S. A. Igbatayo¹ & Taiwo Oguntuase²

¹Research Scholar, Department of Economics & Management Studies, Afe Babalola University, Ado-Ekiti, Nigeria

²Research Scholar, Department of Business Administration, Ekiti State University, Nigeria

ABSTRACT

In general, three waves of public sector reforms have emerged in Africa over the past three decades. The first generation was implemented as part of the Structural Adjustment Programme (SAP) at the beginning of the 1980s. The aim of the reform was to provide conducive environment for private sector development; the second generation of public service reform focused on capacity building for improved service delivery. The third generation amplified service delivery, in a development prompted by the inadequacies of the first and the second wave of reforms. This study employs Ethiopia and Nigeria as case studies. Ethiopia has emerged from decades of civil war; famine and chronic poverty to embrace PSR as an essential component as the nation's economic reform agenda, with the country showing considerable improvements on governance indicators. The nation's strong economic performance, attributable to economic reforms, has continued for the tenth consecutive year, with real Gross Domestic Product (GDP) growth estimated at 9.7% in 2012/13. Nigeria has also embraced PSR as a cornerstone of its economic reform agenda. The nation's economic output also featured robust growth in 2013, estimated at 7.4% of GDP, up from 6.5% in 2012. The major objective of this study is to shed light on Africa's Public Sector Reform agenda, which reveals both challenges and opportunities. The paper employs empirical data in the study, revealing a robust public service reform agenda across Africa, with Ethiopia and Nigeria as case studies.

KEYWORDS: Public Sector, Reforms, Africa, Ethiopia, Nigeria

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INTRODUCTION

The Emergence of Public Sector Reforms in Africa

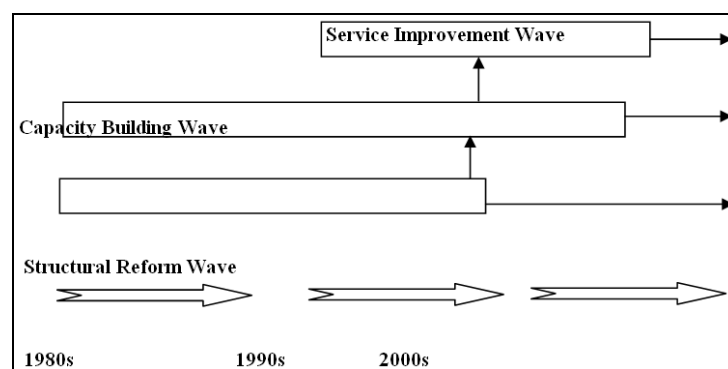
Public sector reform emerged as an element of Structural Adjustment Programme (SAP), embraced by several African nations, with varying degrees of transparency and accountability since the 1980s. The economic reform agenda was initiated by the Bretton Woods institutions, with the twin goals of fostering structural stability and economic liberalization (ECA, 2003). The World Bank elaborated four elements of good governance, critical to public sector reforms (World Bank 1989, 1992):

- Public sector management emphasizing the need for effective financial and human resource management through improved budgeting, accounting and reporting, and the rooting out of inefficiency, especially in public enterprises;
- Accountability in public services, including effective accounting, auditing and decentralization, and generally making public officials responsible for their actions and responsible to consumers;
- A predictable legal framework with rules known in advance; a reliable and independent judiciary and law enforcement mechanisms; and
- Availability of information and transparency in order to enhance policy analysis, promote public debate and reduce the risk of corruption.

In general, three waves of public sector reforms have emerged in Africa over the past three decades (Mutahaba and Kiragu, 2002). The first generation was implemented as part of the Structural Adjustment Programme (SAP) at the beginning of the 1980s. Among other things, the aim of the reform was to provide conducive environment for private sector development; decentralization of government functions to sub-national levels, as well as commercialization and privatization of state-owned enterprises.

The second generation of public service reform focused on capacity building for improved service delivery. These embraced efficiency measures aimed at enhancing public management performance. The steps included improvement of functional and personnel management systems, with an emphasis on increased autonomy for managers (with corresponding responsibility), pay reform (linked to performance), and continued skill development and upgrading.

