

Agencification of Public Service Delivery in Developing Societies:

EXPERIENCES OF PAKISTAN AND TANZANIA AGENCY MODELS

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Abstract

Agencification is not a new phenomenon in the public sector. However, since 1980s in developing societies, not only the number of new agencies has gone up but, the existing agencies have also been revitalized under the rubric of New Public Management capsulated in World Bank/IMF's guided governance and administrative reforms. These agencies have been created in an administrative system which has weak political institutions but well entrenched bureaucracy with strong colonial bureaucratic traditions such as centralization of power exercised by a class of senior bureaucrats occupying top positions in federal ministries. The article examines agencification in developing countries with particular reference to Pakistan and Tanzania agency model. It

noted that agencification in developing countries was rarely, if ever, pursued within a systemic conceptual and legal framework, but agencies are often seen as an alternative to already existing state-owned companies which are plagued with corruption. The article therefore draws some observations and remedial actions for improvement in the performance of public sector organisations in developing countries in general and Africa in particular. It concludes that while most government ministries in developing societies cannot trigger public sector transformation due to a lack of performance improvement, agencies are unlikely to do so because of the particular autonomy of the administrative systems in which they are embedded.

Keywords: Agencification, Public Service Delivery, New Public Management, Corruption, Efficiency, Transparency, Accountability.

Introduction

Since independence, most civil service reforms in Sub-Saharan Africa have failed. Effective regulation and public service delivery hardly exist in many countries in the continent (Michael, 2011:3). During the last couple of decades, public administration has experienced a shift in the balance between bureaucratic autonomy and bureaucratic integration, marked by 'agencification' (Thynne 2003:323). Agencification has signified a transfer of government activities to agency-type organization vertically specialized outside ministerial departments. Related to the New Public Management (NPM) movement, governments across continents have established agencies at arm's length from ministerial departments in order to take care of certain regulatory and administrative tasks (Pollitt, *et al.*, 2004:2; Verhoest, Peter, Bouckaert and Verschuere, 2004:104).

Agencification is not a new phenomenon in the public sector. Agencification is in fashion, but it seems to have increased in recent years (Wettenhall, 2005:64). It is an international trend, but studied mostly through case studies (Sandra, 2009:3). Historically, there have been different reasons for emergence of autonomous public sector organizations in different countries during different time periods, besides government intervention in the market to promote social and welfare services (Rizwan and Jadoon, 2010:6). Agencification process carried out particularly after 1980 lays its origin in public sector reform carried out under the policy guidance of the World Bank. It is based on a quite simple idea. Just like other modern public management reforms – *i.e.* decentralization, contracting-out arrangements, and management by results – it rests on the classical distinction between policy formation and policy implementation (Aisha and Muhammad, 2010:3). The idea according to Aisha and Muhammad (2010:7) is that policy formation should be handled by slimmed and trimmed 'core executives', while policy implementation should be carried out by professional executive agencies with considerable managerial freedom and an extensive duty to report to the core the results of their performances.

Although the idea of creating semi-autonomous public organizations is not very new in the public administration, the extent of the current agencification programme has attained what has been called a global 'agency fever' (Pollitt, Talbot, Caulfield and Smullen, 2004:74; Talbot, 2000:9). Agencification is a core element of the NPM administrative doctrine. The NPM reform is radically changing the traditional ways of

delivering public services. In many countries, the tendency of providing public services through centrally commanded public bureaucracies is being abandoned in favour of semi-autonomous public organizations. There is no doubt that these NPM ideas are the bedrock of the agencification movement internationally. The creation of executive agencies is meant to solve the problems of poor performance of the traditional public bureaucracies. As observed by Maor (1999:9), agencification allows separation of policy making from its implementations and it thus enable the government to concentrate on big issues such as policy formulation and strategic direction while the tasks of implementing these policies are delegated to designated executive agencies. One assumption for creating agencies is that public polices can best be implemented in 'zones' where there is less politics and more managerialism.

