Chapter III:
The Implementation Process

Civil Service Reform and the Bureaucratic Field

The Civil Service Action Plan listed eight "strategic" objectives:

> "(i) To confirm the role and core functions of government, taking account of the government's policy priorities, plans for decentralisation and the scope for outsourcing and privatisation.
>
> (ii) To secure performance improvements through the reduction of overlap and duplication in the machinery of government.
>
> (iii) To design and implement organisation and staffing structures and management systems which enable ministries and departments to achieve their objectives efficiently.
>
> (iv) To design and implement a retrenchment programme which will assist in the move to an affordable and sustainable civil service.
>
> (v) To improve the recruitment, retention, motivation and work ethos of civil servants through the implementation of revised remuneration and grading systems.
>
> (vi) To develop the capacity of civil servants to undertake the core functions of government and deliver higher quality services to the public.
>
> (vii) To improve planning, resourcing, monitoring, management and accounting systems so that resources are more sharply focused on priorities and public expenditure is more effectively controlled.
>
> (viii) To develop understanding and commitment to civil service reform both within and outside the civil service through effective leadership and management of the reform process."
>
> (GoM 1996b:2)[1]

These objectives can easily be subsumed under the primary *topoi* of civil service reform promoted by the World Bank and the IMF: privatisation (i, ii), expenditure control and retrenchment (iii, iv, vii), performance improvement (vi, vi), and "ownership" of the reform (viii) (Dia 1993, IMF 1997, World Bank 1992, 1994b). But what was actually done to reach these objectives? Which actions were taken, which orders were issued and were these orders obeyed? This chapter addresses these questions and turns from the

[1] The Civil Service Action Plan was drafted by experts from the British ODA to meet the standards of the World Bank, see Chapter Two.

realm of policy discourse to the actual implementation process of the civil service reform and investigates their relation to each other. Many studies of policy intervention have shown that it is not as simple to determine the outcomes of policy intervention as the proponents of social engineering claim. Unintended consequences may undermine the success of the policy or have “instrument effects” denied or masked by official policy statements (Benda-Beckmann 1993, Ferguson 1994[1990], Long 1992, 2001, Moore 2000[1978], 1973). From the perspective of the people involved in and affected by the implementation process the civil service, ministries and departments constitute a bureaucratic field or arena of contest and conflict between different social actors rather than homogeneous units (Bourdieu 1994).

From such a perspective the comparison between policy objectives and the practice of implementation may elucidate the dynamics of the implementation process and the actual outcomes, whether intended or not. Therefore, this chapter presents a “vertical slice” (Nader 1980) of the implementation process. It argues that the implementation of the civil service reform revealed and deepened already existing fault-lines within the bureaucracy. The policy intervention constituted a threat to the status quo and triggered various attempts of manipulation, co-optation, and appropriation from within the civil service that undermined the success of the reform.

2. Deconstruction of the Implementation Process of the Civil Service Reform

My account of the implementation process focuses on two central elements of the civil service reform, the retrenchment of redundant civil servants and the monetarisation of benefits such as the provision of institutional housing. Dismissal of redundant employees and monetisation of benefits constituted important measures for making the civil service smaller, more efficient and transparent. Two questions will guide my inquiry of the implementation of both measures: Why did implementation resemble a “trickling down”[2] rather than a sweeping restructuring, and why did the civil service reform deepen existing fault-lines and conflicts within the civil service?

[2] In order to avoid misunderstandings I want to make clear that I am not a protagonist of the “trickle down” approach associted with Reaganomics. On the contrary, my usage is ironic and should be understood quite literally as referring to a reform announced with much aplomb that turns out to be not more than a few drops in the bucket.

a) Retrenchment of Redundant Employees

The World Bank conducted two important studies in 1991 and 1993 to assess problems in the civil service and make recommendations for the civil service reform (World Bank 1993; 1994a). These studies recommended a reduction in the number of support staff like watchmen, cleaners, workmen, messengers, etc., occupying the lowest grades in the civil service, the Industrial Class (IC) and the Subordinate Class (SC). Redundant employees were meant to be laid off "after payment of appropriate disengagement compensation" (World Bank 1994a:84). The Letter of Development Policy requesting US $ 106.4 million for the FRDP I included the implementation of the civil service reform as a condition. The letter stated that between February and September 1995 government had already laid off about 20,000 civil servants, mainly lower-ranking support staff of the IC, as a Prior Action to qualify for a credit agreement with the Bank. The Civil Service Reform Action Plan stipulated a "retrenchment program including transparent retrenchment criteria, appropriate safety net measures and quantitative targets for the size of the civil service" and the "identification of cost and source of financing of the civil service restructuring, retrenchment program, staff separation packages and safety nets". Completion of this Action Plan was expected by September, 30, 1996.

My fieldwork made it clear that the messy practice of policy implementation bore only little resemblance to these plans. The following vignettes illustrate this gap between ideal and practice. Shortly after my arrival in November 1999 I had an interesting encounter at the bar of the Portugese Club in Lilongwe, one of the hangouts of Lilongwe's small expatriate community and Malawi's *nouveaux riches,* the *apamwamba*. A sturdy man sat next to me at the bar. He was dressed in expensive sportswear and played with a cell-phone. His chauffeur annex factotum hovered close ready to follow his master's orders. We chatted a little bit and he offered me a drink. It turned out that he was a retired Principal Secretary, the highest post in a ministry. He had studied in the United Kingdom in the 1970s. After a while I told him about my research on the effects of structural adjustment policies. He replied that government negotiating teams, in many of which he had participated, often felt outmatched and overwhelmed by the "expert knowledge" of World Bank delegations. He lamented the World Bank's lack of insight into local circumstances and their arrogant belief in the market. The World Bank reports and statistics were rarely challenged by government representatives who often adopted a "sign first, decide later" attitude, he jovially admitted.

About six months later I conducted interviews in Zomba with civil servants who had been laid off during the retrenchment exercises. One of them was Mr. Kangame, a former watchman. During one of our meetings he carefully unfolded a crumbled piece of paper, a paper, which he confides, he has often showed to officials at the Labour Office and to friends and colleagues hoping they could assist him:

> "Herewith you are being notified that your service will be terminated on grounds of redundancy. The last day of service is 31 January 1998. May I thank you for the services you have rendered to the government during the period you have been with us and to wish you all the best in your future undertakings. Monthly wages will be paid in lieu of notice. All outstanding debts will therefore be recovered from any payments due to you."

The letter was delivered on January 19, 1998. Between March 1993 and January 1998 he had worked as a security guard for the Veterinary Department in Zomba. As security guard he belonged to the lowest grade of the civil service, the Industrial Class (IC). The majority of those dismissed were IC workers. IC employees held non-established positions and were paid on hourly or daily basis. The Malawi Public Service Regulations (MPSR) provided only little protection to IC workers: since Mr. Kangame had been employed for less than five years, due notice was only two weeks.[3] This meant he had received a payment of about US $ 10 in lieu of notice. Mr. Kangame was desperate after losing his job and asked his former boss for help. No assistance had been forthcoming. He had pleaded with him several times and had been on the premises of the office several times in an attempt to get his job back. Mr. Kangame was very bitter about this refusal and complained about the "selfish bosses" who would not help juniors like him.

A comparison of Mr. Kangame's story with the relevant policy documents is enlightening. After many difficulties I was able to obtain permission to see the circulars issued by the Secretary of Human Resource Management and an interesting one, dated November, 3, 1997, ordered the retrenchment of redundant support staff by the end of

[3] Government of Malawi (1991: 3:104 (1), (2b)).