The third generation of public service reform focused on service delivery improvement, prompted by the inadequacies of the first and the second wave of reforms. Prominent amongst these are the needs for transparency and accountability, embracing New Public Management principles and the imperatives of sector-wide approaches in an integrated system. Figure 1 depicts the three waves of public sector reforms in Africa.



Source: Mutahaba And Kiragu (2002)

Figure 1: An Illustration of the Three Waves of Public Service Reforms in Africa

The initial impact of the public sector reform in several African countries was severe, leading to retrenchment and loss of employment in Ghana, Nigeria, Kenya and Zambia, amongst several countries (Olufemi and Adejuwon, 2010).

Public sector reforms are accompanied by innovative practices in some African countries (ECA, 2010). A prime example is Botswana, reputed for its good institutions, prudent macro-economic management,

political stability and efficient civil service. The nation is also an embodiment of enviable constitutional order, including law-based state and respect for the rule of law; all of which have fostered legitimacy and engendered leadership succession, as well as political stability. Other good innovations and practices in other African countries include:

- Egypt's Information and Decision support centre and its rapid and swift response in serving as a catalyst for a flourishing computer industry.
- The integrated coastal management with local development planning model in Namibia.
- Mali's two-pillar inter-tier resource planning initiative 166; the introduction of Medium Term Expenditure Framework (MTEF) in public financial management in Ghana, Zambia and Tanzania.
- Tanzania's salary supplementation scheme.
- Diaspora capacity leveraging schemes in Liberia and Sierra Leone.
- Public Expenditure Tracking system (PETs) in Ghana, Uganda and Zambia by Civil Society organizations (CSOs).
- Namibia's National Public-Private Partnership Scheme for expanded waste management services in poor communities; and
- Rwanda's Investment in the ICT sector, as a driver of economic transformation and aiming to become a regional supplier of ICT-related capacity support to various countries.

Rise of the New Public Sector Management (PSM) Concept in Africa

The novel concept of the new Public Management (NPM) has been embraced by several African countries, including Nigeria, Ghana, Tanzania, Uganda and Kenya, among other countries, as a platform of public sector reform agenda. The concept has been adopted in various stands and forms. In general, the basic institutional pluralism in the delivery of services has been embraced in the context of redefining the role of the state.

Although, there is no consensus on the precise definition of the New Public Management (NPM); the concept comprises five key elements (Baird, 2003):

- The adoption of private sector management practices in the public sector.
- An emphasis on efficiency.
- A movement away from input controls, rules and procedures toward output measurement and performance targets.
- A preference for private ownership, contestable provision and contracting out of public services; and
- The resolution of management control with improved reporting and monitoring mechanisms.
- The relevance of the NPM in Africa lies in four main areas (Ayee, 2005):
- Decentralizing management, disaggregating and downsizing of public services;
- Performance contracting, which has become an instrument of reform in state-owned enterprises (SOEs);

- Contracting out the provision of public services is a part of efforts to re-configure state-market relations in order to give more prominence to markets and the private sector; and
- The introduction of user fees or charges, which is one of the major developments in the provision of public services under Structural Adjustment Programmes (SAPs), where privatization is not the option.

The NPM concept is particularly useful in the public sector reform agenda of several African Countries, with emphasis on the centrality of the citizen or customer, as well as accountability for results. This is essential against the backdrop of poor delivery of social services prevalent across the region. Therefore, improved efficiency is the overriding aim of public sector reforms in most African countries. However, a number of institutional constraints and capacity issues have been identified in the application of the NPM in the African context. The capacity issues include the ability to manage a network of contracts, the development of monitoring and reporting systems, as well as the challenging governance and institutional environment which may undermine implementation capacity. With respect to decentralizing management, identified constraints include unreformed institutions, including centralized public service commission regulations and treasury expenditure controls, which prevent managers of decentralized units from exercising control over operational units (Ayee, 2005).

