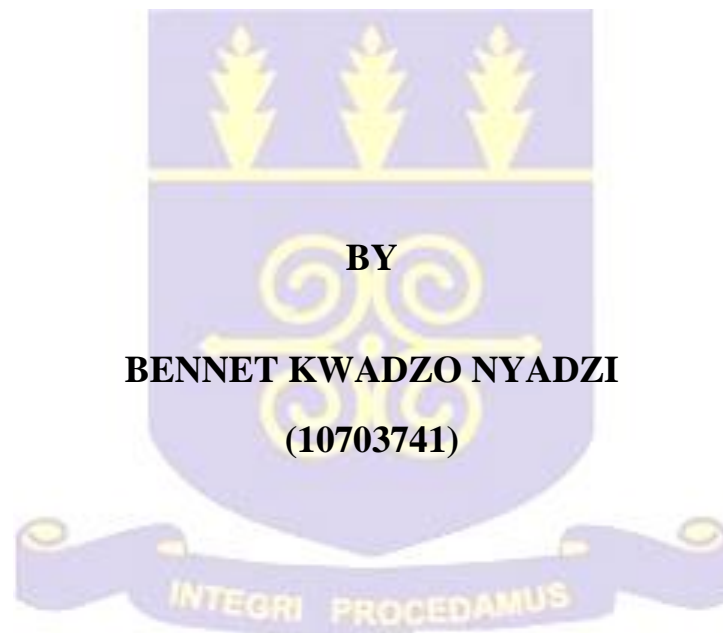


UNIVERSITY OF GHANA

**BUILDING CIVIL SERVICE BUREAUCRATIC QUALITY IN
GHANA: ANALYSIS OF THE EFFECT OF INTERNATIONAL
MONETARY FUND LOAN CONDITIONALITY**



BY
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**THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA,
LEGON, IN PARTIAL FULFILLMENT OF THE REQUIREMENT
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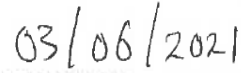
DECLARATION

I, BENNET KWADZO NYADZI, the author of this dissertation, do solemnly declare that, except for references to other people's work which have been duly acknowledged, the work presented here was done by me as a student of the Department of Public Administration and Health Services Management, University of Ghana Business School, Legon.



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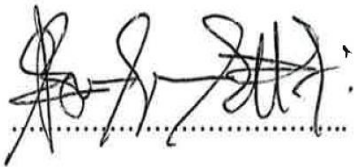
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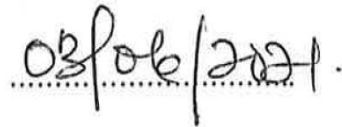
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ABSTRACT

The International Monetary Fund (IMF) describes loan conditionality as “macroeconomic and structural policies used to monitor progress towards the goals outlined in the loan programme.” One of the prominent targets of IMF loan conditionality has been Civil Service Reforms (CSRs). While some scholars argue that IMF-led CSRs help borrowing countries to revamp their civil service systems, others maintain that some conditionality can impede the building of quality civil services. Anchored on the Weberian model, this study sought to examine the effect of IMF loan conditionality on civil service bureaucratic quality in Ghana. Specifically, the study examined the nature of the conditionality on the public sector, and the effect of the conditionality on merit-based recruitment, personnel promotion, personnel remuneration, and the availability of competent human resources in the civil service. The research approach adopted was the qualitative methods design. The study collected primary data through interviews with nineteen (19) officials (mainly, directors from the Office of the Head of Civil Service, the Ministry of Finance, and other selected Ministries), using semi-structured interview guides. The primary data was augmented with relevant secondary data. Findings of the study reveal that the persistent focus of IMF loan conditionality on cost-cutting and wage containment mechanisms in the civil service, with little focus on the need for capable and motivated human resources, undermined bureaucratic quality. Specifically, the conditionality affected merit-based recruitment, personnel promotion, personnel remuneration, and the availability of competent personnel in Ghana’s Civil Service. Among other things, the study recommends that proper consultation and functional reviews should be undertaken before IMF conditionality are imposed to prevent negative effects on civil service bureaucratic quality.

DEDICATION

This work is dedicated to my parents and siblings.

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My deepest gratitude goes to the almighty God who has provided all that was needed to complete this thesis and my entire studies. My next thanks go to my Supervisor, Dr. Daniel Appiah, who, in spite of his busy schedules, was able to make ample time for me. His valuable contributions and constructive criticism have pushed me to exert more effort to make this work as original as it can be. My sincere gratitude also goes to my Co-supervisor, Dr. Thomas Buabeng, for his unrelinquished guidance and feedback throughout this project.

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LIST OF ABBREVIATIONS

AfDB	African Development Bank
BoP	Balance of Payment
CAGD	Controller and Accountant General Department
COLA	Cost of Living Allowance
CSAPR	Civil Service Annual Performance Report
CSR	Civil Service Reform
ECF	Extended Credit Facility
ERSD	Economic Research and Strategy Division
E-SPV	Electronic Salary Payment Voucher
GPRTU	Ghana Private Road Transport Union
IFI	International Financial Institutions
IMF/Fund	International Monetary Fund
LOI	Letter of Intent
MDAs	Ministries, Departments, and Agencies
MoU	Memorandum of Understanding
MoF	Ministry of Finance
MoGCSP	Ministry of Gender, Children and Social Protection
NLC	National Liberation Council
NPM	New Public Management
OHCS	Office of the Head of Civil Service
PRGF	Poverty Reduction Growth Facility
PSC	Public Services Commission
PSR	Public Sector Reform

PRSG	Political Risk Services Group
RTDD	Recruitment, Training, and Development Directorate
SAP	Structural Adjustment Programmes
SBA	Stand-By Arrangement
SCF	Standby Credit Facility
SPSS	Single Spine Salary Structure
SSNIT	Social Security and National Insurance Trust
TUC	Trade Union Congress
UNECA	United Nations Economic Commission for Africa
WB	World Bank

CHAPTER ONE

GENERAL INTRODUCTION

1.1 Background of the Study

Contemporary civil service systems accept the practice of the ‘Weberian’ model of bureaucracy as the customary form of building quality, effective, professional, and highly competent civil service organisations (Evans & Rauch, 1999; Grindle, 2012; Appiah & Abdulai, 2017a). The Weberian model of bureaucracy, which denotes ‘bureaucratic quality’ in this study, explains the degree to which civil servants are appointed, retained, promoted, and rewarded or sanctioned through merit-based criteria to perform functionally specialized duties. Evidence across the world suggests that civil service systems that are built on the Weberian tenets of bureaucratic quality do not only exhibit higher levels of performance but are more likely to retain competent and experienced personnel (World Bank [WB], 1997; Ayee, 2001; Verheijen & Rabrenovic, 2007; Kettl, 2012).

Far and wide, the civil service has been recognised as a key component of effective governance and economic development (WB, 1997; Toonen & Van der Meer, 2007; Meyer-Sahling, 2018). In the words of Kettl (2012, p.235), the civil service is “the hidden, and surprisingly interesting building block on which the performance of the government ultimately depends”. From the 1980s, however, the role and importance of the civil service in most sub-Saharan African countries (including Ghana) came under intense scrutiny in academia, politics and society (Lienert & Modi, 1997; Klitgaard, 1997, Lindauer & Nunberg, 1994; Raadschelders, Toonen & Van der Meer, 2007; Forni & Novta 2014). The major problem was that civil service employment in the region had grown rapidly, and the service was bedeviled with other equally important problems like bloated bureaucracies,

political patronage, grossly inadequate low wages and compressed salary structures, administrative and financial constraints, logistical problems, serious deficiencies in training programmes, and low productivity (Nunberg, 1994; Ayee, 2001; Forni & Novta, 2014; Rickard & Caraway, 2019).

The magnitude and intensity of the problems facing civil services in the region, coupled with Balance of Payment (BoP) problems like high inflation rate, decline in capital flows, rising foreign debts, and large fiscal deficits, compelled governments to seek the assistance of International Financial Institutions (IFIs), especially the International Monetary Fund (IMF). Also known as the Fund, the IMF is one of the world's most powerful international organisations formed in 1944 to ensure economic stability among member countries through technical advice and loan activities (IMF, 2019a). Since its inception, the Fund has devised several strategies to reform civil services of member countries, commonly referred to as Civil Service Reforms (CSRs). Generally, CSRs include reforms in areas such as remuneration, human resources, downsizing, and operational efficiencies (Repucci, 2012). These reforms often come in forms of conditionality that are attached to the lending activities between the IMF and the recipient governments. Conditionality are “actions, or promises of actions, made by recipient governments only at the insistence of aid providers; measures that would not otherwise be undertaken, or not within the time frame desired by the providers” (Killick, Gunatilaka, & Marr, 1998, p.6). Apart from ensuring that the loan programmes achieve their purposes, conditionality is imposed to ensure the effective utilisation of the Fund's resources and guarantee the repayment of the loans by the borrowing governments (Dreher, 2009; IMF, 2019b).

Ghana is one of the sub-Saharan African countries that has benefitted immensely from the IMF ever since it became a member of the Fund on September 20, 1957. Before the late 1960s, the Ghanaian Civil Service was regarded as “the finest, most relevant and performance-oriented institution in Africa” (Nti, 1978, p.1 cited in United Nations Economic Commission for Africa [UNECA], 2010, p.50). The size of the Civil Service at the time was also manageable, while the security of the tenure of office of civil servants was well-guaranteed. These factors, supported by a strong national economy and well-educated people, induced the “highest degree of performance and productivity in the civil servant” (Ayee, 2001, p.2).

From the mid-1960s, Ghana begun facing serious economic problems that forced the government of Dr. Kwame Nkrumah to seek financial assistance from the IMF in 1965 and embraced the first IMF loan conditionality. Amidst the worsening economic situation were the debilitating features of the civil service which resulted in low morale, performance, and productivity. They included lack of manpower planning, substantial overstaffing/uncontrolled recruitment, political patronage, high wage compression and incentive problems, excessive bureaucratization and red tape, logistical problems, low-capacity building initiatives, and weakened security of tenure, anonymity and neutrality (Ayee 2001; Sakyi, 2008; UNECA, 2010).

After Ghana’s first relationship with the IMF was created in 1965 due to a deteriorating economy, subsequent governments have sought and received loans from the IMF (IMF, 1995, 1999, 2005, 2015). Since then, Ghana has had seventeen (17) loan programmes with the Fund (as of April 2020). The IMF financing packages, among other things, have sought to boost the nation’s economic growth and help restore macroeconomic stability through

tighter fiscal discipline, lower inflation and interest rates, strengthened public finances, and improved performance in both the private and public sectors. Given the large size of the country's wage bill, the government of Ghana has on several occasions been tasked by the IMF to undertake some CSRs, which often came in forms of conditionality attached to the loan programmes. CSRs influenced by IMF conditionality focused on civil service staff retrenchments, removal of ghost names from the public sector employment database, recruitment freeze, rigorous payroll clean-ups, wage freezes/restraints, and a scrap of some allowances of public servants. After several decades of engagements with the Fund, what has been the effect of IMF loan conditionality on civil service bureaucratic quality in Ghana? Has civil service bureaucratic quality improved? Is it still the same? Or has it worsened? This study attempts to provide answers to these questions through in-depth theoretical and empirical analyses.

1.2 Research Problem

There seems to be no consensus among scholars and international development practitioners about the effect of IMF loan conditionality on civil service quality (Lienert & Modi, 1997; Reinsberg, Kentikelenis, Stubbs, & King, 2019). While some scholars argue that these reforms help in reducing huge government wage bills, restoring ineffective human resource practices in the civil service, and making more funds available for the effective running of civil services (Fedelino, Schwartz, & Verhoeven, 2006; IMF, 2016a), other group of scholars have elaborated on the implications of some of the conditionality on the quality of civil services – their tendency to make civil services unattractive and ineffective (Haque & Aziz, 1998; Owusu 2015; Reinsberg et al., 2019).

Waves of economic crises faced by Ghana since the 1960s have forced almost all governments to seek financial help from the IMF. IMF loan received by Dr. Kwame Nkrumah's government in 1965 came with conditionality that led to massive public sector retrenchments in 1966 and a freeze on public sector wage increases at 5%. In 1995, the government of Ghana was advised by the IMF to reduce the size of the civil service, restructure the civil service, rationalize hiring practices, and increase relative pay in favor of managerial staff (IMF 1995). The 1999 IMF loan programme also came with the condition to reform the pay structure based on a detailed job evaluation of the entire public sector, as well as a ceiling on the wage bill (IMF 1999). In 2006, under the three-years Poverty Reduction Growth Facility (PRGF) loan programme between Ghana and the IMF, it was recognized that productivity in the civil service was low and service delivery was poor. With support from the IMF, the government of Ghana embarked on a massive CSR programme titled, '*Towards a New Public Service for Ghana*', which was aimed at restructuring the civil service to improve service delivery (IMF 2006). Some of the major reforms carried out in the 2006 IMF loan conditionality included rationalization of the employment structure, monetization of non-monetary benefits, standardization of job titles, development of a compensation and benefits system that rewards performance, and quarterly expenditure ceilings on public sector wages (IMF, 2005; IMF, 2006).

From 2009 to 2019, Ghana implemented sustained economic reform programmes under IMF loan conditionality. Following the 2008 global financial crisis leading to massive Balance of Payment (BoP) problems for Ghana, the governments of Ghana obtained an IMF loan of \$602.6 million under the PRGF. According to IMF (2009), wages in Ghana's public sector absorbed an average of 44.5% of the total tax revenue between 2002 and 2008. Among the IMF loan conditionality, the government of Ghana was required to

undertake comprehensive reforms in the public service. The reforms were aimed at determining the optimal number of employees needed for efficient and effective service delivery in the public service, strengthen the link between pay and productivity in the public sector, and maintain the competitiveness of public sector incomes relative to the private sector (IMF, 2009). The conditionality included a net hiring freeze in the public sector (with exception of the Health and Education), simplification of the ‘Single Spine Salary Structure’ (SPSS) to consider affordability, wage restraints, payroll cleaning and auditing, computerization of staffing data, and the appointment of a minister of State in charge of Public Sector Reforms (PSRs) (IMF, 2009).

Ghana’s economic woes escalated again in 2013 with large fiscal and external imbalances, resulting in slow economic growth and risk to the nation’s medium-term prospects. The public payroll was described as “a ballooning wage bill” (IMF, 2015, p.4), which was mainly attributed to the introduction of the SPSS pay in 2010 (that led to a substantial increase in the compensation of all public employees) and various payroll irregularities. The Ghanaian authorities again sought the assistance of the IMF in 2015. The Fund approved a three-year arrangement under the Extended Credit Facility (ECF) in an amount of \$ 664.20 million, from 2015 to 2018 (which was later extended for an additional year). The conditionality imposed on the public service were somehow tougher than those in 2009. They included a continuation of the net-freeze on public sector employment (Health and Education sectors still exempted), non-replacement of departing employees in overstuffed departments, a ceiling on wages and salaries, a scrap of 10% Cost of Living Allowance (COLA), cleaning-up of the payroll, enhancing wage bill control, and the design of a civil service reform strategy with the assistance of development partners which will aim at increasing the productivity and rationalization of the size of the civil service.

These CSRs, among other things, were aimed at bringing the wage bill-to-revenue ratio down from 53% in 2014 to 35% over the medium term (IMF, 2015).

The effect of CSRs implemented under IMF loan conditionality has been hotly debated by scholars. Some scholars argue that IMF-led CSRs only help borrowing governments to reduce and properly manage their high wage bills, correct ineffective recruitment and promotion practices, and redeploy resources to finance important activities in the Service, such as training and recruitment of skilled personnel (Fedelino et al., 2006; Verhoeven & Segura, 2007; IMF, 2016a). In contrast, other scholars have claimed that CSRs implemented under IMF loan conditionality turn out to exert a deleterious effect on civil service bureaucratic quality in developing countries (Haque & Aziz, 1998; Owusu 2015). Ian Lienert, a Senior Economist in the IMF's Fiscal Affairs Department, argued that most CSRs in Africa were made "often to the detriment of civil service quality" (Lienert, 1998, p.45). Haque and Aziz (1998, p.101) also stressed that "CSRs have primarily been concerned with cost-cutting and containment. The issue of productivity and the need for appropriate human capital for it has largely been secondary". A recent study by Reinsberg et al. (2019) on the impact of IMF loan conditionality on bureaucratic quality in developing countries (from 1985-2014) found that some structural loan conditions from the IMF (such as freezing of recruitment and wages) often hurts the quality of bureaucracies in developing countries. The scholars concluded that some *conditionality* from the IMF diminish the ability of developing countries to recruit, train and retain qualified human resources in the public sector, ultimately eroding bureaucratic quality.

The socio-economic effect of IMF conditionality in Ghana has been well advanced in literature (ActionAid Ghana, 2010; Stubbs, Kentikelenis, Stuckler, McKee, & King,

2017). There is, however, no published academic study that explored the effect of IMF loan conditionality on civil service bureaucratic quality in Ghana. This study attempts to fill this research gap by exploring the effect of IMF loan conditionality on civil service bureaucratic quality in Ghana, using the qualitative approach of analysis. According to Kettl and Fessler (2012), the quality of any government is dependent on the quality of the people who work for it, of which the civil service constitutes a critical component in Ghana's public sector employment structure. This puts a premium on understanding how the IMF loan conditionality have affected bureaucratic quality in Ghana's civil service.

1.3 Research Objectives

The objective of the study is to explore the effect of IMF loan conditionality on civil service bureaucratic quality in Ghana. To achieve this general objective, the study:

1. Examines the nature of IMF loan conditionality on the public sector.
2. Explores the effect of IMF loan conditionality on merit-based recruitment in the civil service.
3. Explores the effect of IMF loan conditionality on personnel promotion in the civil service.
4. Explores the effect of IMF loan conditionality on personnel remuneration in the civil service.
5. Explores the effect of IMF loan conditionality on the availability of competent personnel in the civil service.

1.4 Research Questions

In exploring the effect of IMF loan conditionality on the bureaucratic quality of Ghana's civil service, the study was guided by the following questions:

1. What is the nature of IMF loan conditionality on the public sector?
2. What is the effect of IMF loan conditionality on merit-based recruitment in the civil service?
3. What is the effect of IMF loan conditionality on personnel promotion in the civil service?
4. What is the effect of IMF loan conditionality on personnel remuneration in the civil service?
5. What is the effect of IMF loan conditionality on the availability of competent personnel in the civil service?

1.5 Significance of the Study

The significance of this research can be viewed along three strands: research, practice, and policy. While there is a preponderance of research studies highlighting the effect of loan conditionality from the IMF on the economies of developing countries, few studies have attempted to investigate the effect it has had on civil service bureaucratic quality. This study will provide evidence of the effect of IMF loan conditionality on bureaucratic quality in the civil service of Ghana. The study, thus, makes theoretical and empirical contributions to the existing literature on the effect of IMF loan conditionality on the civil service in developing countries, and Ghana in particular. Concerning significance to practice, the findings of the study are expected to be a useful reference material for practitioners who seek to understand how donor loan conditionality affects the quality of civil service bureaucracy in the public sector. To policy, the study will identify whether or

not IMF loan conditionality have improved bureaucratic quality in Ghana's civil service. If empirical answers are found to this question, policymakers (particularly the government of Ghana and the IMF) would be able to discern whether or not such conditionality should be removed, sustained, or revised in their future transactions.

1.6 Scope of the Study

This study examines how IMF loan conditionality affects bureaucratic quality in Ghana. The study focuses on only four features of the Weberian model of bureaucracy: namely, merit-based recruitment, personnel promotion, personnel remuneration, and availability of competent personnel. This constitutes the core meaning of the concept of bureaucratic quality used in the study. The concentration of the study is narrowed down to the civil service of Ghana; that is, the body of permanent officials appointed and managed based on meritocracy to assist the political executive in formulating and implementing policies. The empirical analysis of the effect of IMF loan conditionality on civil service bureaucratic quality is largely limited to Ghana's experience under the 2009-2019 IMF loan programme.

1.7 Organisation of the Study

The study is organised into five chapters. Chapter one has provided the general introduction of the study. Chapter two reviews the relevant conceptual, empirical, and theoretical literature underpinning the study. The third chapter captures the research methodology employed to find appropriate answers to the research questions. Among other things, it highlights the research paradigm, sources of data for analysis, sampling techniques, data collection instruments and procedure, and the approach to data presentation and analysis. The discussion of the findings of the data are presented in

chapter four. Chapter five provides the summary, conclusion, and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The purpose of this chapter is to explore the literature on how IMF loan conditionality affect bureaucratic quality. The chapter comprises definition of concepts, theoretical review, and empirical literatures. While the definition of concepts aims to ensure clarity and a common understanding of key concepts used in the study, the theoretical review presents the lens through which the research problem and research questions are evaluated. The empirical literature presents the ideas and views of earlier findings. The chapter provides analysis and case scenarios from the global, regional and local contexts, from sources like textbooks, the internet, published journals and other important documents relevant to the study.

2.1 Civil Service Bureaucratic Quality: Weber's Model of Bureaucracy

This study deployed insights from the theory of bureaucracy as its theoretical basis. The term 'bureaucracy' is derived from the Greek words: "Bureau" and "Kratos". Bureau denotes 'the office', and Kratos means 'power to rule'. The concept of bureaucracy, therefore, can be referred to as the power to rule or the exercise of legal authority. In academic textbooks, scholarly journals, and civil service reform programmes, the dominant understanding of effective bureaucratic administrative systems is grounded on the seminal work of German sociologist, Max Weber's concept of bureaucracy (Appiah & Abdulai, 2017a). Although Weber did not provide a detailed meaning of bureaucracy, he explained his idea through his characteristics/criteria of the 'ideal type of bureaucracy.'