December 1997. The IC had to be reduced to 16.000 employees and incorporated into the civil service establishment. The circular referred explicitly to "the IMF/World Bank agreement with the Malawi Government".[4] According to estimates in 1994, the civil service had employed about 50.000 IC employees. This was only a rough estimate, however, since no reliable data on the IC existed prior to the civil service census in 1995 (World Bank 1994b:18). According to the Letter of Policy the government had laid off about 20.000 IC employees between February and September 1995. This meant that 14.000 more civil servants had to be laid off to reach the target of 16.000 posts. Mr. Kangame was one of those who were laid off in this second retrenchment exercise. Security services for government departments were privatised at that time and, since he was a watchman, there was no need for him any longer. The contracts to guard government buildings were awarded to Securicor, a South African based security company. Many of the former government security guards were able to find employment with these private companies, but a considerable number, like Mr. Kangame, were less lucky and faced social decline. Mr. Kangame had only enjoyed a few years of primary school and was not sufficienty qualified to compete for the scarce jobs that were available.

The official numbers of retrenched civil servants should be treated with caution. There is no reliable data on the number of IC employees in 1994 and the number of 20.000 dismissed employees is not verifiable either. It was in the government's interest to report a high number of dismissed civil servants in the Letter of Policy since staff reduction constituted one of the conditions of the FRDP I. The president and the cabinet were certainly aware of the fact that a high number of laid-off civil servants would present the government's effort to implement the civil service reform programme in a more favourable light.

Actual practice differed from this favourable picture. I met many civil servants who, according to the official policy, should have been dismissed. For example, in a government department in Zomba I met a switchboard operator who, according to the circular, occupied a position that had been retrenched. Puzzled I asked a senior civil

[4] Ref. No. DHRMD/308/1/10, 3.11.1997 (Secretary B.B. Mawindo): *Incorporation of Industrial Class Employees into the Schedule of Establishment Offices.*

servant in Lilongwe how this could happen. He told me that many junior officers who had been laid off during the retrenchment exercise were re-employed by the head of department as soon as the budget gave more leeway. And indeed I often met workers who had been dismissed months ago but who still hung around offices in hopes of getting their jobs back. By staying close to their former office people expected to have better access to information regarding vacancies and hoped to apply some pressure on their former superior officers by reminding them of their social obligation as master (*bwana*). Many of the superior officers proved to be receptive to this subtle pressure and re-employed their clients as soon as the budgetary pressure eased.

It was relatively easy for superior officers to re-employ their clients because the employment of IC employees fell within the discretion of the individual departments. This differed from established posts, which had to be approved centrally by the Public Service Commission and the Department of Human Resource Management and Development. The World Bank missions in the early 1990s had already identified this practice as one of the main causes for the uncontrolled growth of the IC (1994a). It was a well-known secret that most heads of departments and other high-ranking civil servants in the departments exploited their authority to employ IC employees to provide clients and kin with jobs and social security. The authority to employ IC workers without interference from the Public Service Commission or the Department of Human Resource Management was also used to employ so-called ghost-workers, non-existing employees. The salaries paid for the ghost-workers were pocketed by rackets of senior civil servants in the departments and accounting sections. The phenomenon of ghost-workers might explain why no numbers on the exact numbers of IC employees existed in 1994. Consequently, the World Bank recommended to abolish the IC and to make all former IC employees redundant. Many of the tasks formerly done by support staff such as gardening, manual labour and security were earmarked for privatisation. The remaining IC employees were supposed to be integrated into the establishment of the civil service (World Bank 1994a). As a result, the Secretary of Human Resource Management issued the aforementioned circular on the “incorporation of IC employees into the schedule of establishment offices” on November 3, 1997. The functional reviews of the ministries were supposed to make recommendations on expendable support staff and to incorporate those employees necessary for the operation of the ministry into the schedule of the established positions. However, the completion of the whole exercise was seriously delayed and, in 2000, there were still several ministries that had not implemented the recommendations of the functional review, including the Ministry of Health, the Ministry of Labour and the Ministry of Natural Resources.

In March 2000 I interviewed the representative of the World Bank at the local offices of the World Bank in the Development House in Lilongwe. When we discussed the progress of the civil service reform he complained that in Malawi the reform had bogged down since there was “no champion of reform”. On the issue of retrenchments he told me that the Bank’s objective was not so much the downsizing but the “right-sizing” of the civil service since the lower ranks were overstaffed and senior positions often remained vacant for years. He quoted a few figures to support the case for right-sizing: according to the civil service census financed by the World Bank 18.9 percent or 21179 of the 112.975 civil servants counted in 1995 had no formal education at all, 16.2 percent (18267 civil servants) only had primary school and 37.4 percent (42289) had only two years of secondary school. On the other hand many professional posts were vacant and only 4.6 percent (2576) had a diploma or university degree (GoM 1996a:24). Consequently, he argued, staff composition was seriously skewed. When I asked about severance payments or a social plan for employees made redundant he replied that according to his knowledge these issues had not been addressed in negotiations between the World Bank and the government. According to the representative, the implementation of retrenchment and payment of severance payments was the government’s responsibility and not the Bank’s.

A few months later I visited the Public Service Change Management Agency (PSCMA). The agency was established in 1997 to conduct functional reviews of all ministries. Establishment of the PSCMA was one of the conditions for the disbursement of the credit to finance ID II. The functional reviews had to include recommendations on the improvement of performance, the internal command structure, the “elimination of overlap and duplication” and the reduction of staff “to cut the wage bill”. The offices of the agency were located on the top floor of one of the office buildings in Lilongwe’s office district, City Centre. Most of the staff of the PSCMA were quite young, not older than 40, held university degrees in economics or human resource management, and represented the professional elite of the civil service. They had been seconded from various ministries for the duration of the project. They told me that competition for the posts at PSCMA had been fierce. The work at the PSCMA was seen as challenging and interesting, offering possibilities to be promoted. Furthermore, the PSCMA offered far more attractive conditions of work because of the generous funding by the World Bank, the sponsor of the PSCMA. Due to World Bank funding the PSMA was able to rent spacious and comfortable offices, to send staff on workshops abroad, to pay allowances on time and to maintain a fleet of project vehicles at the disposal of the PSCMA staff.

With regard to the retrenchment of redundant staff the policy seemed clear but the practice did not resemble the picture painted by the official policy documents. The circular "Incorporation of Industrial Class Employees in the Schedule of Establishment Office" provided that support staff had to be reduced to 16.000 posts "after functional review has been completed".[5] The functional reviews were to "examine all posts in order to determine whether they are essential … and where possible, submit proposals for savings in wage bill through the reduction in the number of established, non-established and industrial class employees…".[6] In practice, however, PSCMA was only marginally involved in the retrenchment of redundant staff. Most IC employees had already been dismissed between 1994 and 1997 before the PSCMA became operational. From the available documents it seems as if these retrenchment exercises had been implemented on an ad-hoc basis dictated by the need to cut costs since there had been no "transparent retrenchment criteria". According to the circulars I was able to access, departments were simply ordered to dismiss fifty percent of their support staff.

When I asked the staff at PSCMA about their relationship with the classic line ministries they admitted that the superior officers in the line ministries such as Health and Agriculture often refused to cooperate with PSCMA. Among the management of the ministries there was only little enthusiasm for the civil service reform that threatened to reduce their discretionary powers, and the staff of PSCMA complained about delay tactics and other subversive forms of non-compliance from senior officers. I was told that

[5] Ref. No. DHRMD/308/1/10, 3.11.1997: *Incorporation of Industrial Class Employees into the Schedule of Establishment Offices.*
[6] Terms of Reference for the Review.

meetings were often cancelled and recommendations ignored by the ministerial functionaries.

These statements were confirmed when I conducted fieldwork at a ministerial headquarters in Lilongwe.[7] Due to limited capacity, the complexity of the task and the delay tactics of the top management of the line ministries, the last functional reviews were conducted in 2000, four years later than originally planned. Several members of the management of the ministry had frustrated the efforts of the PSCMA to conduct a functional review for several months and had tried to advance their own reform plans instead, which would have entailed whopping salary increases for the highest ministerial grades. Eventually the PSCMA was able to conclude the functional review despite the resistance of this faction from within the ministry and submitted a report.