PUBLIC SECTOR REFORM AGENDA IN ETHIOPIA

Preamble

Ethiopia has emerged from decades of civil war, ethnic conflicts, famine and military dictatorship. Since the early 1990s, the country has embarked on measures aimed at reestablishing the authority of the state over its territory, while tackling such developmental issues as drought and famine, poverty, unemployment and sustainable livelihoods (World Bank, 2013). The transformation of Ethiopia in contemporary times began in 1991, when the Ethiopian People's Revolutionary Democratic Front (EPRDF) overthrew the Mengistu Military regime. The new government inherited a weak public administration, with a dearth of resources to deliver services to the people.

The transformation agenda in Ethiopia initially focused on political issues, including constitutional reforms that defined the state as a federation. The agenda embraced such restructuring mechanisms as decentralization, which was necessary to hold the political coalition together and restore the capacity of the civil service to implement government policy. Political decentralization under the EPRDF assumed a different dimension over time. It comprised an initiative which created autonomous local government units that led to the setting up of regional civil service bureau. However, the initiative was not without its constraints, including the dearth of trained manpower, vision and knowledge of relevant rules, regulations and procedures amongst newly enlisted ranks of civil servants and other officials.

An Overview of Public Sector Reform (PSR) in Ethiopia

The Ethiopia government, in 2001, adopted the "Big Push" approach to initiate PSR from a national policy, driving the comprehensive National Capacity Building Programme (NCBP). Under the NCBP initiative, there were fourteen specific programmes (clustered around public, private and civil society sectors) and coordinated by a "Super Ministry" for capacity building.

A comprehensive list of governance and public sector reform initiative was embarked upon with the establishment of the NCBP. It comprises civil service and performance improvement (including business re-engineering and balanced score card); Public financial management; Inter-governmental finance; revenue mobilization; justice and judicial system;

urban management; decentralized service delivery and building capacity; strengthening democratic institutions; rural and pastoral management, information communication; other broad initiatives to improve transparency and accountability; as well as governance capacity across many tiers of government.

Under the nation's decentralization agenda, the government of Ethiopia conceded considerable political, administrative and fiscal powers and autonomy to sub-national governments. Indeed, Ethiopia became a Federal State in 1994, with the constitution becoming the foundation of an emergent democratic framework. Decentralization of power was conceded at the regional level in the 1990s, and from 2001, to the district level, in a development that deepened decentralization and good governance, as well as leading to increased local participation and democratic decision-making to improve service delivery.

Since 1994, the Government of Ethiopia has embarked on a comprehensive civil service reform agenda aimed at reversing decades of decay, as well as lack of accountability and transparency in governance. The law, rules and regulations governing Ethiopia's civil service have undergone transformation in line with the 1995 federal constitution to foster an impartial, ethical and accountable civil service. The transition from socialism to a free market development framework has necessitated a reorientation of the civil service toward a more service-oriented administration (AfDB, 2009). The development has led to the emergence of robust macroeconomic policies, with a focus on remarkable commitment to improving basic services and infrastructure in the pursuit of economic growth and poverty reduction objectives. The improvement on governance in Ethiopia became evident in recent governance indicators, which reveal Ethiopia's performance in government effectiveness was relatively better than the rest of sub-Saharan Africa (Kaufmann & Mastruzzi, 2007). For example, the study reveals that Ethiopia's ranking on the control of corruption dimension was higher than for Sub-Saharan Africa. The country's percentile ranking on voice and accountability, as well as regulatory quality, was however, lower. Table 1 shows the trends in Ethiopia's governance indicators from 1996 to 2006.