In his book on '*Economy and Society*', Weber noted that the ideal type of exercising legal authority is that which employs a bureaucratic administrative staff, who are appointed and function according to ten (10) essential criteria - which applies to all kinds of administrative fields; be it profit-making businesses, private enterprises, charitable organisations, political organisations or hierocratic organisations (Weber, 1978). By paraphrasing, the ten criteria for an ideal type of the Weberian bureaucracy are as follows:

1. The exercise of legal authority on individual officials should be subjected only to their impersonal official obligations.
2. They should be organised in a defined hierarchy of functions.
3. Each office should have a clearly defined range of competence.
4. Appointment to office should be by a free contractual relationship, which makes free selection possible, and not by 'patrimonial bureaucracy'.
5. The selection of candidates to office should be solely based on technical qualifications, which is tested by examination or certified prove of technical training, or both. Officials should also be given expert training that is in line with their functions.
6. Officials should be remunerated by fixed salaries and other perquisites, through a salary scale according to the hierarchy, in return for their performances.
7. Officials should treat the office as their sole or principal occupation.
8. There should be a career progression system based on promotion by seniority or achievement, or both.
9. Officials' work should be separated from the ownership of the means of administration.
10. Officials should be subject to stern and systematic discipline within the office.

From the above ten criteria of an effective bureaucratic organisation based on the Weberian model, this study defines bureaucracy in line with Appiah and Abdulai (2017a, p.1), as a formal legal organisation that functions through a hierarchical structure of authority, where officials are appointed, retained, promoted, and rewarded or sanctioned through merit-based criteria to perform functionally specialized duties in an impersonal manner.

According to Weber, from a technical point of view, any administrative system structured under the above ten criteria “is capable of attaining the highest degree of efficiency, and is in this sense formally the most rational known means of exercising authority over human beings” (Weber, 1978, p.223). In this regard, the goal of the Weberian model of bureaucracy is to fulfill organisational goals effectively and efficiently by following systematic procedures and structures that eliminate favouritism. Hence, “precision, speed, unambiguity, knowledge of files, continuity, discretion, unity, strict subordination, reduction of friction and of material and personal cost”, are the key elements that make the Weberian model of bureaucracy completely indispensable for any strictly bureaucratic administration system in the modern world (Weber, 1991, p.214).

Weber’s theory of bureaucracy is appropriate for this study as it emphasizes on the need for merit-based personnel management practices (especially in the appointment and promotion of bureaucrats) in order to build effective and efficient administrative systems. The WB (1997, p.92) agrees with this idea by stating that “making a meritocracy of the civil service (particularly in recruitment and promotion) helps bring in high-quality staff, confers prestige on civil service positions, and can do a great deal to motivate good performance”. The theory also brings to light the role and importance of adequate pay and

other bonuses in building highly effective and efficient state bureaucracies. Research suggests that civil servants that are adequately remunerated, and resourced are more effective and productive-minded (see WB, 1997; Ayee, 2001; Kettl & Fessler, 2012).

Despite its relevance in both past and contemporary public administration, it is worth noting that Weber's characteristics of the ideal-type of bureaucracy are not without some drawbacks. The theory has been sternly criticized by scholars (e.g., Selznick, 1949; Gouldner, 1952; Merton, 1952) who highlighted some undesirable consequences of Weber's bureaucratic form of organisation, such as fostering goal displacements (i.e., the strict observation and conformity to rules could result in deviation of organisational goals), reducing individual work autonomy, increasing red-tape, and stimulating feelings of powerlessness.

The limitations of the Weberian model of bureaucracy, however, do not seem to reduce its merit since it offers an analytical lens for scholars to examine the extent to which a bureaucratic system could be considered as effective and efficient. As observed by some scholars, history holds that all states (including the ancient Assyrian, Median, Persian, Ottoman, French, Prussian, British, and Chinese Empires) developed a tendency toward instilling professionalization in their civil service systems through the practice of some forms of the Weberian model of bureaucracy, such as defined hierarchy of functions, merit-based recruitment, internal promotion, adequate and competitive compensation, and expert training (Farazmand, 1997; WB, 1997; Appiah & Abdulai, 2017a).

This present study does not seek to examine the effectiveness and efficiency level of Ghana's Civil Service. It seeks to examine how IMF loan conditionality have affected four

features of the Weberian model of bureaucracy in the Civil Service, namely merit-based recruitment, personnel promotion, personnel remuneration, and availability of competent personnel.

2.2 Conceptualising Bureaucratic Quality

There is as yet no scholarly consensus around a single definition of ‘bureaucratic quality’ (also known as institutional strength). Various scholars have conceived the concept differently depending on whether their focus lies in bureaucrats’ ability to promote economic development (e.g. Bova, Ruiz-Arranz, Toscani, & Ture, 2016; Singh, Kpodar & Ghura, 2009) or simply in the quality of management given to them (e.g. Evans & Rauch, 1999; Reinsberg et al., 2019). Some of the conceptualizations are so broad that they cover several components while others are so narrowly focused.

While several conceptualizations of the term bureaucratic quality exist, two seems to dominate literature: the PRSG ‘index of bureaucratic quality’ and the ‘Weberian scale’. The PSRG index of bureaucratic quality is a perception-based quantitative indicator that scores a country high in bureaucratic quality when its state bureaucracies are autonomous from political pressure, has the strength and expertise to govern without drastic changes in policy or interruptions in the government services, and has an established mechanism for recruitment and training (PRSG, 2015). Scores range from 1 (low) to 4 (high).

The PSRG’s index of bureaucratic quality has been widely used by the staff of IMF and the World Bank, as well as other researchers to measure the quality of public organisations across countries (e.g. Arezki, Quintyn, & Toscani, 2012; Chong & Calderon, 2002), and other researchers have used the scale to measure the impact of aid and its conditionality

on the quality of state bureaucracies (e.g. Knack & Rahman, 2004; Nkusu & Sayek, 2004; Selaye & Thiele, 2012; Reinsberg et al., 2019).

The Weberian scale, on the other hand, assesses the degree to which an administrative system fits Weber's model of the ideal-type bureaucracy, such as meritocratic recruitment and promotion (Fukuyama, 2013). One of the well-known studies to employ this scale was Evans and Rauch (1999), in their study on the performance of state bureaucracies in 35 countries. Evans and Rauch focused on only two features of the Weberian scale: meritocratic recruitment (based on examination and education) and predictable career ladder (that provides career stability and competitive salaries for those recruited into the bureaucracy). The authors, however, posited that these two features are not the only structural characteristics that can enhance the performance of state bureaucracies. Matei, Grigoriou, Shivergueva, and Vašiček (2010) also used the Weberian scale (specifically meritocratic recruitment, career building, and bureaucratic compensation) to assess the relationship between the quality of bureaucracy and public sector performance in South-Eastern Europe.

Some other scholars that have recently used some features of the Weberian scale to study the quality of state bureaucracies include Rasul, Rogger, and Williams (2018) - merit-based promotion and compensation; Meyer-Sahling et al. (2018) - meritocratic personnel management practices and sufficient pay; and Hasnain, Rogger, Walker, Kay, and Shi (2019) - merit-based selection, allocation, promotion, and compensation. It is worth noting that the PRSG's index of bureaucratic quality is highly correlated (0.62) with the Weberian Scale, and specifically its subcomponents on meritocratic recruitment, internal promotion,

career stability, and competitiveness of salaries (Knack & Rahman, 2004; Reinsberg et al., 2019).

Despite the lack of scholarly consensus around a single definition of bureaucratic quality, there seems to be general agreement among scholars that the Weberian model of bureaucracy is still the ideal-type of building strong professional norms that drive performance in civil services worldwide (see Evans & Rauch 1999; Grindle, 2012; Fukuyama, 2013; Meyer-Sahling et al., 2018; Hasnain et al., 2019). Based on the Weberian scale, this study operationalizes bureaucratic quality as the degree at which civil servants are recruited and promoted through merit-based mechanisms, and adequately remunerated for effective service delivery. The study seeks to examine how loan conditionality from the IMF (such as freezing recruitment, retrenchments, and wage freeze/restraints) affected bureaucratic quality in Ghana's Civil Service.

2.3 The IMF and its Mandate

Born at the end of World War II, out of Bretton Woods Conference in July 1944, the IMF has provided several countries with financial assistance and has helped governments around the world to reform their economic policies and institutions. With 189 member countries, the fundamental mission of the Fund is to ensure that the international monetary system (i.e. the systems of exchange rates and international payments) is stable to foster effective business transactions among nations. This mandate was however expanded in 2012 to include all macroeconomic and financial issues that have an impact on global stability.

To achieve its mandate, the IMF performs three major functions: economic surveillance, lending activities, and capacity development (IMF, 2019a). Economic surveillance involves overseeing and keeping track of the global economy, as well as the financial and economic policies of member countries. The major purpose of this function is to allow the Fund to identify possible risks to economic stability and recommend the needed policy adjustments.

Lending activities, on the other hand, are aimed at helping member countries resolve their BoP problems while improving economic growth through currency stabilization and rebuilding international reserves. According to the IMF's *2016 Articles of Agreement*, a member country may be entitled to the Fund's resources when it "represents that it has a need to make the purchase because of its balance of payments or its reserve position or development in its reserves" (Article V, Section 3). Sealed by a 'Letter of Intent' (LOI) and further detailed in a 'Memorandum of Understanding' (MoU), a member country seeking IMF lending programmes must prove beyond all reasonable doubt that it is really in need of the fund to restore or stabilize its ailing economy. The IMF has various lending programmes that are tailored to meet the different types of BoP problems and the financial capacity of member countries (IMF 2019c). Low-income countries usually borrow through programmes available under the PRGF - which currently attracts zero interest rates. Other lending facilities available for low-income countries include the Standby Credit Facility (SCF) and the ECF. For emerging and advanced market economies faced with a BoP issues, the majority of the Fund's lending has been provided through the Stand-By Arrangements (SBAs).

Regarding capacity development, the IMF work with member countries to strengthen their economic and financial institutions (usually finance ministries and central banks) through training, hands-on advice, and peer-to-peer learning on serious economic issues, as well as the provision of technical assistance, and in-person and online training.

2.4 IMF Conditionality

The national policy reforms required in exchange for the Fund's financing are known as conditionality (IMF, 2019b). Generally, they include an agreement to adjust the national economy in ways specified by the Fund. Also known as Structural Adjustment Programmes (SAPs), conditionality covers macroeconomic and structural policies designed to help borrowing countries solve the BoP problems that led them to seek financial aid from the Fund. It also serves as a tool used to monitor progress towards the achievement of the goals outlined in the loan agreement. The conditionality attached to IMF's loans can be identified by scrutinizing the LoI and the MoU, which are often drafted by staff of the Fund upon agreement with borrowing governments. According to the IMF, the major rationale behind the imposition of conditionality is to ensure that the programme is achieves its purpose and to reduce risk to IMF's resources, while promoting national ownership of strong and effective policies (IMF, 2019b).

IMF conditionality can either be in the form of structural conditionality or stabilization conditionality. Structural conditionality involves conditionality that remove privileges in particular sectors of the economy (Reinsberg et al., 2019). Examples of structural conditions include some civil service reform programmes (such as freezing recruitment and wages), elimination of state subsidies and price guarantees, and privatization of state-owned agencies. Stabilization conditions, on the other hand, involves the setting of broad

targets on macroeconomic variables like external debt, growth of domestic credit, fiscal balance, real domestic interest rate, taxation, and inflation rates (Khan and Knight, 1985; Reinsberg et al., 2019). According to Reinsberg et al., (2019), structural conditions usually affect bureaucratic quality than stabilization conditions since they tend to focus on working conditions, salaries, recruitment policies, social securities, and other benefits enjoyed by public servants. Inversely, stabilization conditions do not necessarily warrant governments to enact particular reforms nor change the ways in which they carry out their functions; they leave states with some discretion in the achievement of the policy objectives (Tanzi 1998; Reinsberg et al., 2019).

To ensure that borrowing countries comply with the loan conditionality, the IMF often disburse funds in installments, based on demonstrable policy actions, through periodic reviews by the IMF executive board. These reviews, among other things, are also intended to assess whether the lending programmes are on track and whether they need adjustment in light of new developments (IMF, 2019b).

2.4.1 Objectives of IMF Conditionality

Dreher (2009) outlined five major objectives of IMF conditionality. These are namely:

- **To serve as a commitment tool:** The major purpose of IMF conditionality is to provide credibility on the part of the borrowing countries toward the implementation of the reforms. It is often held that if conditionality is not attached to loan arrangements, country authorities may not have the incentive to comply with reforms. To mitigate this problem, conditionality is used as tools that allow recipient governments to commit to the implementation of the reforms, which will consequently allow for efficient economic restoration. Even in circumstances

where policies preferred by recipient governments are similar to those preferred by the IMF, conditionality make it more difficult for the former to change the policies in the future.

- **To induce governments to pursue policies they would not have chosen if not for the aid (bribery):** For the IMF, bribing governments to pursue certain policies is necessary to prevent attempts by some borrowing countries to further their courses at the expense of other borrowers. This is also done to safeguard the resources of the Fund. According to Khan and Sharma (2001, p.3), the IMF “is a lender that has to have assurances that it will be repaid, and this requires placing conditions on its loans”. It is also alleged that some of the IMF’s conditionality are enforced by their stakeholders (usually wealthy nations) who hide behind the name of the Fund to impose conditions that may be difficult to demand on a bilateral basis (Dreher & Jensen, 2007). Even though this assertion has been contested on several occasions, the IMF itself agrees that beyond helping nations to correct macroeconomic and structural imbalances, conditions are imposed to ensure that the loans are repaid (IMF, 2019b).
- **To signal the type of the recipient country’s government:** To ensure effective utilization of its resources, the IMF prefers lending to nations with a track record of competent leadership and good policies. However, due to information asymmetry, there is a potential for adverse selection. Conditionality are therefore used to test the type of borrowing country’s government: that is, whether they prioritize good governance or not. It also signals the government’s type to other lenders.

- **To restrict the way aid is spent:** Most often, the IMF's preferences in the use of the loan in improving recipients' macroeconomic and structural imbalances are different from that of the recipient governments. To ensure that the funds are used under their preferences, the IMF imposes conditionality.
- **To address the problem of moral hazard:** Moral hazard occurs when the provision of insurance creates the incentive for the insurant to make decisions that increase the possibility of bad outcomes. IMF lending (according to Vaubel, 1983) may be described as subsidized income insurance. This insurance may induce recipient governments to take fewer precautions against its wastage, while some may intentionally generate crises. To ensure that their funds are not abused, the IMF imposes conditionality.

2.5 Ghana and the IMF: From Historical to Contemporary Perspective

Ghana has been taunted as one of IMF's hub of success stories in sub-Saharan Africa. The nation became a member of the IMF on September 20, 1957, and its official transaction with the Fund began in 1965 under the leadership of Ghana's first president, Dr. Kwame Nkrumah. Having successfully gained political independence for Ghana, the Nkrumah government was determined to show the world that indeed, "the black man is capable of managing his own affairs" (excerpts from his independence speech on the 6th March 1957). For the Nkrumah government, the appropriate development strategy to alleviate Ghanaians from the "rut of impoverishment" was massive industrialization through the adoption of a socialist society, where the state controls all key aspects of the economy (Nkrumah, 1963, p.167). Moreover, given the struggle in the attainment of independence, the Nkrumah

government was “determined not to sacrifice the country’s economic independence at the alters of any IFI (including the IMF)” (Akonor, 2006, p.18).

Nkrumah’s development strategy, however, turned out to be the genesis of the country’s economic problems after independence. Despite the drastic fall in the world price of cocoa (which was Ghana’s major export) after independence, the Nkrumah government seemed not to have rationalized or controlled its spending, resulting in a massive budget deficit, negative net foreign reserves, and acute balance of payment problems (Akonor, 2006).

Alarmed by the rapid deterioration of the Ghanaian economy, the IMF (in 1964) sent its Executive board to Ghana with the mission to advise the government to drastically reduce its expenditure. The Nkrumah government turned a deaf ear to the Fund until May 1965 when the economic situation of the country worsened. In the face of the deteriorating economic conditions, the Nkrumah government consulted the Fund for financial assistance. Some of the conditionality attached to the loan included limiting government expenditure to non-inflationary borrowing, a temporary halt on new projects that are financed by suppliers’ credit, and the removal of government subsidies for state enterprises (Hutchful, 1987 cited in Akonor, 2006). The Nkrumah government, however, did not implement most of the policies in the loan agreement due to political and ideological reasons (Akonor, 2006). As a result, the economy continued to deteriorate, resulting in a fall in living standards which led to the overthrow of the Nkrumah government in February 1966 by the National Liberation Council (NLC) administration, under the leadership of Lieutenant General Joseph Arthur Ankrah (ActionAid Ghana, 2010).

Since then, successive governments (such as the General Ankrah government, the General Akuffo government, the Limann government, the Rawlings government, the Kufour government, the Attah-Mills government, the Mahama government, and the Akuffo-Addo government) have entered into several loan agreements with the IMF, and currently, Ghana has had seventeen (17) loan arrangements with the Fund since membership (with the latest loan arrangement signed in April 2020).

Some of the recurrent conditionality attached to these loan arrangements were large-scale retrenchment in the public sector, reduction in bank credits to both the public and private sectors, devaluation of the national currency, freeze on public sector recruitment (with exception of the Health and Education sectors), wage freezes and restraints, consolidation of non-wage benefits, scrap on Cost of Living allowances, divestiture of state-owned enterprises, reduction in staff levels, and removal of subsidies on electricity, water, and other utilities.

In a recent publication by the IMF on the outcomes of the 2015 loan programme titled, *“Ghana: IMF Program Helps Restore Luster to a Rising Star in Africa,”* the Fund averred that the loan arrangement has led to a reduction in trade and budget deficits, increased economic growth, reduced inflation, ensured the provision of more social services like the free secondary education, higher incomes, better job opportunities, and more purchasing power (IMF, 2019d). Truly, several assessments on the effect of IMF loan conditionality suggests that at best, IMF’s aids and conditionality have led to the stabilization and economic growth in Ghana, but at the same time, it has also resulted in socio-economic hardships, political instability and a huge manpower deficit in some public organizations (Goldsbrough, 2007; ActionAid, 2010).

2.6 Civil Service Reforms (CSRs)

The IMF, in the popular mind, is known for the lending activities it undertakes to bailout member countries battling with financial crises. However, the Fund also undertakes several other activities, one of which is CSRs. These are reforms in areas such as remuneration, human resources, downsizing, and operational efficiencies (Repucci, 2012). The IMF contends that CSR programmes are not only necessary in enhancing government effectiveness but also ensuring macroeconomic stability and sustainability.

2.6.1 Rationale for CSRs

CSRs became a prominent target of the structural adjustment programmes supported by IFIs like the IMF from the 1980s; as thoughts on the reduced role of state bureaucracies in fostering economic growth became a major issue of concern. Several empirical studies on the public sector (at the time) provided broad outlines of the problems facing civil service organisations in developing countries. The major problem has been with the excessively large size of civil service workers, coupled with other problems like bloated bureaucracies, compressed salary structures, overlapping jobs, high cost of running the civil service (in the sense that public sector wage bill in many developing countries constituted a very high percentage of total government expenditure and GDP), low skilled workers, and low effectiveness of government agencies (Lienert & Modi, 1997; Klitgaard, 1997, Lindauer & Nunberg, 1994; Nunberg, 1994; Forni & Novta 2014; Rickard & Caraway, 2019).

The rapid increase of civil service workers in most developing countries from the 1980s has been attributed to several factors. First, governments were largely involved in economic development and important state functions especially in investment and commercial activities - which precipitated the need for a large civil service (Rama, 1999).

Second is an unclear definition of the workers who constitute the civil service (Lienert & Modi, 1997). Thirdly, the state was the employer of last resort (Lindauer and Nunberg, 1994). Lastly, governments were known to reward their staunch followers and supporters with civil service positions (Lienert & Modi, 1997). Given the large size of civil services, governments were unable to effectively manage, resource, and finance their civil services, which consequentially affected staff quality. More precisely, it resulted in staff demotivation, increased absenteeism, drastic decline in work effort, difficulties in attracting, recruiting and retaining competent staff, and staff involvement in counterproductive behaviours such as bribery and moonlighting (De Morode & Thomas, 1994; Klitgaard, 1997).

Given the magnitude and complexity of the problems, several governments sought the assistance of IFIs like the IMF and the World Bank (known as the Bretton Woods Institutions), who have over the years devised several comprehensive strategies to reform civil services – which usually came as conditionality attached to their lending programmes. The strategies by the Bretton Woods institutions meant to tackle the long age malady of civil services were aimed at solving four key problems: excessive government wage bills, overstaffed civil services, salary erosion, and wage compression (Nunberg 1994). To achieve these wide targets, the Bretton Woods institutions adopted several CSR programmes, which have been categorized into three phases: first-generation reforms, second-generation reforms, and third-generation reforms. Below are the descriptions of each phase of CSRs.

2.6.1.1 First-Generation Reforms

First-generation reforms that started in the 1980s and ended in the early 1990s were principally aimed at helping governments achieve macroeconomic stability. Reforms under this category targeted the reduction of government wage bills towards ensuring fiscal discipline through cost reduction and containment mechanisms. Specifically, these reforms focused on the removal of ghost names from government payrolls, diversification of non-core operations, freezing of public sector employment or redeploying staff to priority sectors, ensuring that changes in salaries do not offset macroeconomic stability, retrenching redundant staff, and adopting measures to control other personnel-based expenditures (Lienert & Modi 1997; Nunberg 1997; Lienert 1998). The outcomes of first-generation reforms were encouraging on one hand and discouraging on the other. That is to say, the reforms were successful in reducing the size of civil service workers. Nevertheless, they resulted in deteriorating the quality of the remaining civil service servants and created strong incentives for employees to engage in counterproductive behaviours like absenteeism, moonlighting, and low performance. As argued by Lienert and Modi (1997), the continuing erosion of public sector wages relative to private-sector salaries (as a result of first-generation reforms) led to an outflow of skilled staff while lowering the efficiency and motivation of those remaining. This observation was supported by Owusu (2012) who also remarked that first-generation reforms ignored the important role of staff motivation in achieving organizational efficiency. Haque and Aziz (1998, p.201) also argued that first-generation reforms were too centered on the containment of fiscal pressure and less on “issues of ensuring a more responsive public administration based on quality performance”. Other challenges of the first-generation reforms were ascribed to the lack of national ownership and commitment to the reforms (Ayee, 2015).