Although the functional review was one of the centrepieces of the civil service reform no one in the ministry seemed to take particular interest in the report of the PSCMA. No one talked about it, it was not the subject of heated discussions nor could I detect any signs of implementation of the report. Considering the general atmosphere of secrecy in which information constituted a valuable commodity and subaltern staff operated on a need-to-know basis, I was not surprised that details of the report were anxiously hidden from the rank and file of the ministerial staff. However, not even senior staff seemed to have copies of the report or expressed any interest in it. According to a high-placed informant in the ministry only a few copies had been distributed among the top functionaries who had “buried the report in their drawers”, as he put it.

From the vignettes emerges the picture of a deeply divided civil service with various competing actors pursuing divergent interests. The newly established PSCMA constituted by virtue of its mandate a threat to the discretion of the top functionaries of the line ministries who interpreted such an agenda as a threat. This competition between PSCMA and line ministries is one of the consequences of the “enclave approach” of the World Bank (Dia 1993). According to this approach agencies are established and supported that are supposed to function as motors of reform. The superior officers often resisted the implementation of the reform measures and undermined it by re-hiring

[7] Unfortunately I cannot be more specific on the ministry since I have to safeguard the anonymity of my informants. This means that I have to withhold interesting details that would allow easy identification of the ministry in question.

dismissed support staff. In order to paint a richer picture of the implementation process of the civil service reform I describe the introduction of the housing allowance scheme in 2000 that fuelled conflicts between the class of superior officers and the junior grades.

b) Introduction of the Housing Allowances Scheme

Housing provided by the government for civil servants has always been a central and sensitive issue in Malawi. Malawian civil servants considered the provision of housing as one of the most important benefits of government employment. The provision of housing was perceived to be one of the primary duties of the government as employer. Under colonial rule the administration offered generous benefits to attract officers from Britain and to make their life as amenable as possible. In Zomba, the seat of the colonial administration and capital until 1974, many of the houses built during the colonial era had survived. These houses were spacious, with high ceilings and an ingenious ventilation system, which kept them cool and dry during the whole year. They were situated in lush gardens on the slopes of the Zomba plateau with a commanding view of the Phalombe plains below. In recent years the condition of these houses has deteriorated due to lack of maintenance and they now have an air of decadence. The construction and maintenance of these houses was certainly capital-intensive and must have been a constant drain on the coffers of the notoriously cash-stripped territory.

The cost of institutional housing continued to be a burden after Malawi became an independent state. Already in 1963, two years after introduction of self-government and one year before full independence, the report of a commission of inquiry on the civil service argued that rents for civil servants should be brought to an economic level and "to bring to an end the artificially created demand among civil servants for larger houses" in order to stop the "drain upon development funds" (Skinner 1963:§§ 240, 273). However, these recommendations were never implemented due to resistance among civil servants of the new state who regarded cheap institutional housing as a privilege of the colonial masters, to which they felt entitled after independence. To keep the bureaucratic elite of the country in line, the system of institutional housing was retained after Malawi's independence. Kamuzu Banda often expressed acid criticism in his parliamentary speeches in which he branded civil servants as selfish and lazy parasites who had become used to the privileges enjoyed by the expatriate colonial officers. But, in spite of this criticism, he never attempted to reduce these privileges. The reason for this was that he likely feared a repeat of civil servants’ protest, which occurred in September 1964 provoked by the recommendations of the Skinner report to reduce the remuneration of civil servants after independence from Britain. These protests and the attempts of several of his ministers, who enjoyed considerable support among civil servants, to get more responsibilities during the so-called Cabinet Crisis in 1964 had challenged his position as absolute ruler of Malawi. Therefore he avoided provoking unrest among the civil servants allowing them to retain their benefits.[8]

The issue of housing resurfaced again in the early 1990s in the reports and recommendations of the World Bank. These reports noted that government housing was highly subsidised and that rents were only about 10 percent of market value (World Bank 1994a:49). In line with the neo-liberal perception that non-essential government functions such as the provision of housing for civil servants had to be privatised, the report recommended to monetise benefits like housing to make the salary structure more transparent and equitable (World Bank 1994a:85).

On June 30, 2000 the newly appointed Minister of Finance, a former World Bank economist who had a PhD-degree and had headed the Reserve Bank, announced in a statement on the annual budget that the government intended to withdraw from the lease of houses for civil servants and to pay a housing allowance instead. According to my high-placed informants, the scheme was mainly backed by Vice-President Justin Malewezi. In July 2000 the Ministry of Lands and Housing announced that all lease agreements between the government and landlords would be terminated by November 2000. This announcement signified the change of the long-standing policy of the government to provide housing for many civil servants. Theoretically all civil servants were eligible for government housing. But the government and the state-owned Malawi Housing Corporation (MHC) had never been able to build and maintain housing for all civil servants. There were no statistics available on the exact number of civil servants

[8] In 1985 a commission headed by the British judge Herbecq submitted a report to Kamuzu Banda but its recommendations were never fully implemented.

living in houses leased by the government, but the number was estimated at about 20 percent, most of whom held senior positions.

This policy change was remarkable in two regards: firstly, it affected those civil servants who had lived in houses leased by the government and, secondly, the new policy entailed a complete restructuring of the whole system of government housing. The civil servants would no longer rent their houses from the government, which, in turn, leased them from the MHC or private landlords, often retired civil servants. Instead, they were to rent their houses directly from the MHC and the private landlords without direct interference from the government as their employer.[9] To this end they would receive housing allowances. This deregulation of the housing market for civil servants had considerable implications for the Ministry of Lands and Housing, Physical Planning and Surveys, which used to let the houses it leased from the MHC and private landlords to civil servants. The termination of the lease agreements between the government and the landlords would render the considerable administrative apparatus used to manage the leases of thousands of houses obsolete. Hence, the introduction of the new housing allowance could also be presented as a concentration of government’s core functions and the outsourcing of non-essential functions.

Before the change of policy there were two categories of civil servants in terms of housing benefits: on the one hand, those living in houses provided or leased by the government and, on the other hand, those who were not housed by the government and who received a housing allowance. In the first category fell civil servants living in houses owned by the government and those living in houses leased by the government from the MHC and private landlords. Most of those living in houses owned by the government were teachers in rural areas who lived in houses on the premises of the school, extension workers in rural areas, and soldiers and police officers living in staff quarters. Others lived in houses leased by the government from the MHC and private landlords. Most of these houses were of a relatively high standard and were situated in the urban centres. Generally most of the senior ministerial staff lived in houses leased from the MHC and private landlords in one of the more up-market townships of Lilongwe like Area 12. In

[9] Under the new policy the government would still be able to intervene in the market through the MHC, which was still owned by government at the time of writing even though it had been earmarked for privatisation.

Zomba most of the middle-ranking civil servants working for the various government departments and the Zomba General Hospital lived in MHC houses. In Lilongwe the situation was more difficult for the middle-ranking staff, but many lived in houses owned by MHC or private landlords in Areas 18, 15 and 22. Civil servants living in institutional and leased houses paid only a nominal rent of less than 10 percent of their salary equaling only a few US dollars.

Under the second category fell those civil servants who were not housed by the government. They received a housing allowance of 15 percent of the basic salary. This meant that most civil servants in this category received less than US$ 10 housing allowance in 2000. Most of the junior grades in Zomba and Lilongwe, such as support staff and clerks, did not live in houses leased by the government and were forced to find housing on the free market. Rents were relatively high, especially in Lilongwe, and many civil servants had to pay rents much higher than their monthly housing allowance. For example a so-called servants' quarter, a simple one-room apartment with no washing and cooking facilities, cost almost US$ 15 in Biwi, one of the central townships in Lilongwe. Houses with more than one room and electricity in Biwi started at US$ 40. Many were, therefore, forced to live in outlying townships such as Area 25 where rents were still affordable and housing available. However, what was saved on the rent was spent on public transport to and from the city centre, at distances between 5 km and 15 km from Capital Hill and City Centre.