Table 1: The Trends in Ethiopia's Governance Indicators, 1996-2006

	1996	1998	2002	2004	2005	2006
Voice & Accountability	23.0	24.5	13.0	15.4	15.4	16.8
Political stability	13.9	21.6	13.0	13.0	7.2	5.3
Government effectiveness	10.9	12.0	16.6	25.0	20.9	31.3
Regulatory quality	5.9	15.6	13.2	17.1	16.6	21.0
Rule of law	17.1	26.7	24.8	27.1	23.3	24.0
Control of corruption	7.3	33.5	38.8	29.6	26.2	36.9

Note: The Global Index scores range from 0 to 100

Source: Kaufmann and Mastruzzi, 2007

The Government of Ethiopia, in an effort to consolidate gains associated with public sector reforms, embarked on a plan for Accelerated progress and sustainable Development to End Poverty (PASDEP). Its main features are as follows (AfDB, 2009):

- **Civil Service Reform:** The focus is on building core state capacity by: (i)strengthening the medium term expenditure planning and budgeting process; (ii)improving staffing and incentives; (iii)setting service standards for responsiveness to the public; (iv)strengthening the legal frameworks for financial and human resource management; (v)reorienting the civil service to strategic management issues; and (vi)rolling out performance management systems and building capacity for the delivery of public services.

- **Justice Systems Reform:** The objective of the justice system reform agenda is to ensure a fair, efficient and accessible system of justice delivered by competent and independent and accountable institutions. Reform priorities include capacity building of the judicial system; safe guarding the independence of the judiciary, and training of judges and lawyers.
- **District Level Decentralization:** Building on the progress made the focus is on providing adequate staffing to woreda administration; strengthening participation (especially of women) in decision making and planning processes; improving the block grant allocation system; and strengthening local revenue mobilization capacity.
- **Urban Management and Development:** This component aims to deepen reform of municipal administration through legislative changes, human resource development and institutional capacity building in areas such as land lease management and registry.
- **Participation:** The Government will create an enabling legal framework to support CSO participation. Government is also committed to electoral reform and supporting the capacity to conduct elections.
- **Human Rights and Free Media:** The Government is equally committed to safeguarding of human rights, which are enshrined in the Federal constitution. In this regard, both the Human Rights' Commission and the ombudsman will be strengthened and awareness programmes expanded with a special focus on gender discrimination.
- **Monitoring and Evaluation:** Ethiopia's governance objectives, performance indicators and benchmarks are presented in the PASDEP Policy Matrix, which incorporates expected outputs, intermediary outcomes and outcomes relating to the various dimensions of governance. Progress on the various governance indicators will be monitored and reported through existing technical working groups, such as PASCAP and this will feed into the annual PASDEP progress reports.

The Effects of Public Sector Reforms on Ethiopia's Economic Growth

Various studies have affirmed the efficacy of Ethiopia's Public Sector Reform (PSR) agenda (World Bank, 2013; AfDB, 2009; AEO, 2014). The PSR "Big Push" approach has been instrumental to meeting the intended reform/capacity building objective of government. The approach has been effective and efficient in driving home-grown solutions. The nation's governance indicators have shown trends of improvement in the last couple of decades. As part of the government's reform agenda, macroeconomic policies have been deepened, with dramatic results, reversing decades of economic underperformance and macroeconomic shocks.

Ethiopia's strong economic performance has continued for the tenth consecutive year, with real Gross Domestic Product (GDP) growth estimated at 9.7% in 2012/13. In accordance with trends in the preceding years, the growth was broad-based, featuring contributions from all sectors. The service sector, for example, accounted for 46.1%; followed by agriculture (32.1%) and industry (21.8%). Table 2 shows Ethiopia's key macroeconomic indicators in recent times, including projections for 2014 and 2015.

Table 2: Ethiopia's Key Macroeconomic Indicators (%)

	2012	2013(e)	2014(P)	2015(P)
Real GDP growth	8.8	9.7	7.6	7.2
Real GDP per capital growth	6.2	7.1	5.0	4.7
CPI Inflation	20.5	7.4	7.9	7.6
Budget balance % GDP	-1.2	-2.0	-0.4	-0.3
Current account Balance % GDP	-6.5	-5.4	-9.4	-10.9

Notes: estimates (e) and projections (p)

Source: African Economic Outlook, 2014

Ethiopia's robust economic growth in 2013 was driven by the expansion in services and construction, aggressive public spending on infrastructure and public services, as well as increasing agricultural production associated with rising domestic demand (ECA, 2014). This development has prompted a positive projection of robust economic growth for both 2014 and 2015, estimated at 7.6% and 7.2%, respectively (AEO, 2014).