The main objective of this article is to understand the agencification of public sector management in developing societies by examining agencification in Pakistan and Tanzania public services. Apart from the introductory aspect, the article is pigeon-hole into six compartments. In the first segment the article gives a detailed definitions and meanings of agencification. The second segment explains the nature and character of agencification in developing societies. In the third and fourth sections, the article review agencification programmes in Pakistan and Tanzania respectively. The fifth section draws observations from agencification programmes in both countries and proffers some remedial actions for public sector reform in Africa, while the last aspect is the concluding remarks.

Conceptual and Theoretical Explanations

The lack of a uniform definition complicates research into agencification, both within and between countries (Ekelund, 2010:56). Although the omnipresence of agencies is evident, most research emphasizes the differences (divergence) rather than the similarities (convergence) between them. Or, as Pollitt, *et al* (2004:202) put it, "there is much discursive and decisional convergence, but divergence when it comes to practices and results. Research into agencification is often "based on impressionistic rather than systematic methods of analysis" (Pollitt, et al 2004:489).

To understand what agencification really means an analytical framework is needed. It allows a closer look at what agencification really means. When discussing changes in the

status of public sector organisations, the usual vocabulary contains words such as commercialisation, corporatisation and privatisation. While these terms are very useful in distinguishing various types of changes, they are not sufficiently nuanced to capture all intricacies of change in the status of public organisations (Miroslav, 2002:123). Though agencification is a universal phenomenon, its dynamics vary from country to country due to different institutional context. There are a variety of perspectives dealing with public institutions (Rizwan and Jadoon, 2010:4).

Agencification is the process of creating semi-autonomous public organization (thereafter- execute agencies). In many cases this is done by splitting up ministries or major departments into corporate units with specialised tasks and resources. Executive agencies may also be created by merging different units in the department, but they can also be created by establishing a new unit within the ministry. Different instruments such as legislation, executive order, decree or constitutional requirement are some of the means by which agencies are created (Thyne, 2003:319; Wettenhall, 2004:616). Van Donge (2002:315) sees it as "the conversion of government departments, which previously operated in a hierarchical chain responsible to democratically elected authorities, into semi-autonomous contracting units (agencies)". It has been argued that the establishment of agencies is part of a paradigm shift in public management, often referred to as New Public Management (NPM), which is characterised by ideas of "lessening or removing differences between the public and the private sector" (Hood, 1995:94), and by "delegation of managerial and institutional autonomy in a variety of decentralized forms" (Minogue, 2002:653).

Agencification in transition countries usually means the creation of new autonomous bodies for new functions or a significant increase in the autonomy of existing legally separate bodies either on an individual or a collective basis (Miroslav, 2002:127). Agencification is thus believed to have all the benefits of specialization and de-politicization (Christensen & Laegreid, 2007:32). Therefore, it needs to be repeated that agencification concerns only changes for organisation, which remain within the wider public sector of central and state governments.

Agencification has several aims, which includes: increased efficiency, strengthened and clarified responsibility and accountability lines, a more encouraged and professional administration, and a more service oriented administration placed closer to citizens (OECD 2005:108). Another important aim is to strengthen the politicians' ability to steer

the administration. Agencification will, it is argued, allow for politicians to steer both more and less. By hiving off 'smaller', recurrent and technical matters into executive agencies (and thereby steer less) politicians will have more time for 'big' and 'important' matters (and thereby steer more).

Agency theory has influenced many academic disciplines: economics, management, political science and sociology. According to Eisenhardt (1989:5), it focuses upon the agency relationship in which one actor (the principal) delegates work to another actor (the agent), who performs that work.

Agencification relates to the Agency Theory that centres on three elements. These according to Pollitt, *et al.*, (2004:17) include:

- **Structural Separation** and/or the creation of task specific' organizations;
- **Managerial Autonomy** in making decisions concerning personnel and financial management through target setting, monitoring and reporting;
- **Managerial Accountability** over personnel, finance and other management matters.

The agency theory also focuses upon the agency relationship in which one actor (the principal) delegates work to another actor (the agent), who performs that work (Christensen & Lægreid, 2001:134).

The agency model as noted by Bouckaert and Peters (2001:4), introduces a horizontal and vertical structural separation within or across organizations. Structural separation involves the splitting up of larger bodies into a "parent" body and various subordinate agencies. The vertical changes tend to create more autonomous agencies while horizontal specialization based on the principle of single purpose organization makes less independent organizational unit to deal only with such functions as ownership, regulation, purchasing, and provision.