A few months after the initial announcement in July, the Secretary of Human Resource Management issued a circular on September 18, 2000, which introduced housing allowances for those civil servants previously living in houses leased by the government. It further announced that the last rental payments to landlords would be made in October 2000.[10] The rates were based on standard rents of the MHC, the largest provider of housing for civil servants and the only landlord with standard rents in the country. The allowances would be paid as a monthly lump sum. Payments would be based on the grade, senior officers in the Superscale grades would receive MK 12000-15000 (about US$ 125-163 in July 2000), the middle administrative, technical and professional grades MK 6000-9000 (about US$ 75-113 in July 2000) and junior grades

[10]Circular of the Secretary of HRMD September 18, 2001 Ref/HRMD/102/4/OC/IV/22.

MK 2000 (about US$ 25 in July 2000). Generally, the lump sum payments would be about 30 percent higher than basic salaries resulting in an enormous increase in total monthly remuneration. The circular provided that those civil servants who were not living in houses leased by the government and who had received the 15 percent monthly housing allowance would receive 25 percent of their basic salaries as housing allowance, an increase by 10 percent.

This measure led to a huge gap between housing allowances paid to those living in previously leased houses who would receive average 130 percent their monthly basic salary and those receiving only 25 percent of their basic salary per month. This discrimination was acknowledged in the circular that stated that "this rate will be revised subject to availability of resources in the next financial years with a view to bringing it in line with the allowance payable to employees who are currently housed".

If the cabinet ministers and the Secretary of Human Resource Management had hoped that the civil servants would accept this discrimination they were wrong. Discontent and unrest were quickly building up in the following months. I had many conversations with junior civil servants who would only receive 25 percent housing allowance under the new scheme. In September 2000 I spoke with several junior civil servants in a bottle-store behind the market in Zomba, a quarter with many bars and restaurants. All of them were very critical of the new scheme. One of them, a young officer of the Subordinate Class from Geological Surveys complained:

> This is not fair. The bosses only feed themselves. They all have institutional housing and now they want the cash. Most of them have already built houses for themselves. They will move into these houses, then they do not have to pay rent. But you know, they will put in a relative as landlord to make sure that they receive their MK 15,000. We are only juniors, now I pay MK 800 rent per month but my allowance is only MK 225. The raise is not enough to pay for my rent. Even if I get MK 375 it won't be enough, the rents are going up and up all the time; life in town is very expensive. The bosses do not share with us and there is nothing we can do. We live in misery while they prosper. I don't understand, should not all be treated equal as civil servants?

The Secretary of Human Resource Management's circular disturbed a nest of hornets. In September 2000 I conducted an interview with a senior civil servant of one of the departments of the Office of the President and Cabinet about the proposed housing allowances. He was in his mid-thirties and belonged to the young generation of university-trained economists who had entered the civil service in the late 1980s and early 1990s. He was one of the few high-ranking officials who spoke openly about the civil service. He was angry about the turn the discussion on the new housing allowance scheme had taken. He complained about the other “stake-holders”: the trade unions with their unrealistic demands and unpredictable turns, the Ministry of Lands, Housing, Physical Planning and Surveys, and the Secretary of Human Resource Management who were warned by his department about serious shortcomings of the measure but nevertheless went ahead with implementation of the scheme. He admitted that the scheme was not equitable since it gave preferential treatment to a small group of civil servants. Another serious problem was the funding: the new scheme was estimated to cost about 100 percent more than the old scheme. However, no extra funds were made available, neither from donor agencies nor from domestic sources, and it was still unclear how the whole scheme would be financed.

After he had left the room several younger professional officers who had returned from their lunch-break came in. When I asked them their view of the reform they were unanimously critical of the new allowances. They said that the new allowances were not sufficient to cover the rents. Most of them lived in Areas 47 and 16, middle-class neighbourhoods with a high percentage of government-leased houses. One, a Professional Officer who earned about MK 5,000 per month, lived in a leased house. Under the new scheme she would receive a housing allowance of MK 9,000. This is a considerable amount of money, especially considering her monthly salary. Yet, she was worried. She told me that market rents in Area 47 were usually higher than MK 10,000. This meant that she would be forced to move to a poorer neighbourhood where rents were lower but the quality of housing would be worse and below her standard of living.

So far I had not heard the view of the World Bank representative on the issue of the new housing allowances. In an interview at the end of September 2000 he told me that the World Bank endorsed the new housing allowance scheme. The monetarisation of benefits resulted in more equity and transparency in the civil service. Government could concentrate on the core functions since it was no longer necessary to entertain the administrative capacities to lease thousands of houses and let them to civil servants. Furthermore, the new scheme would curb corrupt practices. An unknown number of so-called ghost-houses existed, non-existing houses for which private landlords in collusion with corrupt civil servants in the Ministry of Land and Housing pocketed the rents paid from government funds. The representative told me that the World Bank had not been involved in the planning of the new housing allowance scheme nor had the Bank been consulted by the president or cabinet ministers. The government had not even sought financial support from the Bank or the Fund to finance the new scheme. It was a "government thing" according to the World Bank representative and, although the Bank generally welcomed the new scheme, it would not allow any divergence from the budgetary limits in the conditions as they were set out in the Letters of Policy.

As the October deadline for the introduction of the new housing allowances approached, the opposition gathered momentum. The junior civil servants, who did not enjoy the benefit of institutional housing, were especially critical of the new scheme and started to exert influence on the trade unions. They attacked the CSTU, which had been consulted on the reform by the cabinet and the Secretary of Human Resource Management and which had initially supported the new rates, for failing to represent the interests of those who did not live in leased houses. Several former members of the CSTU accused the union leaders of "pure treachery" in the press.[11] They argued that the new scheme was unfair since it would create two categories of civil servants: those receiving 25 percent of their basic salary and those who would receive a lump sum, which would be many times higher than what the rest would receive. The union's dissidents planned to hold a demonstration against the scheme on Capitol Hill. From leaked reports it transpired that advisors from one of the departments of the Office of the President and the Cabinet (OPC) had also distanced themselves from the reform and had warned the Secretary of Lands and Housing in a comment on the proposed scheme. Officials of OPC apparently had pointed out that the new allowances were still below market prices in Lilongwe and Blantyre, that the scheme was biased against non-housed civil servants and that the costs would be an enormous burden on the budget.[12]

[11] *The Nation*, 25 September 2000, "Civil Servants hit own union".
[12] *The Nation*, 3 October 2000, "Govt was warned".

The scarcity of funds proved to endanger the implementation of the circular at end of September. On September 28, I wanted to visit the Ministry of Lands and Housing in Lilongwe's business district, City Centre. When I got off the mini-bus many people came running from the direction of the ministry. I asked several of them what was going on. One of them stopped for a moment and told me that riot police had dispersed a group of protesting landlords with tear-gas and warning shots and I decided that it was better to leave the scene immediately. A few days later the press reported about the incident.[13] According to the newspaper, a group of landlords with lease-agreements with the government had gathered at the ministry on September 27, to demand payment of the last six months rents. After waiting the whole night, the riot police arrived and dispersed them with tear-gas and warning shots. Apparently the Ministry of Lands and the Ministry of Finance were unable to pay the rents. Before the lease agreements could be terminated as the government had planned, all outstanding debts would have to be paid, a fact known since the Ministry of Land's announcement in June.