These challenges provided the drive for the introduction of the second phase of reforms – second-generation reforms.

2.6.1.2 Second-Generation Reforms

Second-generation reforms (from the late 1990s to early 2000) attempted to shift the focus from quantity to capacity building in order to improve efficiency and boost economic growth. Even though they did not exclude the need for further reduction in the size of public sector workers, their attention was on ensuring quality and making public sector employment attractive. The key interventions included ensuring effective performance management practices, levelling private and public sector wage differentials, the addition of non-wage benefits, enhancing staff skills through training, and enhancing personnel management policies such that merit and innovations are rewarded (Lienert & Modi 1997). Despite these interventions, there were still traces of ineffectiveness and a decline in service delivery among civil service employees. One of the major shortfalls of second-generation reforms was that it failed to adequately deal with the pay and incentive problems in civil services (Ayee 2015). Another equally important limitation of the second-generation reforms was their over-reliance on the “one-size-fits-all” approach, without regard to the country-specific administrative factors across countries (Owusu, 2012). Consequently, service delivery in civil services continued to fall in most countries, while employee morale and discipline waned, and there was a rise in the acceptance of illicit forms of income like bribery and corruption. These challenges were the rationale behind the third-generation reforms.

2.6.1.3 Third-Generation Reforms

The last set of reforms is the third-generation reforms, which began from the late 1990s to date. These reforms also attempted to shift the focus from macroeconomic stability to an all-inclusive development of the social, economic, and political aspects of nations. Anchored on the paradigm of New Public Management (NPM), reforms under this category are aimed at improving service delivery among civil service employees by importing private-sector management practices into the public sector (McCourt, 2008; Ayee, 2015). The major elements of third-generation reforms are the introduction of administrative devolution against political decentralization, inducing customer orientation into the public service, improving human resource management practices, and a shift to market economics through competition and contracting (McCourt 2008). These reforms attempt to turn public service organizations into becoming more efficient, accountable, and outcome-based organizations. They are also aimed at making civil services more responsive and effective. Although third-generation reforms are ongoing, there is little evidence on its transformation of civil services, particularly in Africa. Available studies have shown that third-generation reforms have still not helped matters, as public sectors continue to face their long-age problems of inefficiency and poor management due to the ‘one-size-fits-all’ approach and unrealistic assumptions of the third-generation reforms (Ayee, 2015). The search is still on for alternative approaches to address the time-worn issues of civil services, particularly in developing countries.

2.7 Major Instruments of CSRs

In order to achieve the objectives of CSRs, the IMF has over the years employed two technical tools: Employment reduction tools (such as removal of ghost names from government payrolls, retirement strategies, retrenchment, suspending automatic

advancement, and freeze on recruitment); and Pay structure rationalization measures (e.g. wage freeze, limiting automatic increments, and consolidating non–wage benefits into salaries). Below is a brief description of some of the instruments used by the IMF to reform civil services (particularly in developing countries). While some of the instruments have been obviated from the Bretton Woods Institutions’ supported programmes in recent times (such as retirement strategies), others are still being used.

2.7.1 Removal of Ghost Workers

The removal of ghost names or faceless workers from government payrolls is one of the least politically sensitive approaches used by the IMF in reforming civil services across nations. Ghost names consist of retired civil servants who continue to receive their wages in addition to their pension usually due to acts of fraud or miscommunication between functional units responsible for government payrolls. It also comprises active civil servants who draw salaries from two sources: their real pay and the other for a ghost. It also includes fictitious acts of withdrawing salaries for allegedly employed staff by government agencies (Nunberg, 1994). One major ramification of the existence of ghost names in public payrolls is that it depletes the public purse and diverts the government’s resources from developmental efforts to paying unknown workers. The major purpose, therefore, of this reform instrument is to discern the true number and structure of government workers through a census. This civil service reform tool has proved to be a useful device in reforming civil services in various countries as it has led to the discovery of falsified files, identification and elimination of ghost workers, and the provision of vital information for the enforcement of employment laws like the statutory retirement age (Lienert & Modi, 1997). Eliminating ghost workers also help governments to generate savings without degrading service delivery (IMF, 2016a).

2.7.2 Retirement Strategies

Another instrument used to cut-down the payroll of governments is retirement strategies. These strategies have over the years been carried out in three forms: enforcing retirement rules, lowering the retirement age, and voluntary early retirement. The first strategy involves the strict enforcement of retirement on civil servants immediately they reach the mandatory retirement age without contract extensions. Guinea, for instance, is known to have enforced retirement at age 55 during 1985, which affected 4,090 employees (Nunberg, 1994). The second strategy (i.e. lowering of retirement age) is the reduction in the statutory retirement age or a decrease in the length of service for civil servants. The last strategy (i.e. voluntary retirement) involves the use of attractive severance packages to induce civil servants within a few years of nominal retirement age to quit the service. The severance packages usually include financial and in-kind benefits, often based on the employees' length of service and age. In some countries, employees who voluntarily retired enjoyed additional benefits such as free training, loans to start small businesses, and employment counselling (Lienert & Modi, 1997). The drawback, however, of these retirement strategies is the potential of losing competent and experienced staff. It also demands large sum of money (particularly, voluntary retirement).

2.7.3 Retrenchment

Retrenchment is the politically most difficult measure used by the IMF to reduce government employment. It involves the lay-off or dismissal of non-performing and sometimes well-performing civil servants. Structural adjustment programmes involving retrenchment have received various degrees of resistance from governments, especially in developing countries. These governments tend to be averse to retrenchment due to five (5) main reasons: the role of governments as the employer of last resort; the existence of weak

private sectors to absorb retrenched workers; clientelism and reward for political patronage through appointment to public post; the fear of social upheaval; and the political risk involved (Nunberg, 1994; Lienert & Modi, 1997). Governments have therefore shown great reluctance to implementing retrenchment in their civil services, often adopting them as last resort options.

2.7.4 Suspension of Automatic Advancement

Another instrument used in civil service reforms is the suspension of automatic advancement in pay and ranks. In such cases, employees who are due for an automatic rise in salaries and positions are denied these privileges for some time. To mitigate the negative effect of this reform instrument on the motivation of civil servants, some countries (like Burkina Faso) offered promotions on a selective basis (to best-performing workers) rather than automatic advancement for all workers (Nunberg, 1994).

2.7.5 Freezing Recruitment

Freezing recruitment in the public service is one of the widely used tools by the Fund to help countries reform their civil services while reducing government wage bills. This is where governments are advised to halt the process of hiring and onboarding new employees into the public sector. It comprises the elimination of guaranteed entry rights into the civil service by school graduates, abolishing the creation of new positions, and a net-freeze on employment in all public services. In most cases, however, some exemptions are made; such as the non-inclusion of priority sectors (usually the education and health sectors) and the replacement of departing public servants (i.e. vacancies created by staff who either go on retirement, resign or die). But in situations where wage bills have grown beyond control, recruitment into all public sector organizations (including the priority

sectors) are halted (as in the case of Madagascar in 1992–1993) and there is non-replacement of departing employees in overstuffed departments (as in the case of Ghana in 2015). Even though on the surface, freezing hiring seems like an immediate tool to reduce government expenses, however, it has long-term implications. One is that it denies governments from boosting their human resources with fresh skills and knowledge. Secondly, it causes uncertainty among aspiring civil service candidates (i.e., students). Another implication is that it can lead to the disruption of public properties (such as occurred in Cote d' Ivoire during strike actions by students due to a freeze on recruitment) (Nunberg, 1994).

2.7.6 Wage Freezes/Restraints

Wage freeze is the temporary suspension of regular general wage increment or reduction of wages below the inflation rate to ensure that real wages fall (Lienert & Modi 1997). Wage restraint, on the other hand, is the reduction of the rate of increase in the wages of public servants. Wage freezes/restraints are often complemented with the reduction in workers' allowances and overtime pay. A practical example of these reform instruments is the freeze on public sector salary in Ghana as a conditionality in the 2015/2019 IMF-supported programme. As a first-generation CSR tool, wage freezes/restraints have facilitated the reduction of government wage bills especially in countries with very high wage bills. Nonetheless, it has also siphoned quality workers from civil services in several countries. Other critics have also argued that wage freezes/restraints may lead to wage explosion in the future and may also accentuate salary compression (Lienert & Modi 1997). But compared to other employment reducing tools (such as retrenchment and freezing recruitment), wage freezes/restraints appear to be politically less costly.

2.7.7 Limiting Automatic Increment

Limiting an automatic increment in salaries is another important pay structure rationalization strategy for managing large government wage bills. It is the termination of automatic pay increments that are due to promotions and length of service. Lienert and Modi (1997) discussed the demerits of automatic pay increments, noting that it does not only exert a huge burden on government wage bills but has the propensity of lowering the morale of high-performing civil servants and encouraging slack work ethics. Limiting automatic increment, therefore, makes it possible to manage the growth of government wage bills and creates the opportunity for merit-based pay increment for well-performing workers rather than automatic increments.

2.8.8 Monetising non-wage Benefits

Prior to CSRs, non-wage benefits for civil servants formed a significant component of government wage bill in most sub-Saharan African countries (Nunberg, 1994). They included subsidized housing and transportation benefits, education and medical allowances, food rations, and generous stipends for official travels. Though non-wage benefits partially served as motivational tools for civil servants, they were fraught with several problems (Lienert & Modi 1997). One major problem was inequity, in the sense that they were given to only a handful of senior civil servants (usually to those based at Ministry headquarters) and they were often untaxed. Another problem identified was its nature of abuse by civil servants (for example, using government vehicle for private purposes). Other problems included insufficient budgetary by governments, inaccuracy of the monetary values of non-wage benefits, and multiplicity of benefits. Given these problems, the IMF and other IFIs occasionally advise governments of member states to

consolidate their civil service non-wage benefits into a simplified compensation structure, while eliminating or abolishing some of them.

2.8 The Effect of IMF Loan Conditionality on Bureaucratic Quality

After so many decades of research, no consensus exists among scholars concerning the effect of IMF loan conditionality on borrowing countries (Rickard & Caraway, 2019, p.35). According to Askarov and Doucouliagos (2013, p.603), there are two schools of thought concerning the effect of aid conditionality: “the aid optimists and the aid pessimists”. While the aid optimists maintain that donor conditionality help foster good governance and institutional quality in recipient countries (e.g. Brautigam & Knack, 2004; Knack 2004; Chauvet & Collier, 2006), the aid pessimists, on the other hand, stress that donor conditionality have a zero or even a deleterious effect on the quality of institutions in recipient countries. Donor conditionality, says the aid pessimists, can undermine institutional quality, encourage rent-seeking, and create moral hazard problems (see Knack, 2001; Easterly, 2006; Ear, 2007; Moyo, 2009). Concerning the effect of IMF loan conditionality on bureaucratic quality also, there are two schools of thought in the literature: the optimists’ view and the pessimists’ view. The following paragraphs examine how IMF loan conditionality can affect civil service bureaucratic quality from the lenses of the optimists and the pessimists.

According to the optimists, loan conditionality from the Fund helps recipient governments to reduce and manage their large wage bills, and to also address pressing problems in their civil services, such as overstaffing, political patronage, compressed wage scales, the existence of ghost workers, and ineffective promotion, transfer, employment, and redundancy procedures (Verhoeven & Segura, 2007; Fedelino et al., 2006). To them,

although conditionality from the Fund may be austere in nature, they are required to restructure civil service systems and to effectively redeploy resources to finance other equally important activities, such as recruiting new skills, training existing staff, and acquiring new technology to boost service delivery. Government compensation and employment policies are central to effective public service delivery, which is vital for the sound functioning of economies and the overall prosperity of societies. As explained succinctly by the Fund:

High employment or compensation [i.e. high government wage bill] levels can result in insufficient spending on non-wage inputs such as teaching aids and drugs; impede the hiring of new staff with different skills and the retraining of existing staff; or crowd out other key inputs such as the adoption of work practices or new technology (IMF, 2016a, p.19).

In a study conducted by the UNECA on '*Innovations and Best Practices in Public Sector Reforms: The Case of Civil Service in Ghana, Kenya, Nigeria, and South Africa*' (2010), it was revealed that CSRs (from donor conditionality, including those from the IMF) has helped in reducing bloated civil services, lowering governments' wage bills, sanitizing human resource and fiscal management systems, and improving performance monitoring systems. They also pointed out that these reforms have aided the reorganizations and the privatization of services poorly performed by government agencies, facilitated governance improvement programmes like deconcentrating and decentralization, curtailed unsustainable practices like the use of the civil service as the employer of last resort, and improvement in the release of substantial inputs (especially human resources and equipment) for tackling civil service problems. As seen from the above, the optimists see loan conditionality as essential to building quality civil services.

A second group of scholars, the pessimists, have also underscored how some loan conditionality from the Fund has had adverse effect on bureaucratic quality, especially in developing countries. These scholars argue that although loan conditionality can help governments to save money in the short term, its long-term implication on civil service bureaucratic quality can be inimical. The following paragraphs explain the pessimists' view on the effect of IMF loan conditionality on bureaucratic quality.

2.8.1 The Effect on Merit-based Recruitment

Merit-based recruitment is a key feature of the Weberian model. It is the appointment of personnel to office solely based on technical qualifications, which is tested by examination or certified prove of technical training (Weber, 1978). General belief suggests that meritocratic recruitment does not only lead to better bureaucratic performance but also populate organisations with more competent and experienced personnel (Rauch & Evans 1999; IMF, 2016a; Sigman, Mechkova, Schuster, Meyer-Sahling, & Mikkelsen, 2017).

All over the world, two types of recruitment practices (but not mutually exclusive types) have been identified as the best approaches to ensuring merit-based recruitment practices in civil service systems: the mandarin system and the open recruitment system (WB, 1997; IMF, 2016a). A mandarin system is a hierarchical system where entry is limited to highly qualified candidates through a highly competitive and rigorous entrance requirements (usually through competitive examinations and interviews). Open recruitment, on the other hand, is a recruitment process that gives organisations greater flexibility to find candidates with requisite skills including hard-to-find technical skills through job advertisements. Both the mandarin and open recruitment systems provide a more market-driven civil service system, mitigates insularity in the civil service by bringing in staff with new ideas

and fresh perspectives, makes civil service positions prestigious, and motivates good performance (WB, 1997; IMF, 2016a).

Studies have shown that, some structural conditionality from the IMF, such as the persistent freeze of public sector recruitment, distorts and impedes effective recruitment processes of recipient governments. One study that revealed this fact was the work done by Reinsberg et al., (2019). The authors examined the impact of IMF conditionality on bureaucratic quality in developing countries using a new dataset on IMF conditionality from 1985-2014. The analysis, based on the PRSG's index of bureaucratic quality, showed that structural conditions (especially conditions on public sector employment, privatization, and price deregulation) from the Fund reduced bureaucratic quality (which includes merit-based recruitment) in developing countries. Appiah and Abdulai (2017b) also argued that the numerous donor-sponsored PSRs in Ghana, particularly the net-freeze on annual centralised recruitment into the public service (attached to IMF loan conditionality), have not focused on improving merit-based recruitment, but has rather distorted the mandarin system of centralised recruitment into the public service (except in the education and health sectors).

Whenever there is a freeze on recruitment, most public sector organisations mainly rely on retirements or voluntary exits to obtain new staff (also known as attrition-based employment). Such attrition-based measures, apart from distorting the mandarin system of centralised recruitment, also threatens service delivery and affects future capacity in terms of experience and succession planning (IMF, 2016a). Other scholars (e.g. Adamolekun, 2007; Rickard & Caraway, 2019) have also argued that given the political costs of cutting public sector wage bills through conditionality, some governments use the

‘revolving door’ or the ‘back door’ to fill civil service positions. The back door means the absence of tough standards (or merit-based mechanisms) to winnow the more competent from less competent applicants.

2.8.2 The Effect on Personnel Promotion

Promotion of bureaucrats is an essential feature of the Weberian model of bureaucracy. It is the career progression of bureaucrats in the form of enhancement of responsibility and rank, as well as improved compensation packages, based on seniority or achievement. Apart from ensuring that experience employees are given higher responsibilities, personnel promotion also motivates workers to render better services, just as a delayed promotion can demotivate them (Nguyen, Dang, & Nguyen, 2015). As noted by Milgrom and Roberts (1992, p.364), “promotions serve two roles in an organization. First, they help assign people to the roles where they can best contribute to the organisation's performance. Second, promotions serve as incentives and rewards.”

Most often, loan conditionality from the IMF, particularly overall wage ceilings, affects personnel promotion in the civil service. This is because promotion in most civil services leads to a considerable increment in staff wages and compensation packages. Therefore, placing a ceiling on how far a government can spend in terms of wages is likely to affect the rule-based promotion in the civil service, resulting in delayed promotion. Although empirical literature on the effect of IMF conditionality on staff promotion appears to be scarce, relevant studies closely related to the effect of IMF conditionality on the public sector have shown that pressure from the IMF on borrowing governments to drastically cut-down public sector expenditure often tends out to negatively affect public sector

entitlements and working conditions (see Reinsberg et al., 2019). Promotion is one of the entitlements enjoyed by civil servants.

2.8.3 The Effect on Personnel Remuneration

Building a prestigious and attractive civil service undeniably requires merit-based recruitment and promotion of civil servants. But prestige alone will not make up the difference if civil servants are not well remunerated. Many studies on building quality civil services have consistently emphasized the importance of sufficient pay or competitive pay (e.g., Klitgaard, 1997; Raadschelders et al., 2007; Kettl, 2012; Meyer Sahling et al., 2018). According to Weber (1978, p.222), payment of salaries and other bonuses to officials in return for their performance, even though not very essential to the concept of bureaucracy, “is the arrangement which best fits the pure type”. The WB (1997, p.9) also reiterated the essential role of ‘adequate compensation’ in motivating civil servants to perform effectively in a rapidly changing world. In a study by Rijckeghem and Weden (1997) on whether low wages in the civil service causes corruption from a sample of twenty-five (25) developing countries, it was found that civil service wages are highly correlated with measures of ‘rule of law’ and ‘quality of bureaucracy’.

While adequate remuneration is considered a necessary factor for the motivation of civil servants, some conditionality from the Fund (particularly, pay rationalization reforms such as wage freeze and restraints, limiting automatic increments, and consolidating non–wage benefits into salaries, and removal of some allowances enjoyed by civil servants) often clashes with the aim of adequately compensating public servants. In a study of public sector reforms in some African countries, Kjaer (2004) highlighted the enormous influence of IMF-supported structural adjustment programmes on pay reforms in Africa. She argued

that demands from donors (especially the Fund) places recipient governments in an “impossible situation” where “they find it very difficult to increase the pay of public servants” (p. 395).

Although controlling/reducing government wage bill is necessary to help nations avoid inflationary pressure and balance of payment problems (as often emphasized by the Fund), it is often detrimental to civil service bureaucratic quality since it does not only siphon quality and competent staff from the service but creates strong incentives for the remaining employees to engage in counterproductive behaviours like absenteeism, corruption, moonlighting and low performance (Lienert & Modi 1997; Kjaer, 2004; Owusu 2015; Reinsberg et al., 2019). Ironically, the IMF accepts the fact that the prolonged use of wage freezes and restraints disrupts rule-based wage adjustment mechanisms and the structure of compensation in the public sector. They also acknowledge that the use of such conditionality affects morale, undermine the attractiveness of government employment, and induce disruptive departures of skilled government employees (see IMF, 2016a). Although low salary and compensation levels of civil services may be attributed to poor-performing economies and limited national resources, there is enough evidence to show that loan conditionality from IFIs such as the IMF, also affects the adequacy of remuneration of public service workers (see Akonor, 2006; Rickard & Caraway, 2018; Brunswijck, 2018; ActionAid International, 2020).

2.8.4 The Effect on the Availability of Competent Personnel

IMF conditionality have also been found to have a debilitating effect on the availability of competent personnel in the civil service, which tends to harm effective service delivery. Using Ghana as an example, in September 2014, under an IMF advise to freeze recruitment

in the public sector, the country's prestigious newspaper (Daily Graphic) issued a report (titled '*Job freeze hits public sector hard; About 200 posts vacant*') to describe how the freeze has caused severe manpower deficit in some government agencies, consequently affecting quality service delivery. According to the report, most government agencies were understaffed due to vacancies created by staff who had either gone on retirement, resigned, or died. Most of the agencies cited in the report claimed they were seeking financial clearance from the Ministry of Finance (MoF) to replace outgone staff (both technical and auxiliary) but were unsuccessful due to the moratorium. In one agency, it was reported that there were only two employed staff out of the 250 required to effectively perform operations across the country. This issue was further raised in the *2014 State of the Public Service Report of Ghana*, where over 250 job vacancies (comprising chief directors, assistant chief director, financial and audit officers, administrative officers, etc.) were announced. The report further revealed a short supply of professional skills (e.g. researchers, scientists, engineers, and lawyers). The major reasons cited for the lack of the required human capacity was the freeze on recruitment and delay in obtaining financial clearance (Public Services Commission [PSC], 2015). In the following year's report, a total of 2,140 unfilled staff vacancies were recorded, and the major reason cited for the inability to fill these vacancies was the freeze on recruitment (PSC, 2016). Surprisingly, the sectors that were said to have been exempted from the conditionality (i.e. the health and education sectors) also experienced severe manpower deficit which affected effective service delivery (see ActionAid Ghana, 2010). The negative effect of the unavailability of competent employees in the public sector has been low productivity, high workload, poor client service, staff agitation and dissatisfaction, deteriorated staff health, and distortion of work (PSC, 2014, 2015; Mustapha, 2014).