The year 2013 witnessed significant progress in Ethiopia's reforms to Public Financial Management (PFM) systems, which commenced in 2002, through the implementation of phase III of the promoting basic services programme. In order to improve the effectiveness and efficiency of public sector service delivery, the government has implemented business process re-engineering and business score card. Also, efforts to engender accountability and integrity are underway within the framework of government's good governance agenda. In accordance with the principles of PSR, promotions and hiring are based on merit in the public sector, a development that upholds ethics, transparency and accountability.

There are concerted efforts to combat corruption in Ethiopia, whether in the public or the private sector of the economy. The government is actively promoting a culture of intolerance against corruption; with anti-corruption campaigns being intensified throughout the country. This development has created a positive environment for social and economic activities. According to the Global competitiveness Report of 2013/14, crime and theft is the least problematic factor for doing business in Ethiopia. The country ranked 36th and 38th out of 148 countries in business costs of crime and violence and organized crime.

PUBLIC SECTOR REFORM AGENDA IN NIGERIA

Preamble

Following sixteen years of military rule in Nigeria, the nation finally restored democratic governance in 1999, ushering in a new era of multi-party democracy and opportunity for good governance. Prolonged military rule has undermined good governance across the nation, featuring lack of transparency and accountability, loss of civil rights and liberty, prevalence of conflicts, as well as economic mismanagement. With the emergence of civil governance and democracy in 1999, it became obvious that there was need for a comprehensive reform agenda to re-build moribund institutions and infrastructure, while nurturing the economy for sustainable growth and poverty reduction (NPC, 2004).

After widespread consultations with key stakeholders across the country, Nigeria embarked on a reform initiative known as the National Economic Empowerment and Development Strategy (NEEDS) in 2004, as a medium term development strategic framework. The comprehensive reform agenda, encapsulated in the NEEDS initiative, was designed to tackle the nation's multi-dimensional development challenges, cutting across economic and social dimensions. It is also aimed at reversing the nation's perennial economic underperformance and endemic poverty.

The initiative was also designed to regain Nigeria's corporate integrity on the international front, which the nation's prolonged military rule has tarnished; in a development that provoked nationwide protests and international condemnation.

An Overview of Public Service Reform in Nigeria

As part of the NEEDS initiative, a comprehensive public service Reform (PSR) agenda was embarked upon as a mechanism for an effective and efficient delivery of public services. The new civilian administration inherited an over-bloated public sector in 1999, a legacy of government's domination of the economy, particularly in the 1970s and 1980s. By 2005, when the Public Service Reform Team (PSRT) was constituted, the number of Federal Public Servants was estimated at more than million. Also, the number of public servants serving in the nation's 36 constituent states and the Federal Capital Territory (FCT) was put at two million, broken down as follows (El-Rufai, 2007):

- Federal core civil servants, with some 2,000 directors = 180,000
- Uniformed services – Military, Police and paramilitary services = 457,000
- Parastatals, Agencies, educational and health institutions = 470,000.
- Total Federal Public Service officials = 1,107,000
- Public officers at the state level – 36 states (estimated) = 856,000.
- Public officers in the Federal Capital Territory Administration = 19,000.
- Public officers at the 774 local Governments and 6 FCT Area councils = 620,000
- Total sub-national Public Service officials = 1,455,000.
- Total Public Sector Employees in Nigeria = 2,602,000.

When public officials who are aides to the President, Ministers, Governors and legislators are added to the list of public officials, it is not unreasonable to estimate the total number of public officials working at various levels of government at about three million. This development clearly attracted the intervention of government as part of the PSR.

Under the NEEDS agenda, the PSR consists of seven main goals (NPC, 2004):

- Right-sizing the public sector and eliminating “ghost” workers;
- Restoring professionalism in the public service;
- Rationalizing, restructuring and strengthening institutions;
- Privatizing and liberalizing the sector;
- Tackling corruption and improving transparency in government accounts;
- Reducing waste and improving efficiency of government expenditures; and
- Enhancing economic coordination.