The confusion around the new allowances grew when the press reported that the scheme had been put on hold till January 2001.[14] However, an official at the Department of Human Resource Management stated that the scheme would still be implemented as planned. Apparently the functionaries of the various government agencies were confused and did not follow one coherent policy. At the end of October the press reported that the salary payments for October had been delayed since the Accountant General's Office, the agency responsible for the payments, was not able to include the new allowances in the pay cheques as planned. In a reaction, the Accountant General made new "internal financial approaches" responsible for the delay, whereas the Secretary of Human Resource Management refused to give any information on the new allowances since "landlords were raising house rents in the belief that civil servants' allowances had been increased" although, in fact, they had not been raised since the circular was put on hold till January 2001.[15]

Shortly afterwards I left Malawi and returned to the Netherlands, but my friends and key-informants kept me informed. In January 2001 the new housing allowances were

[13] *The Nation*, 29 September 2000, "Police tear-gas house owners".
[14] *The Nation*, 3 October 2000, "House allowance on hold".
[15] *The Nation*, 26 October 2000, "Govt pay to delay".

paid to those civil servants living in houses formerly leased by the government. During 2001 government representatives negotiated with the representatives of the trade unions, the Teachers Union of Malawi (TUM), and the CSTU. In September 2001 the Secretary for Human Resource Management proposed to differentiate the new housing allowances according to the duty station and planned to pay higher allowances to those with their duty station in urban and peri-urban areas. This proposal was rejected by the functionaries of the CSTU and the TUM, which represented many teachers posted in rural areas. All representatives of the civil servants pushed for a universal payment of the new allowances regardless of location. Most civil servants perceived of the new housing allowance scheme as an opportunity to improve their remuneration, which they intended to exploit. The representatives of the CSTU who had first agreed to the government proposals and who were severely criticised for it, took a very hard stance in the 2001 negotiations and rejected any government proposal except universal payment of the new rates to all civil servants. Eventually the negotiators of the government resigned and introduced a new housing allowance scheme for all civil servants on January 1, 2002.[16]

Funding had been also secured in the meantime. Parallel to the negotiations with the representatives of the trade unions the functionaries of the Ministry of Finance and OPC had negotiated with the IMF representatives who agreed to compensate the extra burden on the budget as a result of the introduction of the new scheme with balance-of-payment support to support the implementation of "good governance" in Malawi.

3. Increasing Fragmentation of the Civil Service

My account of the retrenchment exercises and the introduction of the new housing allowance scheme emphasises delays, ad-hoc decision-making and conflicts within the civil service. The gap between policy statements and the actual implementation of the reform measure appeared to be wide. The implementation process resembled a 'trickling down' rather than 'proper' implementation of the ambitious plans set out in the World Bank documents and the Letters of Development Policy. For example, the government's Action Plan had announced a "retrenchment programme including transparent

[16] Circular of the Secretary of Human Resource Management, 2 January 2002, Ref. No. HRMD/4/1/7E/IX/21.

retrenchment criteria" (GoM 1996b). The results only vaguely resembled this plan. The retrenchment exercises appeared to be guided by short-term budgetary constraints rather than by a systematic review of government functions, which was undertaken after most of the support staff made redundant had already been laid off.

The failed introduction of the new housing allowances followed a similar pattern. Despite unclear funding and serious doubts within the government, the Vice President and the Secretary of Human Resource Management pushed on with a plan that had obvious flaws. Confronted with resistance from the junior civil servants and a harder stance from the trade unions the planners were forced to alter the original scheme to include all civil servants. Due to the changes, the costs of the new schemes were about 100 percent higher than the old system and only the support of the IMF enabled the government to implement the new scheme 15 months later than originally planned.

With regard to the gap between policy and outcomes it could be argued that the government did not do so bad in implementing the measures of the civil service reform. Admittedly they could have been implemented in less time, they could have been less expensive, and they could have been less chaotic, but eventually the government did succeed in laying off a considerable number of employees and reorganising the system of benefits. The gap between planning and implementation should not come as a surprise to the observer since implementation of policy is always a messy business. One could even argue that the implementation of the measures could be considered a success rather than a failure. I shall, therefore, not dwell any further on the gap between policy planning and implementation. Instead I want to address fault-lines and fissures that were revealed during the implementation process and which deepened due to the civil service reform. Two major fault-lines emerge upon review of the implementation of both measures, the retrenchment exercise and the housing allowance scheme, emerge two main fault-lines. The first one is the competition between new agencies assigned the task of promoting the civil service reform and the classic line ministries where resistance was formed. The second fault-line is the growing gap between the "bosses" who seemed to benefit from the reform and the "juniors" who bore the brunt of the reform.

a) Enclaves vs. Line Ministries

In line with the "enclave approach" the World Bank singled out government departments and agencies that would function as enclaves. These enclaves were expected to operate as centres from where the reform would spread throughout the whole civil service. Enclaves were either already existing ministries usually with cross-ministerial mandates such as the Ministry of Finance and the National Economic Council (NEC) or newly established agencies such as PSCMA with the mandate to implement the various measures of the civil service reform. Of course, these ministries and agencies were not the only government agencies supported by the World Bank. The National Statistics Office (NSO), for example, received World Bank funding and assistance to improve data collection, and the Department of Human Resource Management received assistance to implement the newly computerised payroll system.

The Ministry of Finance is one of the most important ministries since it is responsible for the financial allocations to the other ministries. The Ministry of Economic Planning and Development was renamed as the NEC in 1994 by the new government. The NEC was one of the visible signs of a new policy that acknowledged the existence of widespread poverty in Malawi and the political will to reduce poverty. The new agency had the mandate to advise the other ministries on how to focus their policies better on the poor and to monitor the efforts of the various ministries in reducing poverty. The Ministry of Finance and NEC were identified as key ministries by the World Bank and received logistical and financial support to implement the reforms. The Ministry of Finance usually has the "overall responsibility for managing the programme, and for monitoring and reporting responsibilities" and functions as principal contact for World Bank staff and visiting missions. The Ministry of Finance collaborated with NEC or the Department of Human Resource Management and Development in implementing and monitoring the ID and FRD programmes. Parallel to these agencies, the government established other agencies or units to carry out specified and limited projects within the framework of the ID and FRD programmes such as the Civil Service Census Executing Unit (CSCEU), which had the task of carrying out the civil service census, or the PSCMA, which conducted the functional reviews of the various ministries. The establishment of these agencies was a condition of the credit agreements with the World

Bank. The staff was recruited from various ministries and departments and seconded to the respective agency for the duration of the project.

Due to the financial and logistical support of the World Bank the Ministry of Finance, the NEC, the NSO, and units such as the CSCEU and the PSCMA tended to have more resources and better qualified staff at their disposal. The conditions of work in a project were considered much more attractive than regular work in the civil service: there were more workshops, more financial resources, better training possibilities, more vehicles, and more allowances than in departments that depended on government funding. Training courses abroad were especially attractive for civil servants, considering the limited possibilities within Malawi to receive training. This appears to be a general phenomenon in the Malawian civil service. Those departments or agencies that implement donor-funded projects receive funding and equipment from the donor agency and their staff have a higher chance of being invited to donor-funded workshops where attractive per diem allowances are paid to supplement the salary.

Virtually all development projects implemented by the government were funded by foreign donor agencies that required only a 10 percent share of government funding as a condition for disbursement (GoM 2002b). Donor-funded projects were usually better managed than government-funded projects. According to my informants, payments were reliable and on time, and resources were made available whereas government-funded projects often suffered from a scarcity of available resources. As a consequence cooperation of individual government departments or agencies with donor agencies is often better than between government departments with different donors. Considerable differences exist between bureaucratic routines and requirements of the various multilateral and bilateral donor agencies, which result in different bureaucratic practices between and even inside ministries depending on the donor agency funding the projects.