The article is guided by assumptions derived from agencification theory holding that there is structurally disaggregation of the agency from the government and that the agency operates under more businesslike conditions than the government bureaucracy.

Agencification in Developing Societies: Maintenance or Modernisation?

Agencification in Sub-Saharan African countries is in many respects similar to experiences in Western Europe (Minogue, Polidano and Hume, 1998:42). This can be attributed to both the colonial heritage of most developing countries and the important role of international (western) donor organizations like the World Bank. Differences in the strategies between Francophone and Anglophone countries can almost directly be related to former colonial powers in these countries. For example, the Tanzanian agency model is largely copied from the Next Steps Agencies model in the United Kingdom (Sulle, 2008:7). That would imply that developing countries could be categorized in the same trajectory as their former ruler; Tanzania would for example be listed in the group of marketizers. However, there are also important differences. Agencies are not a new phenomenon in most developing countries. Not only were many agencies created during colonial occupation, but agencies are often seen as an alternative to already existing state-owned companies which are plagued with corruption. African governments have a hard time balancing the requirements of international donor organizations like the World Bank (that stress the necessity for a well performing, efficient and modern public sector) against the needs of the population (who want basic services like water, healthcare and infrastructure) (Rizwan and Jadoon, 2010:6).

Agencification in developing countries was rarely, if ever, pursued within a systemic conceptual and legal framework. The latter would set out in advancing the goals, the instruments, their relationships and the timetable across the board. Due to the low quality and capacity in public administration and the political classes, agencification usually occurred as a quick sectoral fix. The result is often paradoxical. On one hand, the legal, accountability and financial framework for autonomous agencies are patchy and are often taken over by specific solutions and exceptions. This very often creates unexpected results, perverse incentives and negative consequences. On the other hand, there has rarely been substantial institutional innovation and creation of complex new institutional frameworks. This paradox is due to the sectoral, quick-fix nature of agencification. When institutional innovation is undertaken, it is frequently exercised by use of institutional transplants from other countries, most often in the context of foreign advice or aid. The problem plaguing such solutions is that when institutional transplant is imported, other elements setting up its legal, accountability and financial framework are

often lacking (*e.g.* activity-based budgeting, financial control and audit mechanisms, general accountability mechanisms for executives within the civil service rules) (Miroslav, 2002:124).

A common misconception is that quasi-autonomous agencies are a recent invention. In fact it would be more accurate to call them a reinvention. What regulatory reforms have done is to change the role of traditional inspectorates and agencies. Agencies are rarely new in any absolute sense but are usually combinations of parts of or entire existing administrative bodies (Franklin, 2000:8). The developing countries in Africa display a slightly mixed picture when it comes to patterns of agencification. There are strong pressures to modernize the public sector and in fact there is often an inherited tradition of agencification (although not as longstanding as in for example the Nordic countries). However, developing governments themselves seem keen on building more state capacity, which is for example reflected in the programmatic approach when it comes to agencification. Both characteristics are shared with other modernizers, but it should be noted that developing countries may prefer the aforementioned second generation of reforms (like whole-of-government) more than the initial NPM reforms that were implemented in the 1980s.

An Overview of Agencification in Pakistan

Pakistan inherited an imbalanced power structure from British India when it became an independent state in 1947. Like many other developing countries, agencification is not a new phenomenon in Pakistan. However, since 1980s, not only the number of new agencies has gone up but, the existing agencies have also been revitalized under the rubric of NPM capsulated in World Bank/IMF's guided governance and administrative reforms. These agencies have been created in an administrative system which has weak political institutions but well entrenched bureaucracy with strong colonial bureaucratic traditions such as centralization of power exercised by a class of senior bureaucrats occupying top positions in federal ministries. Theoretically, creation of autonomous agencies led by professional managers is an idea antithetical to colonial bureaucratic system of Pakistan (Pollitt, et al, 2004).