In order to accomplish the afore-mentioned goals, the administration has established a number of institutional and structural measures aimed at deepening PSR, including:

- Open and competitive tender arrangements for government contracts;
- Establishment of a due process mechanism to vet and eliminate 'fat' from government programmes;
- Massive anti-corruption campaigns involving all public officials, including the president;
- Public sector reforms to reduce, if not completely eliminate, opportunities for corruption;
- A committed focus on privatization auctions for government licenses (leading, for example, to the liberalization of the telecommunications sector);
- Establishment of an independent anti-corruption agency and the economic and financial crimes commission; and
- Establishment in the president's office of a policy and programme monitoring unit to build a comprehensive policy database to follow up on all decisions of the president and monitor programmes in ministries and public enterprises.

The activities of the PSR were designed to focus on the core functions of government, including policy making, service delivery, value orientation and accountability. These measures eventually culminated in nine areas of reform: civil service, pay, integrated payroll and personnel information system, public expenditure management, SERVICOM-Service delivery, monetization of fringe benefits, pension and anti-corruption. By 2007, when president Obasanjo handed over to President Yar'Adua, the foundation was laid to deepen the PSR agenda. This development emerged as a long-term National Strategy for Public Service Reforms (NSPSR), which has four pillars: creating an enabling government and institution environment; an enabling socio-economic environment; public financial management reform; and civil service administration reform (Olaopa, 2009).

Nigeria has recorded considerable achievements associated with PSR since the inception of the initiative in 2004 (ECA, 2010). They include the following:

- Waste curtailment through monetization of fringe benefits, as well as the introduction of a national health insurance scheme and public expenditure management through Medium Term Expenditure Framework (MTEF). This also includes procurement reform and the passage of the fiscal responsibility act to ensure prudent management of resources;
- Promoting the effectiveness of the civil service through organizational restructuring of the Federal Capital Territory Administration, Federal Ministry of Finance, National Planning Commission and the State House; right-sizing through retrenchment of Grade levels 01-06, consisting mainly of junior cadres in the civil service, who constitute 70% of the public service;
- Review of rules and regulations; service-wide capacity building aimed at repositioning of existing training institutions, such as the Administrative Staff College of Nigeria (ASCON), Badagry and the establishment of the civil service college in Abuja to focus on both middle level management and executive management training and development; tackling anti-corruption through the setting up of anti-corruption agencies, including the Independent Corrupt Practices and other Related Offences Commission (ICPC) and the Economic and Financial

Crimes Commission (EFCC), as well as the setting up of the Bureau of Public Sector Reforms (BPSR), as the institutional framework for sustaining the reform; and the introduction of tenure system for the positions of Permanent Secretaries and Directors.

The setting up of anti-corruption agencies, as well as the BPSR as institutional framework to sustain reform and the introduction of MTEF has been acknowledged as innovations and best practices in PSR (ECA, 2010).

The Effects of Public Sector Reform on Nigeria's Economic Performance

Driven largely by the nation's economic reform agenda since the turn of the Millennium, Nigeria has witnessed robust economic growth in the past decade, averaging more than 6% per annum. This development is in sharp contrast to the 1980s and the 1990s, when the nation's economy was characterized by consistent underperformance and accompanied by severe macroeconomic shocks. The nation's economic output featured another robust growth in 2013, estimated at 7.4% of GDP, up from 6.5% in 2012. This performance is far higher than the average growth in Sub-Saharan Africa. The nation's economy continues to be underpinned by positive trends in the non-oil sector, with real GDP growth of 5.4%, 8.3% and 7.8% in 2011, 2012, and 2013, respectively. The performance was led by the agricultural sector- particularly crop production- while trade and services continue support growth in the non-oil sector. On the other hand, the oil sector growth performance was less than impressive, with 3.4%, -2.3% and 5.3% estimated growth rates in 2011, 2012 and 2013, respectively (AEO,2014)

Indeed, growth in the oil sector was constrained throughout 2013 by supply disruptions blamed on oil theft and petroleum vandalism which are endemic in the Niger Delta, where the bulk of the nation's crude oil is produced. Despite its poor performance, the oil sector accounted for an estimated 96% of the nation's total export earnings in 2013. Table 3 shows Nigeria's key macroeconomic indicators from 2012, including projections for both 2014 and 2015.