With regard to the implementation of the civil service reform, conflicts emerged between the “enclave” agencies supported by the World Bank and parts of the senior staff of the classic line ministries who tended to resist what they perceived of as interference in their affairs. The partnership between the World Bank and the Ministry of Finance soon resulted in isolation of the latter from other ministries that were targeted by the reform programme (Botchewey et al. 1998:81). The heads of departments preferred to maintain as much discretion in running their departments as possible. The possibility to hire IC employees without outside interference constituted an opportunity to employ clients or enrich themselves through ghost-workers, not existing employees whose salaries could be pocketed. Hence, the departmental senior managers resisted the retrenchment exercises, the functional reviews, and the incorporation of IC employees into the civil service establishment. Resistance was rarely open and the senior civil servants who resisted the reform opted for delay tactics such as ignoring the PSCMA and displaying indifference. No one challenged the retrenchment exercise. Instead, some of the senior staff tried to ignore attempts by the PSCMA to conduct the functional review and re-hired the people they were forced to lay off as soon as the budgetary pressure eased. The senior civil servants had been too long in the civil service to jeopardise their positions by resisting openly and actively. They chose the chameleon-tactics of camouflage and survival they had found essential for survival under Kamuzu Banda’s despotic rule and postponed what seemed to be inevitable without attracting undue attention (Dzimbiri 1998, Englund 2002, Mapanje 1981).

The competition between the “enclave” agencies and the classic line ministries has another dimension. The “enclave” agencies employed a high percentage of younger university-trained economists who were adept at using econometric theory. By contrast, many of the senior civil servants in the line ministries belonged to an older generation and had made their careers in the 1970s. Most of them had enjoyed relatively little formal education and could be described as being promoted by virtue of seniority rather than because of outstanding performance.[17] Thus a younger generation of economists with university degrees in the “enclave” agencies that promoted reform with active support of the World Bank were pitted against top officials of the “traditional” ministries, many of them left over from the Banda era, who resisted any external interference in what they considered to be their affairs (Adamolekun et al. 1997:215-217). As a shorthand I denote the former as technocrats and the latter as old-school officials.

[17] This judgement is not mine but reflects the general opinion of my informants who usually belonged to the younger generation. It does not imply that there were no civil servants with outstanding performance in the older generation. It merely refers to the fact that a promotion would usually be due to seniority and conformity rather than performance.

The fissure between technocrats and old-school ministerial officials reflects also a generation gap. Most of the technocrats were in their thirties and joined the service in the late 1980s while the latter had mostly joined the service in the 1970s under the autocratic Banda regime. Both categories belonged to Malawi's tiny political and bureaucratic elite; in fact, the technocrats were the children of the old school ministerial officials. The technocrats had enjoyed college education, often abroad. They often identified with the emerging transnational class of consultants and bureaucrats who work for international organisations such as the World Bank, the IMF and various UN-organisations that set the example for the technocrats in terms of remuneration and career opportunities. The old-school bureaucrats, on the other hand, were usually less educated and had progressed slowly up the ranks by accumulating years of service. Their outlook was more focused at the national level and they primarily considered themselves as rooted in Malawian society. The younger technocrats were usually more in favour of reform than the older generation, although not necessarily always along the lines of the World Bank's ideas. Often they met resistance from the older generation, which generally resisted change and reform.

In spite of these differences as suggested by Adamolekun et al. (1997) one should not exaggerate the opposition between young technocrats, who gained influence after the elections in 1994, and bureaucrats inherited from one-party rule. Many of the new generation of politicians and bureaucrats also held positions under the previous autocratic regime and their support for reforms was feeble at best.[18] The issue of political sympathies of Malawi's bureaucratic elite is complicated. Certainly, political affiliation and personal connections matter, and no senior civil servant who aspired to reach the highest grades of the civil service (S/P 4 and higher) could afford to be too critical of the United Democratic Front (UDF) or Bakili Muluzi since their appointment was subject to presidential approval. On the other hand, senior civil servants perceived of themselves as professionals who ought not be involved in party politics. There was a distinct civil service ethos among the top cadres of the civil service who hold politicians in low

[18] Most members of Malawi's democratic political elite already yielded influence and wealth under Kamuzu Banda's rule. Bakili Muluzi himself, for example, was secretary of the MCP until 1983 when he fell in disgrace and was removed from the post. Later he became one Malawi's most successful and wealthiest businessmen and has continued to expand his business since being elected president.

esteem. This attitude was especially prevalent among the younger generation of highly qualified technocrats in the enclave ministries who saw politicians as uneducated fools with no expertise and willing to sell their vote to the highest bidder.

However, as a Principal or Deputy Secretary one also knows "how to manoeuvre", as one of them put it with characteristic understatement, and during Muluzi's second term the room for manoeuvre became more constricted than it had been in the days when democracy was still a promise. In 2000 and 2001 autocratic tendencies among politicians of the ruling party, the UDF, and several cabinet ministers seemed to have increased at the expense of progressive forces (Englund 2002, Mapanje 2002). The influence of this shift was certainly felt by the top ministerial officials in Lilongwe who feared there could be some early retirements on political grounds. In October 2000 three year performance contracts were introduced for the highest grades in the Superscale, causing concern among officers in the Superscale whou feared the new scheme might be used to remove people from the civil service on political grounds. At the time of writing it was not clear how much personal loyalty to the president was expected. One top official had already been removed for his public critique of the president's policy and his ambitions to run as a candidate for a third term.

Dezalay and Garth (2002) describe a similar development for Argentina, Brazil, Chile and Mexico where economists trained in the elite universities of the United States formed bureaucratic and political elites in their countries of origin. These "technopols" or "Chicago Boys" are members of a transnational class of bureaucrats who "speak the same language, have similar educational experiences, know each other, and approach problems of economics and the state from precisely the same perspective" (Dezalay/Garth 2002:28). And, like their cousins in Malawi or elsewhere, they are connected to the older elites by kinship ties and share many similarities with their parents' generation. Dezalay and Garth describe how the "technopols" have promoted the neo-liberal agenda of the United States and the Bretton Woods institutions in their countries not only as instruments of the political and economic interests of the United States but also as actors participating in the contest for the control of the institutions of the state to further their own interests. With regard to Malawi, the influence of economists who have worked either for the World Bank or the IMF is striking: most of the senior posts in the key ministries of Finance and Economic Planning are held by economists and the Minister of Finance has worked for the World Bank. In the future the influence of World Bank and IMF economists will increase: President Muluzi put forward a former World Bank economist as the candidate for his succession and a former IMF economist for the post of Minister of Finance.

b) The "Bosses" vs. the "Juniors"

Relations within the hierarchy of the civil service were not only defined by the chain of command and organisational charts. Generally, authority in a hierarchical organisation is exercised from the top to the bottom by means of orders. Yet, it would be wrong to perceive of those who take orders as implementers without agency (Lipsky 1980, Long/Long 1992). Lower level bureaucrats tend to dodge orders if they run counter to their own interests. Within a highly hierarchical structure like the civil service, opposition by those who receive orders will rarely be overt. Rather, it might be expressed through a work as you earn attitude, absenteeism and other subversive tactics (Blau 1969[1959], 1971[1956], Lipsky 1980:13-25).

The implementation of both measures revealed a widening gap between top officials or managers, on the one hand, and the rank and file of the civil service, on the other hand. In the Malawian civil service the former were casually referred to as "bosses" and the latter as "juniors". When my informants referred to the "bosses" they usually meant functionaries high up in the hierarchy who occupied administrative and professional positions in the Superscale, those with the authority to issue orders and make decisions, and other senior officers who supervised subordinate staff in a department.[19] "Bosses" constituted not more than five percent of all civil servants, i.e. about 5000 persons (GoM 1996a:29). The mass of civil servants was casually referred to as "juniors" by my informants. Under this category fell all civil servants who were considered to be subordinate, constituting the rank and file of the civil service, including lower-ranking civil servants such as support staff, unskilled workers and extension workers with no or

[19] Controlling and Senior Executive Officers (CEO and SEOs) and Controlling and Senior Technical Officers (CTOs and STOs).

little formal education and middle-ranking officers such as teachers and Clerical Officers (CO) with no authority over other civil servants.