For donors like the IMF, the argument has always been that civil services in Africa are overstuffed and too unproductive. Yet, this fact, according to Crook (2010) is contradicted daily by the reality on the ground. The UNECA (2010, p.47), in their study on PSRs in Africa, also avowed that most CSRs in the continent were based on poor diagnosis and wrong prescriptions from donors, as the claim “that African civil services are over-bloated is a fact that cannot be empirically established for the totality of the African civil service profile”. In fact, several studies have shown that contrary to the views of donors, some civil services in Africa are understaffed and lack skilled professionals and technicians in critical areas (see Crook, 2010; African Development Bank [AfDB], 2005; Olowu, 2003). Given these, can the IMF's argument of overstuffed workers in Ghana's public service as the justification for constantly imposing a freeze on Ghana's public sector recruitment stand the test of scrutiny on the ground?

2.9 Conclusion

This chapter has reviewed the literature on the effect of IMF loan conditionality on bureaucratic quality. Anchored on Max Weber's theory of bureaucracy, the chapter critically examined literature on concept of bureaucratic quality, the IMF and its conditionality, Ghana's relationship with the Fund, CSRs and its instruments, and finally, the optimists' and pessimists' view on the effect of IMF conditionality on bureaucratic quality. From the chapter, it is evident that no scholarly consensus exists concerning the effect of IMF conditionality on civil service bureaucratic quality. However, several empirical shreds of evidence suggest that overemphasizing on cutting government wage bills (through conditionality), without considering its adverse effect on bureaucratic quality, could plunge developing nations into severe problems and affect quality human resource practices and retention of competent workers in civil services.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter explains the methodology that was adopted by the researcher to achieve the objectives of the study. It gives a vivid explanation of the research paradigm, research design, unit of analysis, study area, research population, sample size and sampling method, sources of data, data collection technique, ethical considerations, data analysis procedure, and the limitations of the study.

3.1 Research Paradigm

Every piece of research is underpinned by some fundamental philosophical assumptions that determine the appropriate research method(s) for the development of knowledge in a given study (Antwi & Hamza, 2015). These fundamental philosophical assumptions are generally known as research paradigms. They denote the researcher's worldview – his/her philosophical orientation or abstract belief that informs his/her interpretation of the research data (Creswell, 2014). According to Morgan (2007, p.49), research paradigms are “systems of beliefs and practices that influence how researchers select both the questions they study and methods that they use to study them.” Research paradigms help provide beliefs for scholars in a particular discipline, which influences what exactly should be studied, how it should be studied, and how the results are interpreted (Kivunja & Kuyini, 2017).

This study was guided by the interpretive paradigm or worldview. This paradigm of research accesses a given or socially constructed reality through social constructions, such

as shared meanings, consciousness, and languages (Scotland, 2012; Günbayi & Sorm, 2018). According to Goldkuhl (2012), the key tenet of the interpretive paradigm is to understand the subjective meaning of people in the studied domain. It is hence underpinned by two key concepts: observation and interpretation – that is, to observe to gather relevant information of events and finally interpret the information by drawing inferences. It is based on the knowledge of study participants, or as Kivunja and Kuyini (2017, p.33) put it, the interpretive paradigm tries to “get into the head of the subjects being studied” with the aim of understanding and interpreting what they are thinking or the meaning they make of the context. The interpretivists make every effort to understand situations from the viewpoints of the subjects rather than the observer. Since their interest is in accessing socially constructed reality, interpretivists often rely on oriented methodologies, such as participant observation and interviewing (or simply put, the qualitative assumptions) to better explain the subjective reasons and meanings behind social actions (Lukenchuk & Kolich, 2013).

The interpretive paradigm was of great importance to the study as it enabled the researcher to gain deeper insights into how IMF conditionality affects bureaucratic quality by gathering information from key informants in Ghana’s Civil Service and interpreting their valuable viewpoints on the topic. By way of interpretivism, this study employed descriptive and interpretive methods of analysis through face-to-face interviews and the review of relevant secondary data to describe how IMF loan conditionality has affected bureaucratic quality in Ghana’s Civil Service.

3.2 Research Design

A research design is defined as “the logic that links the data to be collected and the conclusions to be drawn to the initial questions of a study; it is an action plan for getting from the questions to conclusions (Rowley, 2002, p.18). This study adopted an exploratory research design to explore the effect of IMF conditionality on civil service bureaucratic quality in Ghana. According to Dudovsky (2011), a study is considered exploratory when it investigates an issue that has not been clearly defined. It aims to discover new ideas or something of importance about the topic under study (Stebbins, 2001). An exploratory study, therefore, enables the researcher to gain more insights and a better understanding of the phenomenon that will serve as a basis for future studies. The choice for this design was because it helped the researcher to unravel a phenomenon of which no known study has been done in Ghana. An exploratory research design, thus, enabled the researcher to adopt qualitative methods to understand all issues about the effect of IMF loan conditionality on civil service bureaucratic quality in Ghana.

3.3 Research Approach

Influenced by the interpretive worldview, this study adopted the qualitative design as its research approach. The qualitative research approach is where a researcher uses words and observations to express reality and describe people in their natural settings (Amaratunga, Baldry, Sarshar, & Newton, 2012). It analyses data from written documents, direct fieldwork observations, and open-ended interviews (Patton, 2005). Qualitative research makes an effort to understand situations in their uniqueness. According to Amaratunga et al. (2012), one of the strengths of qualitative research design is that it provides vivid, fact-based, and rich descriptions of situations nested in a real-life context.

This present study largely adopted the qualitative approach to gain an in-depth understanding of how IMF conditionality from has affected bureaucratic quality in Ghana's Civil Service from the perspectives of key participants, including directors at the Office of Head of Civil Service (OHCS) and directors of the various ministries through a semi-structured interview guide. It offered the researcher the opportunity to acquire a deeper understanding of the situations in their uniqueness from the viewpoints of relevant participants. Through written documents (particularly IMF country reports on Ghana and Civil Service Annual Performance Reports) and semi-structured interviews with key participants, the researcher was able to gain a deep and detailed understanding of the nature of IMF loan conditionality for the Civil Service, the effect of the loan conditionality on merit-based recruitment and personnel promotion in the Service, and its effect on the availability of competent personnel in the Service. There was also a descriptive analysis of the staff strength of selected MDAs. The data was collected from the Controller and Accountant General Department (CAGD). The data permitted the researcher to describe the fall or rise (or both) of staff strength of various MDAs over the period of IMF loan conditionality.

3.4 Unit of Analysis

One of the most vital elements in any research endeavor is a clearly defined unit of analysis. It is "the entity that is being analyzed in scientific research" (Dolma, 2010, p.169). It explains the 'what' and 'who' is being studied in the research (Baxter & Jack, 2008; Kumar, 2018). Determining the unit of analysis in any research has, however, been a challenge for many researchers since there is no pat answer for the exact unit of analysis of any study (Dolma, 2010). It may include the groups of individuals that are being studied, the organisations that are being studied, or the phenomenon that is being studied. For this

research, the unit of analysis was the IMF's civil service reforms implemented in Ghana and its effect on civil service bureaucratic quality.

3.5 Study Area

The research focused on public sector organisations located in Accra, the capital city of Ghana. The choice of Accra as the study area was influenced by the target population of the study: that is, the Civil Service. All MDAs under the Civil Service are domiciled in Accra, including the supervisory organisation (i.e., the Office of the Head of Civil Service). The study, therefore, chose Accra because the wide range of public officials whom the study intends to solicit information on the effect of IMF conditionality on civil service bureaucratic quality are all based in Accra. Most of the selected organisations are in the central business district of Accra, in an area popularly known as 'Ministries' where most of the country's administrative organisations are concentrated.

3.6 Sources of Data

The study relied on two data sources: primary data and secondary data. Primary data refers to data that is collected for the specific research problem at hand by using the best procedures that best fit the research problem. Secondary data, on the other hand, is a data that has been collected by other researchers for a different purpose but reused for another research problem (Hox & Boeije, 2005). For this study, primary data was collected through face-to-face interviews, using semi-structured interview guides. The secondary data was obtained from sources like textbooks, the internet, published journals, and organisational reports (e.g., IMF reports, civil service annual reports). While the secondary data provided the perspectives from previous studies, the primary data added new

perspectives to the existing store of knowledge on the effect of IMF loan conditionality on civil service bureaucratic quality.

3.7 Target Population

A research population is an aggregation of elements from which the sample is taken (Trochim & Donnelly, 2001). The study's population was the Civil service of Ghana. The legal authority of Ghana's Civil service is derived from Article 190 (1) (a) of the 1992 Constitution of Ghana and the Civil Service Act, 1993 (PNDCL 327), to perform strategic functions in supporting the government to formulate and implement policies for national development. In the pursuance of its mandate, the Civil service operates under five guiding principles: Professionalism, Integrity, Accountability, Impartiality, and Client Sensitivity. The functions of the Civil service as spelt out in Section 3 of the Civil Service Law, 1993 (PNDCL 327) are as follows: "Initiate and formulate policy options for the consideration of the government; Initiate and advise on government plans; Undertake the necessary research for the effective implementation of government policies; Implement government policies; Review government policies and plans; Monitor, coordinate and evaluate government policies and plans; and Perform such other functions that the Civil Service Council may direct". Section 4 of the Civil Service Law, 1993 (PNDCL 327) stipulates the membership of the Civil service as anyone serving in a post designated as Civil service in (i) the Office of the President (ii) a Ministry (iii) a government department at the national, regional and district levels (iv) any other Civil service department established by or under the authority of this Act the emoluments attached to which are paid directly from the Consolidated Fund or other source approved by the government. Currently, the civil service consists of 35 sector Ministries, 24 Departments, and 8 Extra Ministerial organisations (OHSC, 2018). Ghana's Civil service is overseen by the Office of the Head

of Civil Service (OHCS), which is responsible for reviewing policies, guidelines, and programmes for the appropriate manpower mix in the Civil service. The OHCS coordinates and decides on activities such as recruitment and promotion; postings, transfers, and (in rare circumstances) firing; training policies, schemes of service, and Civil service performance management.

The target population of this study mainly consisted of directors at selected Ministries and the OHCS, as well as other residents in the research setting. The selections were based on expert knowledge on the subject matter. The study selected thirteen (13) organisation to study the effect of IMF conditionality on civil service bureaucratic quality. How the thirteen organisations were selected is discussed below.

3.8 Inclusion and Exclusion Criteria

Since the study seeks to examine how IMF conditionality have affected bureaucratic quality in the Civil service, the researcher included only directors at the OHCS and the selected Ministries in view of the fact that they are responsible and have in-depth knowledge of personnel management practices in the Civil service. They comprised of directors of human resources, administration, and policy and planning. Moreover, these directors were considered on the basis that they have worked in their respective organisations for at least seven (7) years. Again, it was expected that the various Ministries considered for the study should have existed for fifteen (15) years or more. In line with these criteria, the researcher exempted Ministries that have been in existence for less than 15 years. Also, participants who did not fall within the category of directors were exempted from the study. The reason for these criteria is to permit valid and reliable responses from participants with relevant information and in-depth knowledge of the effect of IMF

conditionality on bureaucratic quality in Ghana's civil service. It is also to ensure a constructive analysis of issues.

3.9 Sampling Technique and Sample Size

Since no amount of analysis can make up for an improperly collected data, it is imperative for researchers to select an appropriate method of obtaining data from whom the data will be acquired through sound judgement (Bernard et al. 1986). To understand the effect of IMF conditionality on civil service bureaucratic quality in Ghana, this study employed the purposive and snowball sampling methods in the collection of primary data. Creswell and Clark (2011) define purposive sampling (also known as judgemental, selective, or subjective sampling) as a non-probability sampling method that involves a deliberate identification and selection of individuals or groups of individuals that are proficient and well-informed with a phenomenon of interest. The purpose of this sampling method is to find people, who by virtue of their rich knowledge and experience, can provide reliable answers to the research questions (Etikan, Musa, & Alkassim, 2016). Snowball sampling, on the other hand, is "a study sample through referrals made among people who share or know of others who possess some characteristics that are of research interest" (Biernacki & Waldorf, 1981, p.141).

The study adopted purposive sampling to discover, understand, and gather relevant information from individuals and groups deemed to have more insights on personnel management issues in the Civil service. They included directors at the OHCS and some Ministries. The snowball sampling method was adopted for the reason that the researcher got in touch with other respondents who were relevant to the research through referrals from some initial participants. For instance, through the OHCS, the researcher got to meet

the former director of Recruitment, Training, and Development Directorate (RTDD) of the OHCS, who served in the position for ten (10) years and was well-informed about how IMF loan conditionality affected the civil service. A total of nineteen (19) officials from thirteen (13) ministries and the OHCS were interviewed. Due to time and financial constraints, the researcher was not able to cover all the selected ministries. Table 3.1 provides a list of organisations covered by the researcher for interviews.

Table 3.1: Summary of Respondents Interviewed

Selected Organisations	Participant (s)
Office of Head of Civil Service.	1. Assistant Director/Head of Reforms. 2. Former Director of Recruitment Training Development Directorate (RTTD).
Ministry of Finance.	3. Assistant Economic Officer at The Economic Research and Strategy Division (ERSD)
Ministry of Food and Agriculture.	4. Deputy Director, Human Resource Department. 5. Deputy Director of Finance and Administration.
Ministry of Energy.	6. Deputy Director of Energy
Ministry of Gender, Children, & Social Protection.	7. Director, Human Resource. 8. Department, and Head of Human Trafficking Unit.
Ministry of Justice and Attorney General's Department.	9. Director, Human Resource Department.
Ministry of Local Government and Rural Development.	10. Director, Human Resource Department 11. Former Director at the Birth and Death Registry (Headquarters-Accra).
Ministry of Land and Natural Resources.	12. Director, Human Resource Department.
Ministry of Health.	13. Director, Human Resource Planning. 14. Director of Training & Development.
Ministry of Interior.	15. Deputy Director, Human Resource Department.

Ministry of Roads and Highways.	16. Director of Principal, Policy & Planning
Ministry of Trade and Industry.	17. Deputy Director, Human Resource Department.
Ministry of Employment and Labour Relations.	18. Director, Human Resource Department. 19. Deputy Director of Research.
Total	19

In Table 3.1, some organisations have two interviewees and others have one interviewee. This is due to the snowball interview method that was used. The aim of this approach is not to ensure equal representation of interviewees from the organisations but to ensure that the researcher gets in touch with respondents who were considered to have relevant information to the research through referrals made by initial research participants. The demographic information of the respondents is explained below.

3.9.1 Demographic Information of the Study Participants

For this study, four demographic information of the study participants were examined: gender, highest level of education, number of working years, and job position. These demographic information were necessary since it enabled the researcher to understand the identity of the respondents, which also helped in putting the study into perspective.

Concerning the gender distribution of the study participants, eight (8), representing 42% were males, and eleven (11), representing 58% were females. The result shows a fair distribution and a clear case of gender balance, with the female population having a slight majority. This revealed that both males and females occupy leadership positions in the selected organisations, and they also have in-depth knowledge of how IMF loan conditionality affects Ghana's Civil service.

The information on the respondents' highest level of education was also crucial to the study as it, among things, indicated their level of understanding of the research questions. Out of the 19 respondents, sixteen (16) had their Master's degrees from various academic disciplines, and two were pursuing a Ph.D. degree. Only one (1) of the respondents had a first degree. The result indicates that the Civil Service possesses educated individuals, which is necessary for building effective bureaucracies. It also suggests that the respondents understood the study objectives and questions.

Regarding the respondents' number of working years, out of the total respondents, four (4) of them had worked in their current organisations for nine (9) years while three (3) of them had served their organisations for eleven (11) years, and two (2) of them had worked for twenty-five (25) years in their organisations. The remaining ten (10) of the respondents had been with their current organisations for 7, 8, 10, 12, 13, 14, 16, 17, 22, and 30 years respectively. This is an indication that the respondents have a good understanding of their work environment to offer valid and reliable answers to the research questions.

Concerning the job position of the respondents, five (5) of them were deputy Human Resource (HR) directors, five (5) were deputy directors of various administrative departments in their organisations, two of them (2) were former directors, and five (5) of them were HR directors. One of the respondents was Director of Principal Policy, and Planning, and another was Director of Research, Statistics, and Information Management. These directors were selected based on their in-depth knowledge of personnel management practices in the Civil Service.

3.10 Research Instrument and Procedure

Primary data for this study was obtained from face-to-face interviews through a semi-structured interview guide. Longhurst (2003) defined semi-structured interviews as a face-to-face verbal exchange of information between an interviewer and an interviewee, where the interviewer prepares a list of predetermined questions but allows the research participants (i.e., the interviewee) to explore issues they feel are important but are not covered in the predetermined questions. For this study, the researcher developed a comprehensive interview guide, which served as a checklist of topics to be covered in the interview process. The research participants were, however, allowed to offer answers to other relevant issues that came up in the course of the interview. This research instrument enabled the researcher to delve deeply and explore the thoughts, feelings, and beliefs of the participants about the effect of IMF loan conditionality on civil service bureaucratic quality in Ghana.

Concerning the procedure, an introductory letter was taken from the researcher's school to introduce the researcher to the various participants of the study. All interviews were held in the offices of the participants at convenient times. Some of the interviews were recorded with the permission of the participants to aid easy transcription. However, some of the participants refused to give their consent to the recordings of the interviews. In such cases, their answers and views were documented in a field notebook. The duration for the interviews was from 30 minutes to 1 and a half hours, but with the majority in the 40-55 minutes range.

3.11 Data Management and Analysis

The study used qualitative data to analyze the effect of IMF conditionality on civil service bureaucratic quality. The qualitative data were analysed through content analysis – which involves “working with data, organizing it, breaking it into manageable units, synthesizing it, searching for patterns, discovering what is important and what is to be learned, and deciding what to tell others” (Bogdan & Biklen, 1992, p.145 cited in Tagoe, 2009). Under this framework, the interview transcripts gathered from the field were reviewed several times, and reduced into themes through the process of coding. The data was then analysed by highlighting direct quotations and phrases from the interviews and annual reports that were significant to the study. There was also a little bit of quantitative data analysis of the staff strength of the various MDAs.

3.12 Ethical Consideration

This research complied with all the ethical codes and conventions of the University of Ghana, such as informed consent, voluntary participation, anonymity, and respect for the dignity of the respondents. Prior to conducting the interviews, an introductory letter stating the researcher’s desire to conduct the study was sent to the heads (i.e., the Chief Directors) of all the organisations involved in the study to seek their approval. Respondents engaged in the research were not coerced or deceived to respond to any of the questions. As the best practice, the researcher, first of all, explained to the respondents what the study was about, assured them of absolute confidentiality and anonymity, and sought their verbal consent before the interviews were conducted. The respondents were also at liberty to withdraw from the study at any time.

3.13 Limitations of the Study

No study is immune to challenges. This research also encountered some difficulties in the course of the study, particularly in the data collection stage. One of the fundamental challenges experienced in all the selected organisations was the delay in getting approval to proceed with the interviews. The main reason behind this is the excessive bureaucracy in the Civil Service since all letters (including students' introductory letters) had to go through several processes before approval. The researcher, on some occasions, had to submit new letters because the initial letters could not be traced. Again, frequent rescheduling of interview sessions with most of the participants due to their busy schedules had some implications on the study. Another challenge encountered was the lack of cooperation from some of the respondents. Most of them thought the researcher was an undercover journalist seeking to interview them for a supposed "mischievous" purpose. Consequently, some of them refused to partake in the study (for instance, the Ministry of Education), while the majority of those who willingly participated were initially not in agreement with the audio recordings of the interviews. The researcher, however, assured them of the confidentiality of their information and anonymity of their identities. Another challenge was the frequent transfer of directors in Ghana's Civil Service, which made it difficult for the researcher to interview directors who have stayed in their respective organisations for a long time. Also, accessing official documents from some of the respondents was difficult. For instance, the data on the financial clearances given to the OHCS to recruit new staff was difficult to obtain from the Ministry of Finance. Even though it was impossible to access the said data, the researcher relied on other data sources (i.e., staff strength of the various MDAs from the CAGD) that helped in the analyses. Financial and time constraints were also a challenge as it limited the number of organisations used for the study. For the organisations that were not covered due to time

and financial constraints, the researcher was able to secure secondary data (specifically, their annual reports) that helped in the analyses. Despite the challenges, it is hoped that the information gathered from the 19 respondents through interviews, which was augmented with relevant secondary data, will provide valid and reliable information to both researchers and policymakers on the effect of IMF loan conditionality on civil service bureaucratic quality in Ghana.

CHAPTER FOUR

ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter explains the information gathered from the field and other secondary data sources on the effect of IMF loan conditionality on civil service bureaucratic quality in the Civil Service of Ghana. The analysis and discussion of the findings are based on the research objectives; the nature of IMF loan conditionality on the public sector; the effect of the conditionality on merit-based recruitment, staff promotion, remuneration, and the availability of competent personnel in the Civil Service.