Table 3: Nigeria's Key Macroeconomic Indicators (%)

	2012	2013	2014(e)	2015(p)
Real GDP growth	6.7	7.4	7.2	7.1
Real GDP per capita growth	3.9	3.6	4.4	4.7
CPI Inflation	12.2	8.5	8.1	8.2
Budget balance % GDP	-1.4	-1.8	-1.2	-2.0
Current account % GDP	2.8	4.4	5.8	5.1

Notes: Estimates (e) and projections (p)

Source: African Economic Outlook, 2014

As part of the government's PSR agenda, it continued to pursue a fiscal consolidation policy. This is also aimed at improving efficiency in the use of public funds. In the power sector, which has assumed a problematic dimension; the government-owned Power Holding Company of Nigeria was recently unbundled into 15 subsidiaries, comprising 5 generating companies (GENCOs) and 10 distribution companies (DISCOs). The 10 DISCOs and 5 GENCOs were formally handed over to new core private investors.

The nation's Public Financial Management continued to show improvement in transparency and competitiveness through such government activities as the Bureau of Public Procurement, which focuses on the procurement process; and the Nigerian Extractive Industries Transparency Initiative (NEITI), which sheds light on transparency issues in the nation's oil industry (AEO, 2014).

SUMMARY AND CONCLUSIONS

Summary

The public service is a vital tool in both developed and developing countries, instrumental for the provision of public goods, including defense, public order, property rights, macroeconomic management, basic education, public health, disaster relief, protection of the environment, as well as coordinating private sector activity. A capable public service is therefore essential for creating a favourable investment climate and facilitating people's participation in economic life (UNDP, 2013). Policy makers since the 1980s have elevated public sector Reform (PSR) to the top of the international development agenda. The initiative has been embraced across the world. PSR assumed a development challenge in Africa, particularly in the wake of the Structural Adjustment Programme (SAP); an initiative that emerged as part of the "Washington Consensus" (a neo-liberal economic doctrine) adopted by the Bretton Woods institutions. Several African countries embraced PSR as an integral part of SAP in return for financial assistance from international agencies in the 1980s, when they faced financial crisis.

Over the past couple of decades, African countries have benefited from the impact of PSR, transforming their economies for robust economic growth and poverty reduction. Ethiopia has emerged from decades of civil war; famine and chronic poverty to embrace PSR as an essential component as the nation's economic reform agenda, with the country showing considerable improvements on governance indicators. Nigeria has also embraced PSR as a cornerstone of its economic reform agenda. The nation has retrenched personnel from the public service and established anti-corruption agencies. It has equally effected financial management reforms in government agencies to mitigate waste and leakage of scarce resources.

CONCLUSIONS

The Public Sector can be aptly defined as the machinery of government that is organized under public authority. In recent times, the public sector has been confronted with a variety of constraints in both developed and developing economies, arising from the size and scope of its activities. Therefore, in order to mitigate these challenges, policy makers across the world have evolved public sector reforms as a panacea to create governance mechanisms aimed at reversing the negative trends associated with the public sector. In the past couple of decades, several African governments have actively embraced PSR as a framework to create effective governance mechanisms. While this development has brought success to several African countries, there are challenges undermining the initiative, including the lack of resources to effect reforms and the lack of capacity to deepen the programme.

Ethiopia and Nigeria illustrate success stories associated with PSR in Africa. In Ethiopia, the nation's engagement with PSR has led to the transformation of the economy for rapid growth and poverty reduction. Indeed, Ethiopia's economy now ranks alongside the world's fastest growing economies. Nigeria's engagement with PSR has also resulted in economic transformation over the last decade. The nation's economy has reversed decades of prolonged under-performance, which analysts have attributed largely to the success of the nation's economic reform agenda.

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