Both measures were disadvantageous to the “juniors”, the mass of civil servants occupying low- and middle-ranking positions. Only IC employees and other low-ranking civil servants were laid off during the retrenchment exercises. The understaffed professional and management positions were not affected by the retrenchment exercises. Instead, the functional reviews recommended the upgrading of these positions to make them more attractive to highly skilled civil servants who were tempted by better offers in the development industry. Prior to civil service reform, the civil service provided employment and social security for thousands of manual labourers, gardeners, security guards, receptionists and messengers. The IC, under which most of these employees fell, had grown continually since independence and constituted 26.1 percent (29509 employees) of the total number of civil servants in 1995. The Subordinate Class, under which messengers and most extension workers fell, accounted for 10.5 percent (1103 employees). Hence, more than 35 percent of all civil servants held lower ranks and had little or no formal education, whereas only five percent of civil servants occupied management and professional posts (GoM 1996a:27-31).

Although the IC posts were officially temporary, IC employees did not fear dismissal. Government employment was a secure life-long position that entitled its holder to a regular - albeit small – salary and a whole range of benefits including paid sick leave and terminal benefits upon retirement. The numbers of the IC and other subordinate staff grew because the superior officers in the ministries provided clients and kin with government jobs and because there was no effective control from the ministerial top or controlling departments such as the Department of Human Resource Management. The World Bank missions challenged this *modus vivendi.* They argued that the IC should be abolished and that the staff numbers in the lower grades should be reduced while top positions should be upgraded and salaries for senior management and professional functions increased in order to control the civil service wage bill and improve performance (World Bank 1994b).[20] Due to the changed political landscape that had brought a government to power that was much more responsive to the wishes of donor agencies than the previous one had been and the recent shift of the Bretton Woods institutions towards the promotion of Good Governance, the president and the cabinet adopted the recommendations of the World Bank missions and launched the Civil Service Action Plan financed by the World Bank and the IMF to reform the civil service.

The implementation of the civil service reform was inevitable since it constituted a condition for financial and technical assistance of the Bretton Woods institutions. World Bank pressure forced the president and the cabinet to act and to order the retrenchment of redundant support staff. They knew that this decision would be extremely unpopular among the tens of thousands of "juniors" who would be threatened with the loss of their jobs. Those responsible for the retrenchment exercise tried to put at least part of the blame for the unpopular measure on the World Bank and IMF. The circular of the Secretary of Human Resource Management, for example, stated that the dismissal of IC employees was part of "the IMF/World Bank agreement with the Malawi Government".[21] Implying an influence beyond the control of the government was a deliberate attempt to deflect some of the expected critique from the "juniors" who were, after all, voters who could withdraw their support from the ruling party in the next elections. Malawi's new democratic rulers had come to fear the wrath of the civil servants who were willing to strike to lend weight to their demands.

Hence, it should not come as a surprise that the enthusiasm among civil servants for retrenchment was lukewarm at best. It was not only the "juniors", as victims of the measure, who opposed retrenchment. Many senior officers, who saw it as threat to their authority and influence, attempted to undermine the retrenchment exercises. Out of concern for their own positions the superior officers who opposed retrenchment did not make their views public and instead chose to employ delay tactics. In my opinion, until 2002 they were fairly successful in undermining the retrenchment exercise and the

[20] A notable exception were primary school teachers. They were "juniors" but were not threatened by retrenchment. The government had embarked on a programme to extend free primary school education and had hired thousands of primary school teachers in 1995 and 1996, thus providing employment for many dismissed civil servants.
[21] Ref. No. DHRMD/308/1/10, 3.11.1997 (Secretary B.B. Mawindo): *Incorporation of Industrial Class Employees into the Schedule of Establishment Offices.*

implementation of the functional reviews once they realized their own interests were threatened. Of course, their influence was too weak to prevent the removal of several thousand "juniors", but my evidence suggests that in many individual cases superior officers succeeded in re-hiring their clients whom they had been forced to dismiss. Other junior civil servants were lucky enough to find employment as primary school teachers and security guards after their dismissal. These developments might account for the fact that there was little open resistance against the retrenchment exercise from the trade unions and the junior civil servants. Apparently the impact of the removal of tens of thousands of redundant civil servants was less dramatic than the available figures suggest. I do not want to dispute the forced dismissal of thousands of civil servants many of whom like Mr. Kangame suffered considerable hardship. I merely want to make some qualifications to the official figures and draw attention to the fact that many dismissed civil servants succeeded in re-entering the civil service with the help of senior officers who resisted the civil service reform.

The resistance against the dismissal of IC and subordinate civil servants had another dimension. Most of the senior functionaries who opposed retrenchment could be found in the line ministries such as Health, Agriculture or Labour, whereas those who planned and executed the measures were the technocrats in the Department of Human Resource Management, the Ministry of Finance and the specialised agencies such as the CSCEU and PSCMA. The old-school officials had been in the civil service for decades and had built up considerable circles of dependants during their career. They enjoyed the status of patrons and they wanted to do something for their kin, to assist them by providing them with government employment. The technocrats were different in that respect. Due to their young age and their more cosmopolitan focus, they had fewer clients and did not seem to be as keen as the old-school officials to act as patrons providing clients and kin with government jobs. Hence, they experienced less pressure from clients than the old-school officials to undermine the retrenchment exercise.

The introduction of the new housing allowance in 2000 provoked considerable resistance from the "juniors" who resented what they perceived of as an attempt of the "bosses" to use the introduction of a new housing allowance to their own benefit. Freed from oppression and the "culture of fear", they did not hesitate to make their voice heard and make threats. The original scheme as it was announced in June 2000 would have treated officers in the same salary grade differently. The minority of civil servants living in houses previously leased by the government would have received the new rates whereas the mass of middle- and lower-ranking civil servants would have only received a modest increase of their housing allowances. The measure would have discriminated against those who did not enjoy government housing. The discrimination of the majority of civil servants was not a new phenomenon. There had always been two categories of civil servants: those who enjoyed the benefit of housing provided by the government and those who only received a 15 percent housing allowance. Hence, the proposed scheme would have merely continued an established custom. However, the junior civil servants resisted what they perceived of as an impertinent attempt of the "bosses" to enrich themselves through the new housing allowance scheme and seized the opportunity to demand equal allowances for all civil servants in a political climate that was more permissive and conducive to their demands.

The "juniors" who resisted the original scheme were able to mobilise the representatives of the trade unions who then applied mounting pressure on the government to extend the new rates to all civil servants. Trade unions are a recent phenomenon in Malawi. Under Kamuzu Banda trade unions were banned and any form of independent organisation was prohibited. The teachers union TUM was the only exception, functioning as a professional association affiliated to the ruling MCP, the only legal party until 1994. After the introduction of political and civil liberties in 1994 the ban on trade unions was lifted and a whole range of trade unions were formed in the subsequent years. Four trade unions represented different categories of civil servants: the CSTU, the TUM, the Customs Workers Union (CWU) and the Local Government Workers Union (LGWU). The TUM was the largest and best organised trade union with several thousand members. All the other trade unions remained relatively small and poorly organised. They had no membership administration and had not more than several hundred members. The CSTU under Thomas Banda claimed the role as the main trade union of the civil servants but probably did not count more than 800 members in 2000.

The trade unions for civil servants were in a process of formation between 1994 and 1997 and played only a very minor role in the frequent strikes and general labour unrest in the civil service. During a strike in 1997 the CSTU tried to assume a more important role but failed to realise the demands of the civil servants who had gone on strike since the majority of civil servants did not actually support the strike.