4.1 The Nature of IMF Loan Conditionality on Ghana's Public Sector

To better understand the effect of IMF loan conditionality on civil service bureaucratic quality in Ghana, the study, first of all, examined the nature of the conditionality from a historical perspective to contemporary one. The study gathered that the problems of Ghana's public sector began in the early 1980s, when the sector was hit by several problems such as overstaffing, incentive problems, high wage compression, resulting in low morale, performance, and productivity, and insufficient funds to run the public sector. In justifying this proposition, De Merode and Thomas (1994, p.161), in their assessment of the implementation of civil service pay and employment reforms in Ghana, said:

By the early 1980s, ...the civil service's once flattering regional reputation had become a distant memory, the victim of years of economic and political mismanagement. The public sector was overextended, overstaffed, underpaid, and under skilled. Moonlighting was commonplace and practically indispensable for economic survival. The best talent had fled in droves to the private sector or to find employment abroad. No longer an asset, the civil service had become a drain on

public resources and a major impediment to the implementation of economic policy reforms designed to reverse Ghana's economic decline.

In the light of this, one of the respondents who work with the Economic Research and Strategy Division (ERSD) of the MoF - the division that liaises with IFIs such as the IMF in monitoring and reporting on Ghana's economic outlook - explained how there seems to be no significant difference in the problems of the current public sector compared to the public sector of the early 1980s. He said:

...Even currently, the wage bill accounts for about 60% of tax revenue. So, given that the country does not have a viable private sector, there has always been pressure on the government wage bill. The truth is that some of our public organisations are overstaffed and over-bloated, coupled with problems like the existence of ghost names. These and many other problems are the reasons why the IMF recommends such conditionality (i.e., first-generation CSR) for the country.

Some of the conditionality have been summarised in Table 4.1. This has further been categorized under *employment reduction policies* and *pay structure rationalization policies*.

Table 4.1: The Nature of IMF Loan Conditionality for Ghana's Public Sector

Duration	Structural Reforms (Conditionality) in the Civil Service
2015 – 2019	<ul style="list-style-type: none"> -Freeze on public sector employment and non-replacement of departing employees in overstaffed departments (Health and Education sectors exempted). -Cleaning-up of the payroll and enhancing wage bill control. -Ceiling on wages and salaries (Wage restraints). -Design of a civil service reform strategy with the assistance of development partners, which will aim at increasing the productivity and rationalizing the size of the civil service. -Scrap of 10% COLA.

2009 – 2012	<ul style="list-style-type: none"> -Net hiring freeze in government sectors (with exception of Health and Education sections). -Simplification of the single-spine salary structure to consider affordability. -Appointment of a Minister of State in charge of public sector reform to facilitate massive reforms in the civil service.
2003 – 2006	<ul style="list-style-type: none"> -Comprehensive review of the wage and salary structure and the establishment of a civil service wage policy that recognizes and rewards performance. -Monetization of non-wage benefits. -The establishment of integrated payroll databases to reduce duplications. -Rationalization of the employment and emolument structure. -Ceiling on wages and salaries (unobserved in the first two years). -Standardizing job titles. -Updating job classification.
1995 to 1997, the second annual arrangement thereunder on March 23, 1998, and extended for a full year to June 29, 1999.	<ul style="list-style-type: none"> -Reorganizing the functions of the civil service and subvented organisations. -Restructure the civil service. -Reduce the size and staffing levels of the civil service. -Rationalize hiring practices.
1983 – 1986	<ul style="list-style-type: none"> -Public sector retrenchment. -Wage freezes.
1979 – 1981	<ul style="list-style-type: none"> -Substantial reductions in government disbursement (major factors in which were the employment of some 300,000 civil servants and the existence of over 100 parastatal organizations).
1966-1969	<ul style="list-style-type: none"> -Wage increases not to exceed a 5% ceiling (wage restraints). -Retrenchment of an estimated 60,000 workers in state-owned enterprises over the period.

Source: (IMF, 1995, 1999, 2005, 2006, 2009, 2015).

4.1.1 Employment Reduction Policies

Some of the employment reduction policies that were carried out in Ghana's public sector as loan conditionality from the Fund are explained below:

Rigorous Payroll Clean-ups

Rigorous payroll clean-ups are one of the recurring approaches that have been employed by the Fund to reform Ghana's public sector. It is the removal of unknown or ghost names from the payroll, which were as a result of acts of fraud or miscommunication between functional units responsible for government payrolls. The study found that several policies and strategies have been developed and implemented in the public sector (by the MoF and the CAGD) with the assistance of development partners (such as the IMF and the WB) to reduce the incidence of the phenomenon of ghost workers on the payroll. The policies and strategies included a nationwide payroll headcount; the roll-out of the Electronic Salary Payment Voucher(E-SPV) system which allows electronic validation of payment vouchers by heads of departments and management unit before salaries are paid, to prevent double-payments; the introduction of the mechanized payroll system where salaries of employees who were not registered on the biometric database were suspended; the suspension of salaries of employees with invalid bank accounts salaries; and the suspension of salaries of employees without Social Security and National Insurance Trust (SSNIT) numbers (IMF, 2010; IMF, 2015). The results of the payroll clean-up strategies have been impressive despite some few shortcomings. In 2017, for instance, the president of Ghana, Nana Addo Dankwa Akufo-Addo, in his May Day address to workers, revealed that through a rigorous payroll audit, the government was able to save Gh¢433 Million from the removal of ghost workers (Communications Bureau, The Presidency, Republic of Ghana, 2017).

Freezing Recruitment

Another structural adjustment programme often used by the Fund in their bailout programmes with Ghana is a net-hiring freeze in the public sector. This is when hiring processes and the onboarding of new workers are halted in all government sectors to reduce costs, except for the Health and Education sectors. The public sector was, however, allowed to recruit new employees to fill vacancies created by people who either go on retirement, resign, or die (with the exclusion of overstuffed departments). The replacements were, however, subject to the issuance of a financial clearance from the MoF. That is, public organisations could only engage the services of new skills after approval from the MoF.

While it may appear (from Table 4.1) that the IMF imposed a freeze on recruitment in Ghana's public sector only in the 2009-2012 and 2015-2019 loan programmes, further scrutiny of the LOIs and MOA shows that the Fund has consistently called for a reduction in the size and staffing levels of the civil service in almost all their loan programmes with Ghana. This creates the impression that the imposition of a freeze on Ghana's public sector recruitment by the IMF began a long time ago, but the more recent freeze on recruitment started from 2008 to 2019. This observation was confirmed by one of the respondents who averred that: *"I am not very sure of the specific year recruitment was ceased in the public sector. But it began a long time ago"* (Former Director of RTTD, 2).

It is worth noting that this conditionality was also attached to some of the World Bank's crisis loans for Ghana (see Aryee, 2001; Honkaniemi, 2010).

Retrenchments

Retrenchment is another instrument that has been used by the IMF to reform Ghana's public sector. It is the dismissal of non-performing and sometimes well-performing public servants, to reduce government expenditure. The IMF conditionality that called for massive retrenchments in the public sector were predominantly attached to the loan programmes between the late 1960s to the early 1990s - a period characterized by several military coup d'état and massive economic decline in Ghana. The retrenchments usually occurred in the state enterprises, local government, and the civil service. By the end of 1990, over 45,000 civil servants and 20,000 workers in state-owned enterprises were laid-off as a result of structural reforms by the IMF (Republic of Ghana, 1991, cited in Akonor, 2006). There was also a massive loss of hundreds of jobs in the private sector due to conditionality, such as the removal of protective tariffs, import liberalization, and credit squeeze. Describing the nature and impact of the retrenchments carried out in Ghana as a result of IMF loan conditionality, a U.S. Congressional Mission to Ghana (in 1989) offered this intriguing narrative:

A significant visible group largely urban Ghanaians was clearly and dramatically disadvantaged by Structural Adjustment Policies. These included approximately 41,000 to 45,000 'redeployed,' that is, fired civil servants (29,000 were dismissed in 1987–88 and the remainder were slated to go in 1989). 20,000 redeployed Cocoa Board employees, 20,000 state enterprise employees threatened with retrenchment over the next two years and at least hundreds of private sector employees who lost textile and other Jobs as a result of import liberation.... A total of approximately 100,000 jobs have been lost. (U.S. House of Representatives, 1989, cited in Akonor, 2006, p.66)

The retrenchments, however, exempted workers in the tradable sector such as mine workers, railway workers, and workers in Ghana Private Road Transport Union (GPRTU) (Akonor, 2006).

4.1.2 Pay Structure Rationalisation Policies

Apart from the employment reduction policies, the IMF has also called for pay structure rationalisation policies in their dealings with Ghana over the years. The purpose of the policies was to readjust the pay structure to make it more affordable, thereby reducing the immense pressure on the government wage bill. They included a freeze on wages and salaries (e.g., in the 1983-1986, and 2003 to 2006 loan programmes); wage restraints (e.g., in the 1966-1969 and 2015-2019 loan programmes); monetization of non-wage benefits (e.g., in the 2003 – 2006); and a scrap on some benefits (e.g., the scrap of 10% COLA in the 2015-2019 loan programme). While these pay structure rationalisation mechanisms have succeeded in reducing the government wage bill in some periods, they have also inflicted unbearable conditions of life on the working people of Ghana. The reasons being that they were often implemented with other austere conditionality, such as removal of subsidies on essential goods and services, and retrenchments; resulting in poor nutrition, inadequate housing, and increased social inequality (Akonor, 2006; ActionAid Ghana, 2010). Despite the severity of pay structure rationalisation reforms, they appear to be politically less costly than some of the employment reduction policies (such as retrenchment and freeze on recruitment).

From the above narratives on the nature of IMF conditionality on Ghana's public sector, it is obvious that generally, all the three types of reforms (i.e., first-generation reforms, second-generation reforms, and third-generation reforms) used by the Fund to reform civil services in member countries have been implemented in Ghana from the 1960s. However, the nerve centre of the reforms have been around the first-generation reforms due to the country's high wage bill, which on innumerable occasions has been described as a "bloated wage bill" and "a ballooning wage bill"; a major cause of the nation's unremitting large

fiscal deficits (IMF, 2009, 2015). Since wage bill increases, on average, have been found to be the main factor behind the deteriorating fiscal balances of many countries (IMF 2016), most of the Fund's conditionality in Ghana's public sector were intended at reducing the pressure on wage spending. The need for the reduction resulted in the imposition of employment reduction policies, such as rigorous payroll clean-ups, freezing recruitment in the public sector, and retrenchments, as well as some pay structure rationalisation policies, such as the monetization of non-monetary wage benefits; wage freezes and restraints; and scrapping of some monetary benefits. The effect of these policies on civil service bureaucratic quality is discussed in turn.

4.2 The Effect of IMF Loan Conditionality on Merit-based Recruitment

One of the major requirements of the Weberian bureaucratic model is the recruitment of officials based on merit. It is recruitment based on fixed rules stipulating the skills and expertise required for the entry into an occupation, and candidates selected based on their technical qualifications that are tested by examinations or guaranteed by other forms of merit (Weber, 1978). Merit-based recruitment is seen as stemming from competition, where qualified and competent people who are capable of accomplishing the task than others are appointed. It, therefore, implies the absence of appointments based on personal contacts, political patronage, and illicit payments. The purpose of merit-based recruitment is to ensure that the right persons are put on the right jobs and to ensure optimum utilization of human resources (IMF, 2016a; Sigman et al., 2017). Moreover, it mitigates insularity in the civil service by bringing in staff with new ideas and fresh perspectives. It also makes civil service positions prestigious while motivating good performance (WB, 1997).

In Ghana's Civil Service, all recruitment activities are facilitated by the OHCS, who have been tasked to ensure professionalism in the Service by maintaining a pool of highly knowledgeable, competent, and impartial officers to accelerate national development and facilitate good governance. From the colonial era in the 1920s to the post-independent period of the 2000s, civil service recruitment in Ghana took the form of the Mandarin system of recruitment, where entry into the civil service is limited to highly qualified candidates through highly competitive entrance requirements (usually through competitive examinations and interviews). The recruitment process into the civil service starts with an open advertisement in the media. Interested candidates then apply and write an entrance examination. Those who make the pass mark go through an interview session, after which the most qualified applicants are appointed.

The responses from directors in the OHCS, however, revealed that the Mandarin system of recruitment was disrupted by the IMF conditionality of freezing recruitment in the civil service. For almost a decade, the OHCS was not able to recruit based on the Mandarin system. Some of the directors indicated that due to the conditionality, the usual procedures of calling for applications via the media and later organising entrance examinations and interviews were all halted. They could only replace departing personnel after an authorisation from the MoF through the issuance of financial clearance. In response to the question of how candidates were selected to replace departing employees during the moratorium on recruitment, this is what one of the directors said:

With the freeze on recruitment, we couldn't recruit. But officers who retired or left the service were replaced. For the processes, we couldn't advertise as done before. We had a lot of old applications in our system. So, we normally go through those already existing applications and select those who meet the criteria. They are then subject to a face-to-face interview, and the best candidates are employed. (Former Director of RTTD, 2).

The aforementioned process of recruitment to replace outgone staff, however, opened the door for several irregularities in the recruitment process. Apart from the fact that applications were not opened or advertised to attract the right skills, the study also found that qualifications were also not objectively taken into account in choosing bureaucrats. Some of the directors also point to the lack of proper interviews. As revealed by one of the respondents:

Well, I can assure you that the transition from mass recruitment (through the Mandarin recruitment process) to replacements affected the recruitment process. One, because we were restrained from recruiting, an advertisement for vacant positions was very rare. Two, there were no competitive examinations and effective interviews to recruit new staff. This was because the new norm resulted in a new problem, where people got their friends, colleagues, and relatives into the civil service. This, therefore, affected the quality of the process of recruitment into the civil service. (Former Director of RTTD, 2).

Again, the study found that the freeze on recruitment also created a situation where the demand for personnel was less than the supply. This situation, unfortunately, resulted in appointments based on personal contacts, political patronage, and other unmerited grounds.

As rightly pointed out by one of the respondents:

Sometimes, throughout a year, the Civil Service records about 100 vacancies. Out of that 100 posts, you have workers at the OHCS who have dependents and relatives who are unemployed, and you also have the politicians bringing their 'protocol list'. Tell me, if you are in such a position and you have a son/daughter or relative who is unemployed, would you not help him/her get the job? So, apart from the fact that the loan conditionality halted the usual recruitment process, it also resulted in more supply and less demand.... (Assistant Director/Head of Reforms, 1).

Interestingly, the issue of favouritism trickled down to the MDAs level. One of the directors, who has been in the Civil service for almost 30 years, shared an account of how recruitments were influenced at the Ministry level during the period of the conditionality.

He said:

The truth is, at some point, we needed more hands to help in service delivery. So, we recruited several non-permanent staff who were on contract and were remunerated through the Ministry's Internally Generated Funds (IGFs). But most of these contract workers came-in through the help of some of the directors who were their relatives. They were brought in through the 'back door' with the anticipation that when the ban on recruitment is lifted, they will push them into the civil service....and they succeeded in doing that (Deputy Director of Human Resource Department, 17).

One of the problems created by the non-adherence to merit-based recruitment was that vacant positions in the civil service were filled with less qualified personnel, a situation of 'square pegs in round holes.' This problem had a negative effect on effective service delivery in the civil service since no efforts were made to attract a pool of competent applicants, due to the freeze on recruitment. Unsurprisingly, most of the directors interviewed did not relent in expressing their displeasure on the types of personnel sometimes posted to their organisations by the OHCS. Below are a couple of examples.

A respondent at the Ministry of Roads and Highways noted that:

Sometimes, you do not get the skills you request. There are times you ask for a Planning officer, and they bring you someone with a Procurement background. You want a project manager, they bring you a business administration graduate, and they tell you to make do with them because they will learn on-the-job. Since we had no choice, we accepted them like that. But it affected quality work delivery. (Director of Principal, Policy & Planning, 16).

Another director had this to say:

The OHCS does not usually give us what we ask. For instance, if you need people with a financial background, they post you people from different academic backgrounds, say from History or Sociology. In the long run, it tends to affect productivity because the person has to go through a series of on-the-job training to become efficient – which slows down our performance. (Director of Human Resource Department, 9).

Similarly, a director at the Ministry of Land and Natural Resources said:

In those periods, getting clearance to replace staff was difficult. If you are lucky to get one, you will notice that some of them did not meet the criteria in terms of the required skills and competences needed. But because we were understaffed in some areas, we had no choice than to accept them. (Director of Human Resource Department, 12).

However, when Ghana exited the 2015-2019 IMF programme, the OHSC returned to the Mandarin system of recruitment. In 2019, they organised a nationwide online entrance examination into the civil service (one of its kind after several years). The results of the exams were published online. Candidates who scored the pass mark of 70% and above were scheduled for an interview. Those who scored between 60% and 69% sat for the second round of written exams. Candidates who scored below 59% were unsuccessful and had to re-apply. The subsequent year's recruitment also followed similar procedures. When the respondents were asked whether the exit from the IMF-programme in 2019 affected recruitment in their ministries, most of them claimed that the mass recruitment had a positive effect on their organisations since they got much-qualified personnel. One of the respondents, for instance, stated:

Yes! After the (IMF-Loan) exit in 2019, we had seven (7) new staff who were assigned to various departments. What I am happy about is that they are young and very knowledgeable. (Director of Principal, Policy & Planning, 16).

Another Director had this to say:

Things improved in 2019, even though there are rooms for improvement. The staff we received are very fit (in terms of knowledge and competence), and I think it is because a lot of people applied, which resulted in a healthy competition among applicants. (Deputy Director of Finance and Administration, 5).

From the Weberian theoretical standpoint, recruiting bureaucrats based on their technical qualifications, which is tested by examinations and other forms of merit, is very crucial in making bureaucracies more efficient and effective. The responses above clearly reveal that the freeze on recruitment, as a result of loan conditionality, distorted the merit-based mechanisms of recruitment into Ghana's civil service. The moratorium on recruitment further created several avenues for appointments based on the 'whom you know' syndrome, making little room for effective recruitment practices. Consequently, most of the MDAs ended up getting personnel who did not meet the skills needed to effectively perform the tasks. Sadly, owing to the difficulty in obtaining clearance to replace outgone staff, they had no choice but to make use of the people given them by the OHCS. This, however, affected bureaucratic performance in the various MDAs. From the analysis, it is obvious that structural conditions from the Fund (especially the freeze on recruitment) did not improve merit-based recruitment in Ghana's Civil Service. Rather, it worsened it by distorting the procedures for recruitment (i.e., the Mandarin system) and creating avenues that led to the absence of tough standards to winnow the more competent from less competent applicants – a direct contradiction of the Weberian model. The findings, therefore, defies the arguments of the aid optimists that loan conditionality from the Fund help address problems like political patronage and ineffective employment procedures in the civil service of recipient governments. The findings reecho the argument of Appiah and Abdulai (2017) that the numerous donor-sponsored PSRs in Ghana, particularly the

net-freeze on annual centralised recruitment into the public service (attached to IMF loan conditionality), have not focused on improving merit-based recruitment, but has distorted the mandarin system of recruitment into the public service. The main reason is that the focus of the Fund's conditionality has been on only reducing the wage bill without recourse to improving merit-based recruitment in Ghana's Civil Service. As pointed by Haque and Aziz (1998, p.101), "CSRs have primarily been concerned with cost-cutting and containment. The issue of productivity and the need for appropriate human capital for it has largely been secondary". The finding of this current study is also in line with Reinsberg et al. (2019), who found that structural conditions from the Fund (especially those on public sector employment) reduced bureaucratic quality (which included merit-based recruitment) in developing countries. Similarly, the findings of Adamolekun (2007), and Rickard and Caraway (2019) is in agreement with the current study that due to the political cost of cutting public sector wage bills through conditionality, some governments use the 'revolving door' or the 'back door' to fill civil service positions.

4.3 The Effect of IMF Loan Conditionality on Personnel Promotion

Another essential element in the Weberian model of bureaucracy is the promotion of bureaucrats according to seniority or achievement, or both (Weber, 1978). Promotion is the advancement of bureaucrats' position or grade in a hierarchical structure. The necessity of promotion in bureaucracies is to ensure that staff with relevant qualifications and working experiences are given higher responsibilities to ensure effective service delivery towards the achievement of organisational objectives. Apart from advancing employee responsibilities, promotions are also aimed at enhancing the status and remuneration of civil servants as well as providing opportunities for their career development (Agbeko, 2018).

Promotion in Ghana's Civil Service is subject to three requirements. First, employees must meet the minimum years of service required before promotion. Second, he or she must complete all the required courses in the Scheme of Service. Finally, the employee must pass a promotion interview. The promotion-linked training is organised by the Civil Service Training Centre, under the auspices of the OHCS. The training programmes usually last for a week or two. Every employee that undertakes the training programme pays a participation fee covering expenses such as administrative costs, learning materials, and lunch. The value of the participation fee is dependent on the class of workers being trained.

Concerning the effect of IMF conditionality on promotion in Ghana's Civil service, the study found that although the conditionality did not affect the procedures of promotion, it resulted in the long-delayed promotion of civil servants. Since promotion in the civil service goes hand-in-hand with a rise in salary and better conditions of service, it was considered as an expenditure that could contend and defeat the Fund's conditionality that requires a cut in government's expenditure or drastic reduction of the wage bill. That is, the IMF's conditionality for a drastic reduction in government spending placed a ceiling on how far the government can spend as far as the civil service was concerned, which affected the availability of funds for the promotion of civil servants. As rightly noted by one of the respondents:

Most of the conditionality prescribed the maximum amount that must be spent on the public sector. Per the loan agreement, we must not exceed the amount. So, to some extent, it is true that cutting public sector expenditure and placing ceilings on the wage bill sometimes affects the availability of sufficient funds for civil service organisations. (Assistant Officer, ERS, 3).

In response to a question regarding the effect of IMF conditionality on the promotion of civil servants, one of the Directors said:

What happened was that because promotions come along with an increase in basic salary and addition of other benefits, most promotions were delayed. Even those who were eventually promoted did not receive the corresponding pay rise early because of the cap on the government wage bill. This created a lot of problems in the system since most civil servants were denied promotion that is part of their conditions of service. (Former Director of RTTD, 2).