Historically, Pakistan has been pragmatic in terms of its policy regarding the role of public sector vis-à-vis private sector except five years (1972-1977) under the premiership

of Late Zulfikar Ali Bhutto, when massive nationalization was carried out under the so-called "Islamic Socialism." After Bhutto was overthrown by Late General Zia-ul-Haque in 1977, the process of denationalization was initiated and during his regime Pakistan joined the IMF's Structural Adjustment Program in early 1980s. It also became one of the major recipients of World Bank's loans. The public sector reforms process which was started in 1980s under Structural Adjustment Facility of IMF sustained, despite political upheavals and instability in Islamabad which led to direct military rule under Pervez Musharraf, after a decade of fragile but civilian rule of Benazir Bhutto and Nawaz Sharif. Thus, liberalization, deregulation, and privatization are policy components of public sector reform which Musharraf regime inherited from his successors. The same policy continues under current civilian regime as a result of elections in 2008 (Aisha and Muhammed, 2010:7).

Pakistan inherited a colonial bureaucratic structure of administration after its independence. In 1970, the Securities and Exchange Authority, a semi autonomous body was created by the government with the task of drafting upgraded rules for financial reporting purpose (Ashraf & Ghani, 2005:189). The Pakistan people's party took over the reign in 1971, after Z. A. Bhutto took oath as the Prime Minister of the country. There was a major policy shift, under which the government decided to control the commanding height of economy through market intervention. As a result, in early 1972, Bhutto Government carried out a number of reforms in the industrial sector. He nationalized ten categories of major industries. In mid 1977 military took over and denationalized many industries. For this purpose a National Disinvestment Authority was established in 1988. The process of denationalization and deregulation was initiated in 1980s, after the state realized how inefficient the SOE's were (Akhtar, 1998:65). Musharraf overthrew Nawaz's government and started off with political decentralization. It was a period of privatization, economic liberalization and re-regulatory policies. The prime objective was to encourage foreign companies to come and invest, as well as to attract the local players in the private sector. In the wake of massive privatization, independent regulatory authorities were created in various sectors to protect the interests of the citizens using the public services (Hussain, 2005:1023). These entities were to be manned with specialists; experts in their respective sectors. Another justification for the regulatory concept was to separate government's roles of policy making and regulation.

In the face of the prevailing scenario, the Asian Development Bank (ADB), under the capital market regulation reforms, formed the Securities and Exchange Commission of Pakistan (SECP) in 1999, to monitor the activities of corporate and capital markets and all associated players. SECP replaced the Corporate Law authority (CLA), a department attached with the Ministry of Finance since 1981. CLA was not an autonomous body, and was not capable to regulate the financial sector. It had a typical bureaucratic structure, lacking in transparency and authenticity. The rapid expansion of the market during the early 1990s further highlighted the need for the establishment of an independent regulatory body with full operational and administrative autonomy.

One of the major reasons to create an autonomous body outside the ministerial control in Pakistan was to overcome issues of corruption and complaints existing in the previous set up of Corporate Law Authority. From Pakistan Electric Power Supply (PEPCO) representative's point of view, the purpose was to prepare the distribution companies for ultimate privatization and to build in, best business practices. The restructuring agenda of (Water and Power Development Authority, WAPDA). WAPDA's Power Wing was based on the new strategic policies of the Government of Pakistan approved and supported by the lending institutions. The objective behind this transition was to inculcate a corporate and industry culture by adopting good business practices, increasing productive efficiency, including customer orientation and service culture, improving quality of services, setting performance targets, curtailing costs, theft and wastage (<http://www.pepcos.gov.pk/>). PEPCO was assigned the power to revamp and instil a commercially oriented corporate culture based on efficiency, economy, responsibility and accountability within the power distribution companies created as a result of the process of agencification in the power sector.

Another Industry in Pakistan, where restructuring of organizations was realized years ago is the energy sector. The government apprehended that efficiency in power generation could be achieved through private sector involvement. As a result of the strategic policies of the GoP, approved and supported by the donor organizations, Water and Power Development Authority's (WAPDA) Power Wing was unbundled into generation, transmission and distribution companies. This task was assigned to Pakistan Electric Power Company Private Limited (PEPCO), an autonomous management company within WAPDA (Norma, 1990:32).