The funding of the trade unions was very precarious and they depended on financial support from the government. According to some sources, the president and the ruling UDF party exploited this dependence to gain influence on the trade unions (Manda 2000). Thomas Banda, the president of the CSTU, was accused of being a mole, paid by senior UDF functionaries or Bakili Muluzi himself, to weaken the trade unions and to co-opt them. These allegations were made public in April 2000, just two months before the new housing allowance scheme was introduced. In March, Thomas Banda announced that the CSTU would leave the umbrella organisation Malawi Congress of Trade Unions (MCTU) and join the Congress of Malawi Trade Unions (Comatu), an umbrella organisation that had been formed in February 2000. Comatu was supposed to form a moderate counterweight with Thomas Banda, the president of the CSTU, as president to the more radical MCTU under Francisco Antonio. Comatu had been allegedly established with support from functionaries of the UDF who considered MCTU as a threat of the rule of the UDF. Several members of the board of CSTU protested against the decision to leace the MCTU that apparently had been taken by Thomas Banda without consulting the members of the CSTU. Under pressure from the members of the board, the CSTU left Comatu and rejoined the MCTU at end of April 2000.[22]

Thomas Banda's position in the CSTU was considerably weakened after his defeat, and the other board members tried to remove him from his post. These internal power struggles had repercussions for the stance of the representatives of the trade unions in consultations with the government. The CSTU under Thomas Banda had accepted the new housing allowance scheme on behalf of all civil servants as proposed by the Secretary of Human Resource Management and the Secretary of the President and the Cabinet. Opposition against the new scheme spread among the "juniors" who threatened to ignore the position of Thomas Banda and take action without the approval of the trade unions. Hence, to regain his influence, he was forced to abandon his conciliatory position and to adopt a much harder line in an attempt to reassert his authority among the civil

[22] *The Nation*, 28 April 2000, "Civil Servants back to MCTU".

servants. This explains why the negotiators of the CSTU and the TUM rejected the new housing allowance after it had been announced and why they demanded the new rates for all civil servants. The position of the UDF government under Muluzi was considerably weakened after the elections in 1999, which had only won by a very narrow margin. It was important to appease the disaffected "juniors" in 2000 to avoid a further erosion of popular support. The president and the UDF were desperate to rally more support from the electorate in the run-up to the local elections in September 2000. Hence, the government negotiators eventually gave in to the demands of the "juniors" who had been able to use the trade unions successfully to benefit from a policy measure the "bosses" had been able to manipulate to their benefit.

Consequences of "Governing at a Distance"

In the previous chapter it seemed as if the World Bank and the IMF had succeeded in establishing a total system of control and surveillance behind the mask of "ownership" and Good Governance, which, to use the term of Miller and Rose (1990), enabled the Bretton Woods institutions to "govern at a distance". The empirical evidence from the implementation process suggests a different reading. What appeared to be all encompassing and efficacious on paper proved to have little bearing on the messy practice of policy implementation. My analysis of two policy measures that affected vital interests of civil servants, the job itself, and housing, revealed that there were attempts from within the civil service to appropriate and co-opt the civil service reform. These attempts of appropriation were not co-ordinated by one strategic group but constituted unplanned reactions by different categories of civil servants who promoted or resisted certain changes according to their material interests. The technocrats in the "enclave" agencies who spoke the language of economics were pitted against the old-school officials in the classic line ministries who resisted any change of the status quo, while the "bosses" who lived in houses leased by the government became the targets of critique by the "juniors" who also wanted to benefit from the new housing allowance.

The civil service reform deepened already existing fault-lines within the civil service and fuelled latent conflicts. The "enclaves" supported by the World Bank did not function as motors of reform but as dividing forces. It had not been the intention of the staff and consultants of World Bank and IMF to contribute to the fragmentation of the civil service. Their objectives had been the exact opposite. The different measures instituted to enhance efficiency and transparency developed their own dynamic during the implementation process. From inception the measures were appropriated, manipulated and co-opted by groups of civil servants with common interests. Of course, the top officials or “bosses” were by virtue of their higher authority in a much better position to do so. But even the “juniors” were able to resist the implementation of the new housing allowance and succeeded in forcing the government to pay the new rates to all civil servants by using the trade unions.

As a result of the appropriation the official objectives of the civil service reform were not realised. The costs of the wage bill increased by 100 percent due to the payment of the new rates to all civil servants, thus contradicting the official objective to reduce costs. Obviously, “governing at a distance” by means of “ownership” and conditionality has its limits. Seen in the context of the attempts to exploit the reform to protect privileges the term “ownership” acquires a completely different meaning. There was no “ownership” as was evoked by the documents of the World Bank and the IMF. Instead, I suggest to interpret the manipulation and appropriation of the civil service reform as attempts to “own” the reform or at least parts of it to protect much more mundane interests. The fault-lines between the “enclaves” and the line ministries and the “bosses” and the “juniors” were defined by the danger of being excluded from certain privileges. The “bosses” in the line ministries resisted the efforts of the young technocrats in the “enclave” agencies because they feared an infringement of their own discretion and the “juniors” resisted the new rates because they wanted to receive the same benefits as their more privileged colleagues.

I conclude that the notion of “ownership” as a consequence of conditionality backfired in the implementation phase of the civil service reform. Involvement of the World Bank and the IMF during preparation and implementation of the reforms is schizophrenic. On the one hand, staff and consultants of the Bretton Woods institutions are able to determine the content of the loan documents signed by the government. On the other hand, they refuse to assume responsibility during the implementation process by referring to Malawi’s sovereignty in whose domestic affairs they cannot intervene.

The people who are responsible for these domestic affairs, the top ministerial officials and cabinet ministers, seem to have no intention of disturbing this fiction of co-operation and sovereignty. They rather prefer to maintain the illsuion despite their ritualistic complaints about the neo-imperialist attitude of the Bretton Woods institutions. This strategy of leaders in the South has been labelled as “politics of the mirror”. Chabal and Daloz define “politics of the mirror” as “addressing the foreign ‘other’ - in this case, potential aid donors - in the language that is most congenial and, crucially, most easily reinforces the belief that they (outsiders) understand what Africa needs” (1999:117). Thus, endorsement of policies proposed by the donor agencies should not be confused with actual commitment to policy intervention. The Bretton Woods institutions and the national political and bureaucratic elites have an interest in maintaining the illusion of “ownership”. “Ownership” creates an ambivalent space for “cunning states and unaccountable international institutions” (Randeria 2003) that can be exploited to evade responsibility either by pointing the accusing finger at the neo-colonialist international financial institutions that force their neo-liberal agenda down the throats of Third World governments or at the sovereign partner that is responsible for its “domestic affairs” and the implementation of the loan conditions.

The following chapters aim to understand the motives and concerns of civil servants who resisted and manipulated the civil service reform. They provide a comprehensive picture of the everyday life of civil servants in Malawi’s urban and peri-urban areas, transcending the division between public office and private sphere. In their everyday practices civil servants in Lilongwe and Zomba acted as “unrecognised producers, poets of their own affairs, trailblazers in the jungle of functionalist rationality” leaving ephemeral traces “that remain unpredictable within the space ordered by the organising techniques of systems”. These traces or “trajectories” are incomprehensible from the perspective of “the systems they infiltrate and in which they sketch out the guileful ruses of *different* interests and desires” (Certeau 1984:34).

The responses of civil servants to the civil service reform appeared unanticipated and irrational only from the perspective of the “good governance” agenda. The following chapters aim to map these different interests and desires, as well as different predicaments and dilemmas by presenting an ethnography of civil servants’ everyday practices. From the perspective of everyday life the various attempts to resist or appropriate the reform are not the product of primordial sentiments or sheer parasitism but constitute efforts to come to terms with a volatile and insecure environment.