In the same fashion, another Director stated:

Generally, what happened was that the conditionality made sure that money was not spent as it ought to. Promotions ought to be done, and promotion has a cost. At the period of the conditionality, the promotion of civil servants was delayed because funds were not available.... people were 'marking-time' in one place.... a lot of people over-stayed in their grades because there were not enough funds due to the nature of the conditionality. (Deputy Director of Human Resource Department, 17).

From the responses, two themes were deduced in regard to the effect of IMF loan conditionality on the promotion of personnel in the Civil service: (1) inability of civil service organisations to sponsor their staff for promotion-linked training and (2) delayed in pay increment of civil servants who were promoted. These themes are elaborated in turn.

4.3.1 Inability of Civil Service Organisations to Sponsor Staff for Promotion Training

The first problem brought about by loan conditionality was the delay in the promotion of civil servants due to the inability of civil service organisations to sponsor their personnel for the mandatory scheme of service training. A respondent from the OHCS averred that

initially, the government used to pay the participation fee for all civil servants that are due promotion. However, in the effort to reduce excessive spending in the public sector, the disbursement was curtailed. The MDAs were, therefore, tasked to pay the participation fee for their employees. This new order, however, disadvantaged many MDAs. Most of the respondents averred that in the periods of the loan programmes, particularly in the more recent loan programmes (i.e., between 2009 & 2019) that contained a series of cost containment conditionality aimed at reducing government spending, as well as the wage bill, the Civil Service was faced with dire financial difficulties, which impeded the ability of civil service organisations to sponsor their employees who were due promotion. They cited “non-release of budgetary allocations, budget cuts, and late release of funds” as the major problems that affected the availability of sufficient funds. In the 2016 Civil Service Annual Performance Report (CSAPR), for instance, the OHCS stated that, out of the four quarterly releases of funds to the Ministries, only two releases were made in that year, and even those two releases were not made on time, which affected the implementation of planned programmes. The report read:

Inadequate budgetary allocation of funds by the Ministry of Finance to implement sector programmes and activities was another challenge for programme implementation in 2016. The situation was so dire that out of the four quarterly releases/budget allocated to the Ministries for the execution of programmes, on average, only two releases were made. These 2 ‘releases’ were not made available on time, making the implementation of planned programmes and activities quite difficult. This creates a situation where most activities are customarily rolled over unto the ensuing years (OHCS, 2016, pp. 39–393).

The rolling over of most activities unto the ensuing years, as a result of financial difficulties, was not absent of staff promotion. In the 2016 CSAPR, for instance, the Ministry of Food and Agriculture stated that the financial constraints resulted in four

hundred and fifty-seven (457) staff having their promotions delayed (OHCS, 2016, p.141). Most of the respondents also claimed that the financial difficulties resulted in most of their personnel (i.e., both administrative and managerial staff) ‘marking time’ in one position for a long time. One of the Directors said:

Well, for promotion, the issue has been the lack of finances. It has always been captured in our budgets, but getting the funds from the MoF for it was difficult. ... As a result, we had some people who stayed on their grades beyond the stipulated time, which really affected their motivation (Deputy Director of Human Resource Department, 4).

In a similar vein, another Director remarked:

Promotions in the civil service have been a problem for some time now. The problem has been insufficient funds.... we had a lot of people who remained in their various posts for quite some time. Moreover, majority of those civil servants who successfully went through the mandatory Scheme of Service training and were promoted did not receive the corresponding pay rise in time (Director of Human Resource, 7).

In the 2017 CSAPR, the OHCS expressed how the persistence of financial difficulties in the Civil Service resulted in the delayed promotion of over 4000 civil servants. In the report, they cited that:

Financial difficulties preventing MDs from sponsoring their personnel for training programmes has been the bane of the Service. With the persistence of this challenge, about 4000 Civil Servants have had their promotion delayed as they have not been able to access the mandatory Scheme of Service training (OHCS, 2017, p.71).

The study found that only a handful of the MDs, particularly those that were able to generate enough IGF, had the financial capacity to sponsor their employees for the

mandatory Scheme of Service training. Although these ‘well-to-do’ MDs were able to escape from the financial difficulty of enrolling staff for the Scheme of Service training, there was another problem that their IGF could not solve; the salary increment of those who were promoted.

4.3.2 Delayed Pay Increment of Civil Servants who were Promoted

The second issue brought about by the loan conditionality was the delay in the pay rise of personnel who were duly promoted. Since the conditionality demands that the wage bill be drastically cut-down, civil servants who passed all the requirements for promotion did not witness a corresponding pay rise. Most of the respondents (as cited earlier) claimed that aside the lack of funds to sponsor their employees for the promotion-linked training programme, the salary of most people who got promoted within the period of the loan conditionality was not increased. This problem was compounded by the introduction of the three (3) months’ salary pay policy in the public sector in 2013, which was aimed at reducing the wage bill. Under the policy, the government paid only three months’ salary arrears to public workers regardless of the number of years their salaries delayed. The victims of this policy were newly recruited public servants and those due promotion. The introduction of this policy had two implications for civil servants as far as their promotion was concerned. First, civil servants who participated in the mandatory Scheme of Service training and were duly promoted, but saw a delay in their pay rise, were given only 3-month arrears. Secondly, those who had their promotions delayed (and could not participate in the mandatory Scheme of Service training) due to financial constraints, whose pay rise should have been back-dated to their eligible periods of promotion, were also paid only 3-month arrears.

With the delay in promotion and pay rise of promoted civil servants already having negative effects on staff motivation and performance, the introduction of the 3-month arrears policy was the straw that broke the camel's back. That is, the introduction of the policy only made an already ominous situation even worse. It is no wonder, therefore, that the policy was met with a lot of backlash from the public, especially labour unions, who described it as a “killer policy”, insensitiveness of the government, and a deliberate attempt by the government to deny workers what was rightfully due them (see Baffoe, 2016; Daily Guide, 2020). There was a lot of demotivated staff in the Civil Service, which provided little incentive for civil servants to give better service delivery. As noted by one of the Directors:

At some point, people were very peeved in the system, because they had stayed in their ranks for a long time without promotions. ... The worst part was the introduction of the 3-month arrears policy which led to some sorts of inequality and unfairness because some civil servants were duly promoted. Those delayed had the hope that when they are promoted, they would be paid all arrears. But that did not happen. Rather, they were paid only three months arrears, and that is demotivational. (Director of Principal, Policy & Planning, 16).

Responding in the same manner, another Director remarked:

Amid the delay in promotion due to the cap on the wage bill, the government, under John Dramani Mahama, instituted a policy that allowed the payment of only three months of salary arrears owed any employee in the public service. This created several problems and led to the dissatisfaction of most civil servants (Former Director of RTTD, 2).

In 2018, however, the year in which Ghana was to exit the 2015-2018 IMF programme before extended for an additional year, there was an upsurge and improvement in the promotion of several civil servants. The MoF released Four Million and Sixty-Eight

Thousand Ghana Cedis (GH¢4,068,000.00) to enable the OHCS to recruit new staff and undertake promotion linked training, and to conduct promotion assessment interviews for deserving civil service staff; most of whom had not been promoted due to financial constraints in their respective organisations (MoF, 2018). According to MoF, the release of the fund was in response to the situation of delayed promotions of over 6000 civil service staff, the first of such intervention in more than fifteen years. Emphasising the need for the intervention, the MoF (in *the Medium-Term Expenditure Framework for the OHCS, 2019-2022*) noted that:

This exercise to support centralized service-wide training and promotion and provide a fair and equitable opportunity and access to all deserving civil service staff, has been on the 'drawing board' for at least 7 years. The training and promotion conducted so far has reinvigorated the demotivated staff and provided incentive for all civil service staff to give better service delivery (MoF, 2018, p.5).

The significance of the intervention from the MoF was evident in the 2018 CSAPR. In the report, the OHCS stated:

The Ministry of Finance, in the second half of 2018, provided the Office of the Head of Civil Service (OHCS) with specialized funds to undertake service-wide promotions. Consequently, the OHCS was able to clear a greater portion of the backlog of promotion interviews that had been outstanding due to the inability of Ministries and Departments to pay for the conduct of the interviews for their staff. Under this dispensation, 2,371 officers were presented for the promotion interviews out of which 2,264 were successful (OHCS, 2018, p.54).

Data from the 2018 MDAs Annual Budget Performance Reports (in Table 4.2) also show improvement in the number of staff promoted in the civil service, with some MDAs having more of their personnel getting promoted in 2018 than they had budgeted. Most of the directors interviewed also confirmed the improvement in the number of staff promoted in

their respective organisations after Ghana exited the IMF programme. For instance, one of the directors said: “*from late 2018 to 2019, promotions have been faster and better, and all the backlogs were cleared. A lot of civil servants in this Ministry, especially those in the Social Welfare unit, were promoted*” (Director of Human Resource, 7).

Table 4.2: Staff Promotion in Selected MDAs in 2018

Ministries	Baseline (2017)	2018			Remarks
		Budget Year Target	Annual Actual	Variance	
Lands & Natural Resources	6	15	27	12	
Defense	-	9	9	0	Target Achieved
Environment, Science, & Technology	5	15	19	4	Target exceeded
Railways Development	0	7	4	(3)	4 out of 7 staff who were due promotion were promoted. Awaiting results of promotion interview for the remaining staff
Aviation	5	6	6	0	Conducted by OHCS
Transport	-	1	1	0	
Employment and Labour Relations	N/A	25	20	5	
Chieftaincy and Religious Affairs	50	141	65	(76)	Due to financial challenges
Parliamentary Affairs	9	15	1	(14)	6 officers interviewed and awaiting results.

Source: Ministry of Finance (2018)

In the Weberian model, promotion based on seniority and achievement is considered a vital element that makes bureaucracies more effective and efficient. In the civil service, promotions are not only aimed at advancing responsibilities, status, and remuneration but a way of appreciating good performance. From the responses gathered from the interview, it is evident that structural conditionality from the Fund affected staff promotion in Ghana's Civil Service. Since the focus of the conditionality was on the reduction of the wage bill through cost reduction and containment mechanisms, the government's ability to sufficiently finance civil services was diminished. Consequently, civil service organisations were financially constrained, which affected the rule-based promotion of several civil servants. This had a negative effect on staff motivation, which also affected performance in the civil service. In the 2016 CSAPR, for instance, the Ministry of Works and Housing described how the delay in the promotion of eligible officers affected "employee morale and performance" (OHCS, 2016, p.370). The findings of the study are in harmony with Reinsberg et al. (2019), who found that structural conditions from the IMF affect bureaucratic quality since they cut deeply into public sector entitlements, including working conditions, social security, average pay, and additional benefits. One of the entitlements of every civil servant is the advancement of grade or position (or the right to promotion). The findings are also in line with Owusu (2015) who averred that structural conditionality (particularly first-generation reforms) ignored the role of staff motivation in achieving organizational efficiency.

4.4 The Effect of IMF Loan Conditionality on Civil Service Remuneration

Adequate remuneration of bureaucrats is another key element of the Weberian model of bureaucracy. Weber argues that although the payment of salaries and other perquisites to officials for their performance is not very critical to the concept of bureaucracy, "it is the

arrangement which best fits the pure type” (Weber, 1978, p.222). Adequate remuneration is crucial to building quality civil services (Klitgaard, 1997; Raadschelders et al., 2007; Kettl, 2012). Aside from ensuring that civil servants and their families have satisfactory living conditions, adequate compensation is a means to attracting, motivating, and retaining competent employees (Sigman et al., 2017; Meyer Sahling et al., 2018). Rijckeghem and Weden (1997) also found that civil service wages directly correlate with the quality of bureaucracy and the rule of law.

From the analysis of the nature of IMF conditionality in Ghana’s public sector (as discussed earlier in Section 4.1.2), it was clear that the Fund has on several occasions required (through loan conditionality) that the government undertake pay structure rationalisation reforms (such as wage freezes, wage restraints, and consolidation of non-wage benefits) aimed at reducing the pressure on the wage bill. The conditionality determined how far the government could go as far as civil service remuneration and salary negotiation between labour unions was concerned. As noted earlier, these pay structure rationalisation conditionality were often implemented alongside other stringent conditionality like a scrap of utility and fuel consumption subsidies; increment in taxes, levies, and import prices; and the divestiture and liquidation of major state enterprises: thereby inflicting harsh conditions on the working class.

Moreover, these pay structure rationalisation conditionality were carried-out in periods (i.e., post-colonial era) when remuneration in Ghana’s Civil Service was considered as unattractive and uncompetitive, with many unions calling for a review of their conditions of service. For instance, in the 2003-2006 loan programme, when the country was asked by the IMF to reduce the wage bill by 0.6%, which necessitated a freeze on salaries, the

government of Ghana had to request for a ‘Waiver of Nonobservance’ for the conditionality in the first two years. They argued that even at the current level of remuneration, the civil service was losing highly productive employees, and, therefore, further freezing wages in the bit to reduce the wage bill will hinder the country’s goal of boosting service delivery and value for money. They concluded that although civil service wages in Ghana have increased over the years, “they have done so from a very low base, and they continue to lose ground against those of the private sector” (IMF, 2006, p.52).

Responses from the interviews conducted shows that pay structure rationalisation conditionality from the Fund contributed to the siphoning of competent staff from the civil service to the private sector, lack of motivation among staff, moonlighting, and staff agitation. The subsequent paragraphs provide a detailed explanation of the above-listed challenges brought about by the pay structure rationalisation policies attached to the Fund’s conditionality in the Civil Service of Ghana.

4.4.1 Siphoning of Competent Staff from the Civil Service

Most of the respondents cited the loss of competent workers to the private sector as a direct consequence of pay structure rationalisation policies such as wage freezes, wage restraints, and consolidation of non-wage benefit. The findings revealed that although wages were not the sole reason why people leave Ghana’s Civil Service, it played a major role in the departure of qualified and experienced people out of the Service. This, however, was not the case prior to independence. As Ayee (2001) noted, one of the reasons behind the effectiveness and efficiency of Ghana’s Civil Service before independence to the late 1970s was that civil servants “appear to have been adequately remunerated” (Ayee, 2001, p.2). The respondent, who had been in the Civil Service for 30 years, shared an account of

how civil servants were remunerated during the colonial era before loan conditionality. He said:

The truth is that civil servants in the colonial era were well-paid and even banned from embarking on demonstrations. They had good salaries, accommodation, and other attractive benefits. These things changed dramatically when the Bretton Woods institutions (i.e., IMF and the WB) came. Even before they came, some unions were already agitating for salary increments. So, when the conditionality directed the government to freeze wages and other non-wage benefits in this volatile price changing economy, what do you think will happen? (Deputy Director of Human Resource Department, 17).

In explaining how the conditions siphoned highly skilled and knowledgeable employees from the Ministry around the 1990s, the same respondent said:

It completely siphoned quality workers from the Service. Workers stayed for about four to five years without salary increment, which did not make sense. Their purchasing power was low. Fortunately, and unfortunately, around that period, there was an upspring of Non-Governmental Organisations (NGOs) who were looking for certain specialized skills. They offered far better and attractive conditions of service and took away highly skilled and knowledgeable employees from the Civil Service. (Deputy Director of Human Resource Department, 17).

Certainly, once civil servants become cognizant of better-paying jobs and opportunities in the private sector, they may keep one eye open to the civil service, and the other for greener pastures in the private sector. A respondent from the OHCS described how the Civil Service sometimes losses workers to the private sector as a result of poor conditions of service, which was aggravated by loan conditionality. He stated:

Generally, the conditions in the civil service have not been the best in terms of attracting and retaining skilled workers. Therefore, conditionality only come to make matters worse. The private sector is also in a hunt for specialized skills. So, when they (civil servants) are offered jobs with better opportunities and conditions

of service, the tendency of them leaving the civil service is high. So, the general conditions of service that were further marred by loan conditionality affected the retention of skilled employees in the civil service (Former Director of RTTD, 2).

In the same fashion, another respondent from the Ministry of Interior noted:

Even after the introduction of the SSPP, the wage premium of civil servants against other public servants is low. So, civil servants are always seeking for better opportunities elsewhere, and once they get that opportunity, they leave. We have lost some of our best talents to the private sector due to better compensation systems out there. So, with all these problems, freezing remuneration did not make sense to some of us (Deputy Director, Human Resource Department, 15).

Some of the directors cited instances where they lost some of their competent personnel to the private sector. A director at the Ministry of Employment and Labour Relations, for example, said she lost two of her best workers to the private sector in 2018 due to better offers and conditions of service. Another director at Ministry of Gender, Children and Social Protection (MoGCSP) stated that in the same year, she also lost some of her important personnel (i.e., the programmes director and other directors) to the private sector as a result of the poor conditions of service in the Civil Service.

A review of the 2015 to 2018 CSAPRs also illustrated how some Civil Service organisations lost quality staff due to poor conditions of service. In the 2015 report, for example, the Ministry of Roads and Highways highlighted that one of the challenges facing the agency was “retaining essential professional staff as a result of the poor condition of service” (OHCS, 2015, p.257). In the following year’s report, the Ministry of Communication attributed the lack of professional staff partially to the poor conditions of service in the civil service, which they claimed, “make it difficult to attract and retain a high calibre of ICT professionals in the sector” (OHCS, 2016, p.53). Again, in the 2017

report, the Ministry of Information cited how some officers were resigning “due to poor working conditions and lack of motivation” (OHCS, 2017, p.250). Furthermore, recent studies conducted in Ghana’s public sector indicates that most civil servants had lower satisfaction with their salaries and did not find it satisfactory to maintain their households (see Sigman et al., 2017; Meyer-Sahling et al., 2018). Interestingly, from 2015 to 2019, there was a ceiling on wages and salaries as in Ghana a result of IMF loan conditionality.

With a disruptive departure of skilled government employees to the private sector, most of the Directors interviewed admitted that gradually, the best brains were leaving the Civil Service since some of those who left were difficult to replace, as far as competence and experience were concerned. As noted by one of the respondents:

Sometimes, getting a replacement for such people is difficult because they have the experience and in-depth knowledge concerning the job. So, they become ‘hot cakes’, and ones they get better opportunities, they leave. So, losing quality staff members was not only due to the freeze on remuneration; the general conditions of service in the Civil Service are quite unattractive. Freezing wages only made matters worse for the Civil Service. (Director, Human Resource Department, 12).

Judging from the narratives above, adequate and competitive remuneration appears to influence employees’ intent to remain in the Civil Service. This can indirectly drive motivation and performance by discouraging the departures of competent and experienced staff from the civil service, who, according to the findings, are prone to leaving to get better-paid jobs in the private sector. As observed from the responses, remuneration in Ghana’s Civil Service is considered as unattractive and uncompetitive. With this problem, imposing conditionality that seem to reduce civil servants’ remuneration and other benefits is sure to result in civil servants starting to consider better opportunities in the private sector, where their needs would be met. The findings reecho Ghana’s former Minister of

Finance, Kwadwo Baah Wiredu's letter to the IMF in 2006, stating that the civil service was losing highly productive employees to the private sector due to the level of remuneration. Lienert and Modi (1997) also found that the continuing erosion of public sector wages relative to private-sector salaries (as a result of first-generation reforms) led to an outflow of skilled staff in sub-Saharan Africa. The findings are also in harmony with the IMF's assertion that wage freezes can undermine the attractiveness of government employment and induce the departures of skilled employees (IMF, 2016a). It also supports the findings of Reinsberg et al. (2019).

4.4.2 Lack of Motivation

The respondents also cited low morale or lack of motivation as a consequence of pay structure rationalisation conditionality in the civil service. Most of the directors pointed out that due to the low wages in the civil service, which was further compounded by wage freezes and restraints, some employees exerted minimum effort to do their jobs and ended up producing low quality work because they felt that they were not prioritized or valued or appreciated by their employers; the government. In this context, one of the respondents said:

Freezing wage increment did not help the civil service in any way. In the end, people come to work all right, but they do not exert their best because they feel the government does not value them. In the past, we used to enjoy some little benefits here and there. But all these benefits have been consolidated. We are not saying high wages equals high performance, but it is needed to motivate staff to give off their best. (Director, Human Resource Planning, 13).

Another Director added:

The truth is that remuneration in the civil service is woefully inadequate and does not motivate. People work very hard and sacrificially but are not adequately

rewarded. Some people leave the service while others develop apathy for the job. You do not expect someone to be working hard without been adequately motivated. (Director, Human Resource, 7).

Some of the respondents also revealed that the main reason why people tend to take jobs in the civil service is due to job security in the public sector, and other opportunities like study leave. But the sad truth, as revealed by the respondents, is that people often use the civil service as a ‘waiting place’, and are quick to depart should better opportunities come their way. Describing the reason behind this phenomenon, most of them cited the lack of motivation in terms of inadequate remuneration in the civil service, which was intensified by loan conditionality. As succinctly explained by one of the respondents,

Had it not been that there are few opportunities out there, you would not have competent staff in the civil service because they seem not to reward hard work. So yes, cutting the wage bill which necessitated a freeze on increasing remuneration was very detrimental to hard work. Already, the wage of civil servants is not motivational at all. You sometimes hear people say 'we are waiting for the good times'; that is, better opportunities elsewhere. (Director of Principal, Policy & Planning, 16).

The argument that adequate remuneration is vital for sustaining civil servants’ motivation and performance has been well documented (WB, 1997; Meyer Sahling et al., 2018). This implies that when wages become stagnant, the tendency of workers putting little effort into their work, thereby resulting in low productivity, is not far-fetched. As found by Lienert and Modi (1997), the erosion of public sector wages as a result of first-generation reforms siphoned skilled staff from the civil service while lowering the efficiency and motivation of those remaining. Owusu (2012) also argued that first-generation reforms ignored the importance of staff motivation in achieving organisational efficiency.