Oil and gas regulatory authority (OGRA) and National Electric Power Regulatory authority (NEPRA) are two major autonomous regulatory bodies created to introduce transparent and judicious economic regulation of the power sector and to enhance the oil and gas sector. NEPRA was formed to improve the provision of electric power services to the citizens. It is also aimed at safeguarding the interests of the investors and operators, as well as to create a competitive environment (www.nepra.org.pk).

Agencification process carried out particularly after 1980 lays its origin in public sector reform carried out under the policy guidance of the World Bank. As for Pakistan there was an international pressure, due to which such public sector agencies were created on similar lines as the rest of the world.

Agencification in Tanzania: An Evaluation

In Tanzania, agencification represents a new approach to public sector management and as 'new phenomenon' questions about the motives for their creation and the consequences of their creation in the Tanzania's public sector are likely to rise. Tanzanian government has embraced the agency idea and a number of agencies have been created. Executive agencies are becoming important government machinery in the delivery of public services. They are detached from their parent ministries and their tasks are as diverse as the policy field in which they operate. At independence in 1961 and the years that followed until the early 1980s, public sector in Tanzania was regarded as an engine of economic growth and development (Sulle, 2008:21). This position was further reiterated by the Arusha Declaration in 1967 when major means of productions was nationalised and put in the hand of the state. Under Socialism public sector acted as both producer and supplier of public goods and services. As a result it expanded in both the size and its scope. For instance the number of civil servants grew from 89, 745 in 1961 to 354,612 in 1998 (Askim, 2007:10).

In an attempt to reverse the trend and to reinvigorate public sector performance, the government launched a Civil Service Reform Programme (CSRP) in 1991. The major aim of this reform was to have a *smaller, affordable, efficient and well compensated civil service* (Batley, 2004:8). This was an attempt to overhaul civil service management systems, practice and performance culture so as to have a meritocratic and a well performing public service. In 1993, after two years of reform, the government realised that these earlier reform measures were inadequate to address the deep-rooted

problems of public sector. With support from the World Bank the government embarked on a more comprehensive reform titled Organisational and Efficiency Review Programme (Maor, 1999:14). Obviously the idea of creating agencies in Tanzania came out of Organisation and Efficiency review team. One of the tasks of the team was to review and recommend areas where some functions of the government could be hived-off. In fact before completing their review work in 1996 members of the review team went to the United Kingdom for a study tour to visit and learn how public sector was being reformed, particularly the Next Agency Programme (OECD, 2002:8). On their return to Tanzania the idea of agency was hastily conceived and implemented.

In October 1997 the President of the United Republic of Tanzania assented to the Bill and it thus became *The Executive Act No. 30 of 1997*. The *Executive Agency Act* is an umbrella Act which allows every ministry to create and execute agencies if conditions for doing so existed in their ministries. According to the Act an executive can only be created if it will improve the efficiency, quality and delivery of public service. The Act also provides framework within which issues relating to responsibilities, accountabilities and governance within the agencies and between agencies and their parent ministries can be handled (Sulle, 2008:5).

In the context of the Tanzanian public administration the design of the agency model is seen as organisational solution to the problems of bureaucratic inefficiency. It is designed to address the chronic problems of inflexibility and re-tape in public sector by allowing more managerial autonomy to CEOs (PO-PSM, 2004:11).

There are at least four types of agencies in Tanzania that can be identified according to their functions. This is, however, a crude classification because functions of public organizations do tend to overlap in Tanzania. These according to Sulle (2008:7) include:

- a) Regulatory agencies: (Tanzania Civil Aviation Authority, Occupational Safety and Health Agency, Weight and Measures Agency, Tanzania Food and Drug Agency).
- b) General Service agencies. These provides services to Business , Government ministries and the general public (Tanzania Airport Authority, Tanzania Meteorology Agency, National Bureau of Statistics, Government Chemist Laboratory , Geological Survey of Tanzania, Business Registration and Licensing Agency, Registration Insolvency and Trustee agency , National Tree Seeds

agency and Agricultural Seed Agency, and Tanzania Electrical , Mechanical and Electronics Services agency).