4.4.3 Moonlighting

Some of the respondents also revealed that as a result of low conditions of service in the civil service, which was intensified by loan conditionality, some civil servants (both directors and administrative staff) engaged in corrupt practices, particularly moonlighting (multiple job-holding or the act of engaging in paid outside business activity in addition to their main employment) in order to help maintain the standard of living. That is, to avert any substantial drop in their living conditions and to supplement their income, some civil servants held more than one job. This statement, for example, was made by one of the directors at the Ministry of Roads and Highways on how people engaged in moonlighting due to the poor conditions of service as a result of frequent wage bill cuts in the civil service:

Cutting the wage bill which necessitated a freeze on increasing remuneration did sent away quality staff to the private sector because they got better opportunities. Others supplement their salaries through moonlighting that we usually call 'PP – Public-Private'. Sometimes, you cannot say those actions are wrong because 'man must survive', and you cannot depend on that meagre salary. Even though it is important to be patriotic to your country, the system also has to be rewarding. (Director of Principal, Policy & Planning, 16).

Another director remarked: “...freezing remuneration only made matters worse for the civil service. It also created strong incentives for moonlighting” (Director, Human Resource Department, 12).

From the findings of this current study, the desire of civil servants to engage in moonlighting is a direct reflection of the poor conditions of service and pay structure rationalisation conditionality outcome. Other studies (such as Lienert & Modi, 1997; Owusu, 2012) have also shown that the compression of both salary level and structure of

civil servants, in the implementation of first-generation reforms, did enable borrowing governments to reduce the rapid expansion of their workforce, but it had adverse consequences on the civil service, such as creating strong incentives for civil servants to engage in counterproductive behaviours like absenteeism, moonlighting, and low performance.

4.4.4 Staff Agitations

The study again revealed that pay structure rationalisation conditionality have also resulted in many staff agitations in the civil service. These were in the forms of threatened and actual strike and demonstration activities. The reasons for the agitations were mostly due to the unbearable conditions of life and economic hardship brought about by IMF loan conditionality. As noted earlier, pay structure rationalisation conditionality in Ghana were often implemented with other austere conditionality, such as high prices of goods and services, removal of government subsidies on essential goods and services, and decontrolling of prices. The sum effect of these conditionality is the rise in staff agitation. In the 1980s, for instance, most workers openly challenged the government (i.e., the Provisional National Defence Council) on IMF adjusted conditionality through wildcat strikes and demonstrations (Akonor, 2006). One of such demonstrations was the famous 'Kume preko' (meaning 'you may as well kill me now') demonstration.

Some of the directors interviewed asserted that there were several agitations from their staff on salary increment, especially during periods of wage freezes. One of them avowed that freezing salary was one of the causes of workers' agitation that led to the introduction of the SSPP - which has its own problems. Even at the time of collecting the data, the researcher noticed that red flags were hoisted in many civil service organisations. After

several enquiries, it was found that the red flags were hoisted as a protest against the government's refusal to pay a 15% salary increment promised the civil service some time ago. Responding to how poor conditions of service compounded by pay structure rationalisation conditionality resulted in staff agitation, a senior director at the OHCS said:

The compensation of the Civil Service, as generally known, is not attractive. ... With this rate of compensation, it is worrying to see the government in conjunction with IMF freezing or restraining wages in the Service. Over the years, there has been a lot of staff agitation for higher wages. We were recently told of some 15% increase, but that has not reflected yet on our payslips. We are even planning nation-wide strike action. That is why you see red flags all around this place. So, some of these wage reforms have not helped the civil service. (Assistant Director/Head of Reforms, 1).

Without a shred of doubt, freezing wages and scrapping some benefits enjoyed by civil servants in an already low-income earning civil service may not go down well with some personnel. This may create incentives for civil servants, as seen from the analysis, to indulge in strike actions and demonstrations to make known their grievances. This may have an adverse effect on their motivation to deliver essential services to the growth and development of the country.

Adequate remuneration, as seen from the analyses of the effect of the Funds conditionality on civil service remuneration in Ghana, plays a vital role in building civil service bureaucratic quality since it can attract and retain competent personnel. In the absence of adequate remuneration, civil servants are likely to either be on the watch for better opportunities elsewhere (perhaps in the private sector) or simply refuse to give off their best. Moreover, others may look for additional jobs, while some may agitate. These problems have been the bane of Ghana's Civil Service.

While it is inaccurate and irresponsible to blame the IMF alone for the low compensation level in Ghana's Civil Service (since it may also be attributed to a poor-performing economy and limited national resources), however, the total of the Fund's loan conditionality over the years, in forms of wage freezes, wage restraints, consolidation of non-wage benefits, and a scrap of some benefits enjoyed by civil servants, has also contributed to the problems of the Service in terms of inadequate remuneration (Independent Evaluation Office of the IMF, 2007; ActionAid Ghana, 2010; Owusu, 2012; ActionAid International, 2020). As noted by Akonor (2006), IMF conditionality adversely affected labor rights and interests in Ghana and was manifested through changes in income levels and income distribution. In 1988, for instance, Ghana's Trade Union Congress (TUC) voiced the predicaments facing the working people as a result of IMF loan conditionality. One of their statements read:

The going is still hard for the working people. ...the sum effect of the IMF (and World Bank) sponsored economic policies are the cheapening of the local currency through the foreign exchange auction system, the high rates of unemployment and a rising cost of living brought about by the decontrolling of prices, removal and subsidies on essential goods and services and the partial freeze on wages and salaries of the working people (TUC, 1988, p.3 cited in Akonor, 2006, p. 67).

From a narrow perspective, pay structure rationalisation conditionality make sense since high wage spending can result in a massive budget deficit. However, the deleterious repercussions of these conditionality in an already low-income earning civil service cannot be ignored. Even the IMF acknowledges that the prolonged use of wage freezes and restraints does not only undermine the attractiveness of government employment and induce disruptive departures of skilled government employees, but they also “disrupt rule-based wage adjustment mechanisms and distorts the structure of compensation” (IMF, 2016a, p.31). Moreover, in 2007, following several campaigns against wage bill caps, the

Executive Board of the IMF announced that plans were underway to entirely obviate such conditionality from Fund-supported programmes given its macroeconomic repercussions, for the time being using them in exceptional cases. They noted:

Directors recognized that the use of overall wage bill ceilings in Fund-supported programs has reflected valid concerns regarding macroeconomic stability and the need for protecting critical non-wage spending and public investment.... Directors welcomed the declining incidence of such ceilings in Fund-supported programs, and hoped that the use of medium-term expenditure frameworks and strengthened budget and payroll systems will gradually obviate the need for such ceilings. However, as this will take time and LICs will need substantial technical assistance from the Fund and other providers to develop such systems, ceilings in exceptional cases may be needed based on macroeconomic considerations (IMF, 2007).

This implies that even the IMF acknowledges the effect of wage bill ceilings and admits that obviating them from Fund-supported programmes will not only help protect critical non-wage spending but ensure that civil services attract as well as retain competent personnel, which is critical to building bureaucratic quality.

4.5 The Effect of IMF Loan Conditionality on the Availability of Competent Personnel

Apart from the effect of IMF loan conditionality on merit-based recruitment, promotion, and remuneration, the study also found that the loan conditionality affected the availability of competent personnel in the Civil Service to deliver mandated functions. This section, therefore, discusses how IMF loan conditionality affected the availability of competent personnel in the Civil Service.

For more than decades, Ghana's Civil Service has been perceived as being over-bloated, overstaffed, and unproductive. This perception remains the justification for the imposition of a net-freeze on public sector recruitment by donors, including the IMF. However true that may be, several studies and reports (e.g., Olowu, 2003; Crook, 2010; UNECA, 2010) have also shown that this perception is contradicted daily by the reality on the ground. The study found that one of the problems brought about by the net-freeze on recruitment in the civil service is its adverse effect on the human resource capacity. With the freeze on recruitment, the civil service could only replace staff who either go on retirement, die, or voluntarily vacate their posts. As noted earlier, the replacements were only possible after a financial clearance from the MoF. The study, however, found that getting approval from the MoF was often difficult. Thus, to better understand the effect of IMF loan conditionality on the availability of competent personnel to deliver mandated tasks in the Civil Service, it is necessary to start the discussion with the problems related to obtaining financial clearance.

4.5.1 The Problems with Financial Clearance

During the freeze on recruitment, financial clearance from the MoF was the only means by which civil service organisations obtained new personnel. The difficulty with getting financial approval was not only peculiar to the Civil Service but public sector organisations as a whole. For example, in September 2014, the *Daily Graphic* reported that most government agencies were understaffed due to vacancies created by staff who had either gone on retirement, resigned, or died. Most of the agencies cited in the report claimed they were seeking financial clearance from MoF to replace outgone staff but were unsuccessful (Mustapha, 2014). The difficulty with obtaining financial approval was also reflected in both the 2014 and 2015 *State of the Public Service Report of Ghana* (PSC, 2015, PSC,

2016). In the 2015 report, for instance, this is what was said as the reason why vacant jobs were not filled in the public service:

Over 51% of respondents indicated that there were no recruitment activities undertaken in PSOs to fill staff vacancies. The situation can be attributed to some of the reasons why vacancies identified in 2015 were not filled which identified austere government policy on recruitment and lack of financial clearance as the main factors (PSC, 2016, p.48).

In the Civil Service, the situation was not different. Respondents from the OHCS stated that obtaining financial clearance to replace outgone employees was difficult and frustrating, affecting staff strength in most civil service organisations. In the 2016 CSAPR, for instance, the OHCS cited the phenomenon of non-replacements of outgone staff in the civil service as one problem that has persisted for a while. Part of the report read:

The challenge of inadequate staffing in the Service has existed for some years now.... most sector Ministries still face-limited number of technical staff strength and this is because staff, were posted out, retired, resigned or transferred out of the Service without replacement (OHCS, 2016, p.60).

The phenomenon was rehashed in the 2017 CSAPR:

Inadequate staffing and the limited number of Technical Staff have been a hindrance to the effective operation of the MDs. Staff posted out, retired, resigned, as well as transferred to other institutions are normally not replaced, leading to staff deficits (OHCS, 2017, p.71).

The general responses of most of the respondents indicate that obtaining financial clearance from the MoF was not an easy task. The process, according to some of the respondents, was not only difficult but also frustrating. In response to how difficult it was to obtain financial clearance, one of the respondents remarked.

It was difficult. We all knew that the conditionality allowed for the replacements of staff, but when you apply, its either they delay the process, or they bluntly tell you they do not have money. So, obtaining financial approval generally was a problem.
(Director of Human Resource Planning, 13).

Responding in similar manner, another director had this to say:

Frankly, the process of obtaining financial clearance from the MoF was extremely Difficult! At some point, we stopped applying because it was always unsuccessful. Even if it is successful, it takes more than a year before we receive new staff.
(Director of Human Resource Department, 19).

When the researcher presented these facts to the MoF, they were quick in admitting that the issuing of financial clearance was sometimes difficult. They justified their actions by claiming that some MDAs were abusing the financial clearance and getting much personnel at the expense of others. "*There is, therefore, the need for proper auditing to prevent overstaffing*", a respondent from the Ministry observed. The same respondent concluded by also admitting that another reason (aside from the abuse of the clearance by some MDAs) why financial clearances were not forthcoming as expected was a deliberate attempt to reduce the wage bill to achieve loan conditionality. He said:

I agree that obtaining financial clearance from us has been difficult. Mind you, the government wage bill is already over-burdened, so all efforts are put into finding ways to reduce it. If we are to grant clearances for every vacant position, we will not achieve the purpose of the loan. (Assistant Officer, ERSD, 3).

Unquestionably, to reduce the occurrence of overstaffing in the civil service, radical measures need to be taken. In fact, in the 2015-2019 loan programme, one of the conditionality was non-replacement of employees in overstaffed departments. But the argument of overstaffing in the civil service as the justification for the consistent net-hiring

freeze conditionality and a further non-replacement of departing employees in some MDAs did not stand the test of scrutiny on the ground. Most of the directors interviewed complained of an acute man-power deficit as a result of the net-freeze on recruitment, which affected the availability of competent personnel and delivery of mandated functions. How the conditionality, coupled with the difficulty of obtaining financial clearance, affected the availability of competent personnel in the Civil Service, is discussed in turn.

4.5.2 Effect of the Net-Freeze of Recruitment on Staff Strength

The net-freeze on recruitment is believed to have had an adverse effect on the staff strength of the various MDAs. To understand the changes in staff strength of the various MDAs, this section of the study assesses the staff strength in some selected MDAs throughout the period of the freeze on recruitment. Table 4.3 shows the staff strength of selected MDAs in the year 2009 (the year in which the just ended net-freeze on recruitment began) to 2019.

Table 4.3: Staff Strength of Selected MDA's for the year 2009 to 2019

Ministry	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ministry of Justice and Attorney General Department	793	874	904	1131	1,273	1233	1234	1,225	1,227	1,196	1,215
Ministry of Communication	600	643	637	583	573	556	559	524	501	484	521
Ministry of Chieftaincy and Culture, and Religious Affairs		2,028	1,982	2,017	2,063	646	666	652	610	571	554
Ministry of Defense	24	25	31	35	43	46	46	134	146	138	123
Ministry of Education	256017	258,813	279,415	292,398	309,721	308264	306,397	303,352	310,663	329,524	329,158
Ministry of Environment, Science and Technology & Innovation	-	2,071	2,158	2,243	6,260	5587	5326	4,747	4562	4399	4301
Ministry of Youth and Sports		899	946	925	922	881	870	817	777	743	688
Ministry of Energy	452	267	260	244	247	225	176	133	130	127	117
Ministry of Finance	4,187	4,893	4,954	4,990	5,319	5,146	5,020	4,758	4,439	4,275	4,227
Ministry of Food & Agricultural	8063	8,583	8,743	8,541	8,640	5055	3,156	2810	2101	2051	3024
Ministry of Foreign Affairs and Regional Integration	690	729	349	341	751	697	305	311	300	279	383
Ministry of Health	71,607	76,956	81,745	93,200	91,825	84,436	108,042	103,509	114,072	115,734	127,106
Ministry of Information		1,576	3,521	3,332	3,382	3,129	2,874	2,713	2,560	2,362	2,349
Ministry of Interior	16011	15,926	17,117	21,296	22,781	22,769	23,988	23,581	24,129	24,821	26,838
Ministry of Lands and Natural Resources	4400	4,580	4,392	5,707	6,248	5,783	5794	5490	5283	5389	5165
Ministry of Local Government and Rural Development	18347	18,896	19,332	20,165	25,113	28,002	15,841	1,924	1546	1671	1,622
Ministry of Employment and Social Welfare	2838	3,507	3,545	3565	3,728	2,180	2,131	2111	2003	1955	1859
Ministry of Tourism & Creative Arts	53	282	307	294	290	1,652	1592	1514	1439	1414	1372
Ministry of Trade and Industry	1240	1,261	1,174	1,191	1,214	1207	1187	1173	1119	1077	1079
Ministry of Transport	-	726	638	633	625	613	506	187	138	137	129

Ministry of Water Resources, Works and Housing	-	2,104	2,105	2,050	2,062	1,642	994	1109	822	733	695
Ministry of Gender, Children & Social Protection	204	198	204	186	184	1428	1301	1258	1153	1057	1142
Government Machinery	2,536	2,691	2,755	2,728	2,864	2,676	1797	1458	1264	1308	1319
Ministry of Roads & Highways	3395	2683	2,668	2,578	2,541	2,259	2202	2111	1966	1801	1700
Total	391457	411211	439882	470373	498,669	486112	492004	467,601	482,950	503,246	516,686

Source: Controller and Accountant General's Department

From Table 4.3, it may seem from the total that there has not been a decline in the staff strength as one would have expected to see, but there are other factors that need to be taken into consideration. For instance, there was an increase in the figures for the Ministry of Health and the Ministry of Education because they were, supposedly, exempted from the conditionality due to their critical nature. To a large extent, the exemption of these critical ministries accounted for the increase in the totals as seen in Table 4.3. This is because the two sectors constitute about 80% of the total figures in each year. In fact, the annual reports of the civil service reported that its staff strength declined from the size of 14,286 in 2015 to 13,626 (see OHCS reports for 2015, 2016, 2017, and 2018). This means that the staff strength of the civil service reduced by 660 personnel within four (4) years despite the creation of new Ministries within the same period.

Again, looking at the figures of some of the MDAs in Table 4.3 (aside from the Ministries of Health and Education), one can realize a drastic increase or decrease in the staff strength in some periods. However, the overwhelming increase or decrease was due to several factors. For instance, the staff strength for the Ministry of Local Government and Rural Development (MLGRD) dropped drastically in the year 2014 because the Metropolitan, Municipal, Depts & Agencies (MMDA) were not included in the count. The same can be said about MoFA that saw a drastic decline in staff strength from 2016 due to the creation of a new ministry – Ministry of Fisheries & Aquaculture Development – which was calved-out of MoFA. The Ministry of Chieftaincy, Culture, and Religious Affairs also saw a drop in staff strength in 2014 as a result of the exclusion of some agencies, such as Ghana Museums & Monuments Board, National Commission on Culture, and the National Theatre. The Ministry of Works and Housing also experienced a significant decrease in staff strength due to the non-inclusion of the Water department - which was transformed

into a new ministry. The Office of the Government Machinery also experienced a fall in staff strength in 2014 due to the non-addition of some agencies. The same can be said of the Ministry of Transport, whose staff strength declined in 2016 due to the non-inclusion of the Driver & Vehicle Licensing Authority (DVLA). Finally, the drastic decrease in staff strength of the Ministry of Employment and Social Welfare in 2014 was due to the non-inclusion of some Department and Agencies, such as the Dept Social Welfare and the National Council on Persons with Disability.

Concerning the drastic increase in the staff strength of some MDAs, the Ministry of Information saw a very high increase in their staff strength from 2011 due to the addition of Ghana Broadcasting Cooperation and Ghana News Agency. The same applies to the Ministry of Environment, Science, Technology, and Innovation who saw a drastic shot-up in their staff strength from 2015 because of the addition of the Council for Scientific and Industrial Research (CSIR). The Ministry of Employment and Social Welfare also experienced an increase in staff strength from 2010 to 2013 due to the addition of some departments. Also, looking at the Ministry of women's affairs, one can realize an increase in staff strength through the years. This increase was due to the creation of another department in the Ministry after the change of government in 2013. The same can be said for the Ministry of Tourism and the Ministry of Lands and Forestry.

Aside from the above exceptions, the decrease in the staff strength of some MDAs could be attributed to the freeze on recruitment. For instance, the Ministry of Foreign Affairs saw a drastic reduction from 690 in 2009 to 305 in 2015. One could conclude that the decline in the staff strength of this ministry is due to the net-freeze on recruitment because the reduction occurred during the implementation of the policy. The same can be said of

the Ministry of Communication that saw a decrease in staff strength from 600 in 2009 to 484 in 2018. The Ministry of Energy also saw a decline in staff strength from 267 (in 2010) to 177 (in 2019). This could also be attributed to the freeze on recruitment. The MLGRD also experienced a consistent drop in staff strength from 1,924 (in 2016) to 1,622 (after three years). This could also be due to the freeze on recruitment. The Table further shows several MDAs (including the Ministry of Education, Ministry of Energy, Ministry of Chieftaincy, Culture & Religious Affairs, Ministry of Youth & Sports, Ministry of Finance, Ministry of Food & Agriculture, Ministry of Information, Ministry of Land & Natural Resources, and Ministry of Works & Housing) seeing a decline in their staff strength during the just ended loan programme (i.e., 2014 to 2019). With the exception of the payroll clean-ups carried out, as well as a few unexplained figures, it can be concluded that there has generally been a decline in the staff strength of various MDA's as a result of IMF Loan conditionality.

4.5.3 Staff Stress and Low Performance

Respondents from the OHCS averred that almost every year (even in the absence of loan conditionality), civil service organisations complain of inadequate personnel to perform mandated functions. The freeze on recruitment and the difficulty in obtaining financial clearance to augment existing staff strength exacerbated the problem.

In a review of the 2015 to 2018 CSAPRs, the study found that most civil service organisations grumbled about how inadequate staff had slowed productivity and impeded the effective and efficient implementation of mandated functions and expansion to other regions. In the 2015 CSAPR, for instance, nineteen (19) out of twenty Ministries (representing 79%) cited inadequate staff as an impediment to effective service delivery.

In the following year's report, fourteen (14) out of twenty-four (24) Ministries (i.e., 58%) cited this problem. In 2017, twenty-one (21) out of thirty-two (32) Ministries (66%) expressed the phenomenon. In the 2018 report, there were nineteen (19) out of thirty-five (35) Ministries (54%) that voiced the problem.

On the field, most of the directors cited how the freeze on recruitment created several unfilled vacancies in their organisations, thereby putting enormous stress on existing staff and denying some of them their right to annual leave. In response to how the freeze on recruitment affected human resource capacity to perform mandated functions, one of the respondents from the MoGCSP said:

Our agencies and regional departments suffered most. The Human Trafficking secretariat, for instance, from 2014 to 2017, had only two (2) personnel working there till the end of 2018 when they got thirteen (13) new workers. So, you can imagine the stress level of the two (2) workers before the coming of the extra 13. Likewise, early last year, 27 people retired in the Social Welfare unit, and we were given financial clearance for only 18 staff. How do you expect them to be efficient? Already, they were understaffed before the freeze on recruitment. (Head of Human Trafficking Unit, 8).

Responding in the same fashion, a respondent from the Ministry of Interior said:

Yes! The net-freeze on recruitment did affect the ministry in so many ways. Before the freeze on recruitment, some of our departments were already understaffed. With the freeze on recruitment, the situation only got worse because there was a lot of pressure on the existing staff to the extent that some of them could not proceed on annual leaves as that may harm service delivery. (Deputy Director, Human Resource Department, 15).