- c) Government programme agencies. These implements specific government programmes (Drilling and Dam Construction Agency, Tanzania National Road Agency, The Government Flight Agency).
- d) Training and Research agencies (Tanzania Public service college , The agency for Development of Education , National Housing and Building research agency, East African Statistical Training Centre, Tanzania Institute for Accountancy and the National college of Tourism. (PSRP report 2006:6)

Since 1999 when the first 7 agencies were launched, their number has increased to 24 executive agencies by 2008; although one agency – the Tanzania Civil Aviation Authority (TCAA) has since 2003, changed its status to that of a regulatory autonomous public body. In Tanzania regulatory authorities are more autonomous than executive agencies and they have their own separate legal personality.

Figure 1: Executive Agencies landscape in Tanzania as of 2008

S/N	Agency name	Parent ministry	Date launched
1	Business Registration and Licensing Agency (BRELA)	Trade and Industries	1999
2	Drilling and Dam Construction Agency (DDCA)	Water and Irrigation	1999
3	Government Chemistry Laboratory (GCL)	Health and Social welfare	1999
4	National Bureau of statistics(NBS)	Finance and Planning	1999
5	Tanzania Airport Authority	Infrastructure Development	1999
6	Tanzania Civil Aviation Authority (TCAA)	Infrastructure Development	1999
7	Tanzania meteorological agency (TMA)	Infrastructure and Development	1999

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8	Tanzania National Roads Agency (TANROADS)	Infrastructure Development	2000
9	Tanzania Public Service College (TPSC)	President Office, Public Service Management	2000
10	Agency for Development of Educational Management (ADEM)	Education and Vocational Training	2001
11	National Housing and Building Research agency (NHBRA)	Land and Human Settlements	2001
12	Occupational Safety and Health agency (OSHA)	Labour, Employment and Youth	2001
13	East Africa Statistical Training Centre (EASTC)	Finance and Panning	2002
14	Tanzania Building Agency (TBA)	Infrastructure Development	2002
15	Tanzania Government Flight (TGF)	Infrastructure Development	2002
16	Weights and Measures agency (WMA)	Trade and Industries	2002
17	Tanzania Tree seeds agency (TTSA)	Natural resources and Tourism	2003
18	Tanzania Institute of Accountancy	Finance AND Planning	2003
19	Tanzania Food and Drugs Authority (TFDA)	Health and Social Welfare	2003
20	National college of Tourism(NCT)	Natural Resources and Tourism	2003
21	Tanzania Electrical, Mechanical and Electronic services Agency (TEMESA)	Infrastructure Development	2006
22	Registration, Insolvency and Trusteeship Agency (RITA)	Justice and Constitutional Affairs	2006
23	Agricultural Seeds Agency (ASA)	Agriculture and Cooperatives	2006
24	Geology Society of Tanzania (GST)	Energy and Mineral	2006

Source: Adapted from Aisha and Muhammad, 2010:7

The autonomy of agencies in Tanzania is, in some sense, further enhancing by the fact that all agencies have their own Strategic and Business Plans that guides their performance. These plans contain key performance objectives indicators that define agencies performance mandates. The plans are developed by the agencies themselves but they are endorsed by their respective Ministerial Advisory Boards before they are sent to the parent ministry for approval. The need for prior approval by the parent ministries is important here because this may represent an alternative way for the parent ministry to establish performance objectives and targets for agencies. After all, the government may not have that capacity to develop the most relevant performance objectives. Agencies are more trusted to play this role because they have been in the fields in which they operate; they therefore know better what works in the ground (Sulle, 2008:3).

An analysis of the formal tools for controlling agencies in Tanzania indicates that the government still has both *ex ante* and *ex post* control mechanisms. As noted above, ministries are responsible for controlling public organisations, including executive agencies. Parent ministries are therefore responsible for providing strategic direction and for monitoring the performance of their agencies. Agencies in turn are responsible for providing an account of their performance to their parent ministries. They are required to provide regular performance reports and these reports usually contain both performance and financial reports.

Observations and Lessons for Africa

Having examined agencification programmes in Pakistan and Tanzania. It is crucial at this junction to draw some observations and lessons for African public sector reform.

This study makes a number of observations. First, the article has observed that externally induced factors, especially the role of donors, proved to be critical factor in the adoption of the agencification programme in both countries. The adoption of agencification reform was not purely a local innovation in response to public administration crisis, but was a result of external pressures where major donors wanted the governments to implement liberal economic policies, including public sector reforms in line with NPM ideas. It is further noted that both institutional factors and the weak capacity of central ministries have constrained the effective management of executive agencies in Pakistan and Tanzania. The study observed that the Tanzanian public sector

for instance has neither the administrative capacity nor the political will to implement sophisticated administrative reforms based on the NPM ideology. While the NPM ideas seem to be very important for the management of public services, the public sector in Africa needs to address both institutional and capacity issues if it is to benefit from the NPM reform doctrines. The article recommends that in order to benefit from the NPM ideas, the public sector in Africa needs to develop sound bureaucratic principles that would become the foundation upon which the NPM principles can be progressively embraced and nurtured. Improving technical, managerial and leadership skills of government employees in various ministries is vital if Africa is to benefit from the administrative technology brought forth by the NPM ideas. This effort must further be supported by a strong ownership of reforms and political will. It should be noted that agencification by itself does not, however, guarantee the government of the parsimony in public service delivery (Christensen and Laegreid, 2002:11). To be sure of improved service delivery and to get value for public monies the government has to engage in monitoring and evaluating the performance of agencies. There is a need for consistency in the creation of an agency.

There is a particular need for a robust system of financing. It is easy for part of the public sector to get lost in the enormous fiscal pressures developing countries have been facing. If an agency is at arm's-length with the government, the likelihood that it will be ignored so that the reconciliation of pressures will be done at its expense is significant. The exception here is if the basis of financing is robust and immune to immediate pressures; in other words, unless certain conditions are met, agencies can be destroyed by their own autonomy. Autonomy for an agency is meaningful if a clear formal or informal contract can be written between politicians as repository of a public mandate and an agency. In other words, it should not be an agency's mission to decide what its mandate is. To create an agency for a given area without a clear set of goals just to get rid of a thorny political issue is a recipe for problems. However, accountability is the *ex post* mechanism to guarantee efficiency, effectiveness and quality. The *ex ante* mechanism is the process of management/board selection. Anecdotal evidence suggests that the quality of the process for making that choice has significant consequences for the functioning of a public organisation, possibly even more significant than in more stabilised environments.

Conclusion

Agencification can be considered as a good move intended to address the inadequacies in service delivery in the public sector organisations. This article has attempted to describe agencification programmes in Pakistan and Tanzania. Key agencies features are examined and related to the current public sector reforms under the tutelage of NPM ideas. It is noted that the formal agency models in both countries exhibit similar characteristics features related to those propagated by the NPM reforms. Agencies are semi-autonomous public organizations that managed at arm's length from their parent ministries. They are task specific units with performance accountability. They are formally controlled on the basis of performance results. The way they are steered and controlled contrasts the traditional ways of managing public sector. One of the issue that warrant further research is to what extent this formal agency model works on the ground (the formal vs actual practice for individual agencies) and whether executive agencies have improved the public service delivery and lessons for Africa.

The findings of this study adds testament to Pollit's assertion, "Agencification was rarely, if ever, pursued within a systemic conceptual and legal framework. It usually occurred as a quick sectoral fix." The case in which Africa initially became worse off and still remains one of the poorest countries in the world despite undertaking the reforms is a testimony that modernization does not proceed in a single line with those who are ahead teaching those who are behind how to follow by installing standard and reliable gadgets that will fix some set of universal problems. Such an approach resulted in an abundance of specific solutions and exceptions, very often creating unexpected results, perverse incentives and negative consequences, but very little substantial institutional innovation and creation of complex new institutional frameworks. When institutional innovation is undertaken, it is frequently exercised by the use of institutional transplants from other countries, most often in the context of foreign advice or aid. The problem plaguing such solutions is that when institutional transplant is imported, other elements creating its legal, accountability and financial framework are often lacking. Surprisingly enough, transition has been marked by an excessive faith in institutional solutions, where many policy-makers and observers confused institutional reform with a reform of the system.

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