In 2017, the Ministry of Youth and Sports also voiced how the difficulty in obtaining financial clearance affected their staff strength from 2014, and consequently, their inability to perform mandated functions across the country. One of their reports read:

Another challenge facing the sector is the inadequate staff. For instance, the National Youth Authority staff strength has reduced from 381 in 2014 to 308 staff in 2018. Also, the National Sports Authority has seen a reduction in staff strength from 406 in 2014 to 322 staff in 2018. This situation has resulted in the inability of the Agencies to fully implement Government policies and programmes throughout the country. (OHCS, 2017, p.292).

Surprisingly, the Ministry of Health, which was exempted from the conditionality, experienced staff deficit in some critical departments. A respondent from the Ministry clarified that the exemption of the Health sector was only with regards to their agencies. They were, therefore, able to recruit health workers such as nurses, midwives, and pharmacists, but not civil servants. Civil servants were only replaced (which was also difficult). Despite the exclusion of the Health agencies, the respondent revealed that they also complained of inadequate staff, implying that the entire Ministry of Health was also affected by the conditionality. This confirms earlier studies that found that IMF loan conditionality led to a reduction in health care staff in Ghana (e.g., Action Aid Ghana, 2010; Stubbs et al., 2017). In justifying this proposition, below are the words of one of the respondents from the Ministry:

Considering how important and busy this Ministry is, the conditionality increased the workload in some of the departments that impeded effective service delivery. Even our agencies that were exempted from the conditionality had their share of the problem. Due to the conditionality, there was a cut-down on health-workers recruitment. So, most of the agencies complained of a shortage of health workers. The Health sector generally suffered. (Director, Human Resource Planning, 13).

The study also found that although the freeze on recruitment affected all categories of workers in the civil service, compared to the administrative staff, the most affected were the technical staff. They include Directors, Procurement Officers, Internal Auditors, and Accounts Officers. Describing this situation, the OHCS made this assertion in the 2016 CSAPR:

Another challenge that was encountered by the Service during the reporting year was the scarcity of critical staff across the Sectors to undertake planned programmes and activities. ... Apart from the Ministries where the staffing levels are somehow satisfactory, most Departments and the Agencies have challenges with their personnel. The numbers of technical staff to perform technical roles in the Ministry are inadequate. Compared to the administrative staff, the relatively small numbers of technical staff to support the execution of the core business of the Sectors have not been able to cope effectively with the complex and large volumes of work in the Ministries (OHCS, 2016, p. 393).

The lack of technical staff was intensified by the creation of new ministries amid the freeze on recruitment. Between 2015 and 2018, Ministries in Ghana increased from twenty-four (24) to thirty-five (35). Consequently, several technical staff were transferred to man the newly created Ministries. But due to the difficulty in obtaining new personnel as a result of the freeze on recruitment, there were no replacements for the transferred technical staff. Describing how the issue affected productivity in the civil service, the OHCS stated in the 2017 CSAPR that:

The limited number of Technical Staff across the Sectors to undertake planned programmes and activities coupled with uncoordinated training has also affected productivity in the reporting year. The transfer of some technical Officers from the existing Ministries to the newly created ones again aggravated the situation. Compared with the Administrative Class staff, the relatively small numbers of technical staff to support the execution of the core business of the Sectors have not

been able to cope effectively with the complex and large volumes of work in the Ministries and Departments (OHCS, 2017, p.71).

Although an increased staff number does not imply high efficiency, findings from this study revealed that the freeze on recruitment as a result of IMF conditionality affected the availability of competent personnel in the Civil Service. Against the significant number of complaints about inadequate competent personnel (both administrative and technical staff) to deliver mandated functions as analyzed above, the Fund's argument of overstaffed workers in Ghana's Civil Service as the justification for always imposing a freeze on recruitment did not stand the test of scrutiny on the ground. As observed from the responses and the data in Table 4.3, most MDAs (except for the Health and Education sectors) were adversely affected by the net-freeze on recruitment. Ironically, the two big Ministries that account for about 80% of the total number of staff in the MDAs were partially excluded from the conditionality. By exempting the Education and Health sectors, the conditionality still leaves room for further ballooning in the wage bill, which, in the end, leads to a significant reduction in the staff strength of other MDAs.

The issue of overstaffing in the Civil Service cannot be figured out through mere assumptions. It is first important to ask: 'what does in fact exist?' That is, it is not enough for donors (like the IMF) to base their conclusions on mere assumptions that the civil service is overstaffed and unproductive, and for that matter, the imposition of a net-freeze on recruitment. They need to take a further step to understand the reality on the ground. Contrary to the popular belief held by donors, the data collected by this study revealed that the Civil Service in Ghana does face challenges with regards to the unavailability of competent human personnel to deliver mandated functions. The problem was aggravated by the freeze on recruitment. Findings from this study, as well as studies by the UNECA,

indicated that most CSRs were based on poor diagnosis and wrong prescriptions from donors, as the claim “that African civil services are over-bloated is a fact that cannot be empirically established for the totality of the African civil service profile” (UNECA, 2010, p.47). The findings also support the study of Crook (2010), who found that the main problems of African public services (including Ghana) remain those of understaffing and lack of resources. The findings of this study also corroborate with the study by Olowu (2003) and the African Development Bank (2005) that some civil services in Africa are understaffed and lack skilled professionals and technicians in critical areas.

4.5.4 Gaps in Managerial Structure

Some respondents also indicated that the freeze on recruitment and the difficulty in obtaining financial clearance created several gaps in the hierarchical structure of their organisations, which affected the performance of services. For instance, a director from the MoLGRD claimed that as a result of the freeze on recruitment, between 2013 and 2018, she was the only deputy director (of the HR department) in the Ministry while other seven (7) directors had no deputies. She further averred that in 2019, when she became a director, the Ministry had no deputy directors in any of the departments. Explaining how the situation had a toll on their performance, she said:

You can imagine the workload. After the Deputy Director position is Assistant Directors – and some of those posts were also vacant. So, there was a significant gap in our organisational structure, and the workload was enormous because the 2Bs were few and inexperienced. So, the workload on the directors increased, and we could not even go on leave, other than that the directorates will collapse. (Director, Human Resource Department, 10).

Another respondent from the MoGCSP spoke about how the limited number of middle-level staff (particularly in 2010) had a toll on service delivery and resulted in entry-level

employees performing the functions of middle-level personnel. Although she acknowledged that the situation was, to some extent, a blessing in disguise since entry-level staff were exposed to roles beyond their grades and therefore learnt new things, she also admitted that entry-level employees were stressed beyond their capacities. In her words:

This Ministry was woefully understaffed. In 2010, for example, there was no middle-level staff. So, those at the entry-level were burdened with several works. Entry-level employees had to perform the tasks of deputy directors because we did not have enough hands. People had to work overt-time for the same pay, without any allowance. But it also had its positive implications: even though they were stressed beyond their capacities, I think they learned several things at the entry-level. (Director, Human Resource, 7).

Responding in the same vein, another respondent from the Ministry of Lands and Natural Resources said:

For the administrative positions, we had several vacancies that were not filled and so we had junior staff members taking the position and tasks of senior staff members without any appropriate technical training. And some of the directors were overstretched because they had to supervise about two departments. (Director, Human Resource Department, 12).

A respondent from the MoFA also cited how the freeze on recruitment affected succession planning in the Ministry, to the extent that they had to request from the OHCS that some category of staff who were close to retirement age in the Veterinary department should be given contracts to train the newly recruited staff (in 2019). He stated:

At the time when the experience ones were going on retirement, they were hardly replaced. So, there was attrition in the age pyramid. Even recently, MoFA had to request that the veterinary officers going on retirement this year should be given about two-years contract so they can mentor the newly recruited veterinary offices.

Otherwise, when they go, we will lose experienced officers to inexperienced ones. So, yes, the freeze on recruitment had a toll on some of the departments, especially technical officers. (Deputy Director of Finance and Administration, 5).

The situation is very worrying because civil servants need to be trained before handed higher roles or tasks. As observed from the responses above, personnel who were not even qualified had to perform tasks meant for more qualified and experienced people. This can threaten sound decision making and effective service delivery. The civil service, however, cannot be entirely blamed since recruitments and replacements were seldom done due to the freeze on recruitment conditionality. Ironically, the IMF argues that attrition-based measures (i.e., reduction of the size of the civil service through retirement and resignation, without plans to replace those vacant jobs) “can adversely affect future capacity where training, experience, and succession plans are crucial” (IMF, 2016a, p.32). As evident from the responses, some civil service organisations relied on inexperienced personnel to perform critical functions due to the unavailability of staff and the lack of succession planning as a result of the moratorium on recruitment.

4.6 Chapter Summary

This chapter has provided the analysis and discussion of both primary and secondary data on the effect of IMF loan conditionality on bureaucratic quality in Ghana’s Civil Service. Specifically, the chapter analyzed the nature of the conditionality from a historical to contemporary perspective and further examined how the conditionality affected merit-based recruitment, promotion, remuneration, and the availability of competent personnel. From the responses of the key informants, supported by relevant secondary data, it was evident that IMF loan conditionality did not improve bureaucratic quality in Ghana’s civil service. They only made an already problematic situation even worse. Since the

conditionality targeted the reduction of the wage bill (i.e., first-generation reforms), they were successful in reducing the size of civil service workers, as well as the government's spending on wages and salaries. Nevertheless, they resulted in deteriorating the quality of the civil service by distorting merit-based recruitment and the rule-based wage adjustment mechanisms in the civil service. It also contributed to the delayed-promotion of civil servants and inadequate human resource capacity to deliver mandated functions. These problems, as discussed earlier, contributed to the disruptive departure of competent civil servants out of the civil service while lowering the efficiency and motivation of those remaining. It further created strong incentives for employees to engage in counterproductive behaviours like moonlighting and staff agitation. The findings of this study, thus, supports the views of the *aid pessimists* who have argued that although loan conditionality can help governments to save money in the short term, its long-term implication on civil service bureaucratic quality could be inimical. The next chapter, among other things, offer policy recommendations on how to mitigate the negative effect of loan conditionality on bureaucratic quality in the civil service.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The purpose of the study was to examine the effect of IMF loan conditionality on Civil Service bureaucratic quality in the Ghanaian context. The study was guided by four features of the Weberian model of bureaucracy (i.e., merit-based recruitment, personnel promotion, adequate remuneration, and availability of competent personnel). Exploratory research design and qualitative research approach were adopted. The study relied on two major sources of data: primary and secondary. Primary data was collected through face-to-face interviews with 19 officials (mostly directors in the Civil Service), using semi-structured interview guides. Secondary data, on the other hand, was collected from sources like books, journal articles, Civil Service annual reports, and IMF country reports. The purpose of this chapter is to round-off the study with a summary of the main findings, conclusion, and recommendations. The section below presents a summary of findings.

5.1 Summary of Key Findings

The study, first of all, examined the nature of the conditionality in the public sector. Second, the study explored the effect of IMF loan conditionality on merit-based recruitment in the Civil service. The third objective explored the effect of IMF loan conditionality on personnel promotion in the Civil Service. In the same manner, the fourth objective explored how IMF loan conditionality affected staff remuneration in the Civil Service. The final objective assessed how loan conditionality affected the availability of

competent human resources in the Civil Service. Below is a recap of the results obtained from both the primary and secondary data.

5.1.1 The Nature of IMF Loan Conditionality on Ghana's Public Sector

On the nature of IMF loan conditionality in Ghana's public sector, the study found that on the whole, all three generations of reforms used by the IMF to reform civil services have been implemented in Ghana. However, due to the relatively large public-sector wage bill, which has often been described as a 'bloated and ballooning wage bill', most of the conditionality targeted the reduction of government spending on wages, towards ensuring fiscal discipline. The conditionality (in Table 4.1) included employment reduction policies and pay-structure rationalisation reforms. While the employment reduction policies focused on reducing the size and staffing level of the civil service, pay structure rationalisation policies were aimed at simplifying the pay structure to make it more affordable for the government. The employment reduction policies took the forms of rigorous payroll clean-ups, massive retrenchments, and net-freeze on recruitment in the public sector (except for the Health and Education sectors). The pay structure rationalisation policies, on the other hand, took the forms of wage freezes and restraints, consolidation/monetization of non-wage benefits, and scrapping of some monetary benefits enjoyed by civil servants.

5.1.2 The Effect of IMF Loan Conditionality on Merit-based Recruitment

Concerning the effect of IMF loan conditionality on merit-based recruitment, responses from key informants revealed that loan conditionality from the Fund, particularly the frequent net-freeze on recruitment, did not improve merit-based recruitment in the civil service. Rather, it distorted the Mandarin system of recruitment into the Civil Service. The

conditionality, however, allowed for the replacement of departing employees. The study found that the transition from the Mandarin system to 'replacements' created avenues for several irregularities in the recruitment process. Apart from the fact that applications were not opened or advertised to attract the right skills, qualifications were also not objectively taken into account in selecting civil servants since people got their friends, colleagues, and relatives into the Civil Service through the 'back door'. The study also found that the net-freeze on recruitment created a situation where the demand for personnel in the Civil Service was less than the supply. With an increased rate of unemployment in the country, appointments into the Civil Service were largely based on personal contacts and political patronage. Consequently, most of the MDAs got personnel who did not meet the skills needed to perform the tasks. However, when Ghana exited the 2015-2019 IMF programme, the OHSC returned to the Mandarin system of recruitment. Most of the respondents claimed that the return to the Mandarin system, to some extent, had a positive effect on their organisations since they got much-qualified personnel.

5.1.3 The Effect of IMF Loan Conditionality of Personnel Promotion

On personnel promotion, the study found that since there is a corresponding effect between promotion and increment in salary and conditions of service of civil servants, personnel promotion was seen as an expenditure that could cause a further increase in the wage bill, thereby defeating the overall wage bill ceilings in Fund-supported programmes. As a result, most civil service organisations were plagued with financial difficulties that prevented many MDAs from sponsoring their personnel for promotion linked training. Moreover, personnel who were promoted did not receive the corresponding pay rise. The persistence of this challenge resulted in over 6000 civil servants having their advancement delayed. The situation was intensified by the introduction of the three (3) months' salary

pay policy in the public sector. Under this policy, the government paid only three months' salary increment arrears to public workers regardless of the number of years their promotion linked salary increment was delayed. The culmination of these problems affected the motivation of personnel in the Service and provided little incentive for civil servants to give better service delivery. However, in 2018, the year in which Ghana was to exit the 2015-2018 IMF programme before extended for an additional year, there was a general improvement in personnel promotion in the Civil Service. The MoF released GH¢4,068,000.00 to enable the OHCS to undertake promotion linked training programmes. Data from the 2018 *MDAs Annual Budget Performance Reports* also confirmed that in 2018, some MDAs had more of their personnel getting promoted than they had budgeted.

5.1.4 The Effect of IMF Loan Conditionality on Personnel Remuneration

On remuneration, the study revealed that the total of the Fund's loan conditionality over the years, in forms of wage freezes, wage restraints, consolidation of non-wage benefits, and a scrap of some benefits enjoyed by civil servants, has contributed to the problems of the Service in terms of inadequate remuneration by disrupting the rule-based wage adjustment mechanisms. The study found that these pay structure rationalisation conditionality were implemented in periods when compensation in the Service was already considered as unattractive and uncompetitive. Moreover, these conditionality were often implemented together with other austere structural adjustment policies such as the removal of subsidies on essential goods and services, increment in taxes and import duties, and decontrolling of prices, thereby inflicting harsh conditions on the working class. The study revealed that although these conditionality have resulted in low wage spending, they have contributed to the disruptive departures of skilled civil servants into the private sector. It

also undermined the attractiveness of the Civil Service and lowered the efficiency and motivation of some personnel. It further created strong incentives for employees to engage in counterproductive behaviours like moonlighting and staff agitation.

5.1.5 The Effect of Loan Conditionality on the Availability of Competent Personnel

On the final objective, the study found that the net-freeze on recruitment had a negative effect on the availability of competent human resources in the Civil Service. Although the conditionality made space for the replacement of departing employees, the study found that obtaining financial clearance from the MoF was difficult and sometimes frustrating. Most of the directors claimed that staff posted out, retired, resigned, as well as transferred to other institutions were normally not replaced in the period of the conditionality, leading to staff deficits. Analysis of the staff strength of the various MDAs (from 2009 to 2019 in Table 4.3) also shows a decline in the staff strength of some MDAs, which could be attributed to the net-freeze on recruitment. The available data on the staff strength of the Civil Service (from 2015 to 2018) also shows about 660 reductions in the staff strength within the four (4) years despite the creation of 11 new Ministries within the same period. The study also found that although the freeze on recruitment affected all categories of workers in the civil service, compared to the administrative staff, the most affected were the technical staff. The respondents complained about how the situation slowed productivity, created gaps in the managerial structure, and impeded the effective and efficient implementation of mandated functions and expansion to other regions.

5.2 Conclusion

The ability of governments to implement policies and effectively deliver infrastructure and services to its citizens is contingent on a capable, effective, and productivity minded

bureaucrats. In the 1997 World Development Report titled ‘*The State in a Changing World*’, it was emphasised that in a rapidly changing world, “whether making policy, delivering services, or administering contracts, capable and motivated staff are the lifeblood of an effective state” (WB, 1997, p.92). The report concluded that civil servants can be motivated to perform through the combination of three mechanisms: merit-based recruitment, personnel promotion, and adequate compensation - in line with the key features of the Weberian model conceptualized in this study as bureaucratic quality.

This study has explored how IMF loan conditionality affects bureaucratic quality in Ghana’s Civil Service. The findings of the study suggest that IMF loan conditionality has negative effect on bureaucratic quality and the availability of competent personnel in the Civil Service due to the persistent focus of the conditionality on cost-cutting and containment mechanisms, with little focus on the need for competent and motivated human capital in the Civil Service. Appropriate measures must be taken by the government in conjunction with donors like the IMF, as well as the various stakeholders (especially the OHCS and the labour unions) to control the negative effects of loan conditionality if Ghana desires to see a more capable and highly motivated Civil Service to help accelerate the country’s development.

5.3 Policy Recommendations

Based on the study conclusion above, the following recommendations are made towards mitigating the harsh effects of IMF loan conditionality on civil service bureaucratic quality:

- First, the study established that the prolonged use of a net-freeze on recruitment in Fund-supported programmes has distorted the merit-based recruitment procedures

into the Civil Service. The study recommends that the Fund should consider reviewing such conditionality in future loan programmes. Moreover, the transition from the Mandarin system to ‘Replacements’, as seen from the studies, only worsened the irregularities in the recruitment process. Donors must assess the administrative ability of recipient nations to carry out certain reforms before their imposed, to avoid unintended consequences.

- The findings of the study also revealed that wage bill ceilings in Fund-supported programmes, while they have been effective in reducing the wage bill in the short term, have affected the rule-based promotion of civil servants. They tend to have an adverse effect on staff motivation and service delivery. The study recommends that there should be flexibility and consideration in the use of the overall wage ceiling in future programmes.
- Additionally, imposing pay structure rationalisation reforms without first reviewing workers’ standard of living, as well as the wage differentials between the public and private sector, would only undermine the Civil Service’s ability to attract highly skilled workers, as seen in this study. This would lead to further deterioration in civil service effectiveness. As promised by the IMF executive board, it is hoped that there would be a decline incidence of such conditionality in future loan programmes.
- Undertaking prior functional reviews to understand the reality on the ground would help ensure that the issue of overstaffing in the Civil Service is not based on mere assumptions (as always been the case for some donors), but on empirical evidence.

That is, imposing conditionality without making an effort to understand the problems of the Civil Service may harm the Service in the long run.

- Again, there is the need for proper consultation with the major stakeholders (in this case, the OHCS and labour unions) before such conditionality are accepted by the government. Consulting labour unions can also mitigate incidences of staff agitation that often arise during loan conditionality.
- Training of staff is necessary for augmenting performance in the Civil Service. The study recommends that the government, as well as donors, should prioritize the enhancement of staff skills to enhance performance and also to ensure efficient service delivery. Directors must ensure that the newly learned knowledge and skills are applied at the workplace to maximize the return of training investment.
- Finally, performance management system should be strengthened in order to know those performing and the non- performers in the public sector. This will also assist the OHCS to design appropriate tools that will enhance the performance of the existing personnel. It will also enhance the employer-employee relationship between the directors and the subordinates.

5.4 Contribution to Theory, Literature and Policy

To theory, although the study only focused on how IMF loan conditionality affect some features of the Weberian model, it brought to bear Weber's argument that "money economy is of very great importance for the whole bearing of bureaucracy" (Weber, 1978, pp. 964-5). While Weber acknowledged that money is by no means decisive for the

existence of bureaucracy, he emphasized that “a certain measure of a developed money economy is the normal precondition at least for the unchanged survival, if not for the establishment, of pure bureaucratic administrations” (Weber, 1978, p.964). It is interesting to note from the findings of this study that, since most of the Fund’s conditionality were targeted at reducing government spending, particularly on wages and salaries, bureaucratic quality in the Civil Service was undermined. This implies that loan conditionality that tend to reduce government spending can have implications on bureaucratic quality, especially in lower-middle-income countries.

This study also makes some contributions to the long-debated issue of the effect of IMF loan conditionality on borrowing countries. The results of the study confirm some findings of scholars with regards to the effect of IMF loan conditionality on bureaucratic quality while speaking to the contrary of other scholars. First, the study complements previous studies (e.g., Haque & Aziz, 1998; Lienert, 1998; Owusu, 2015; Reinsberg et al., 2019) that underscored that most CSRs were mainly concerned with cost-cutting mechanisms, often at the detriment of civil service quality. The findings, however, speaks to the contrary on some of the assertions of *aid optimists* that conditionality help address pressing problems in the civil service such as overstaffing, political patronage, compressed wage scales, lack of resources for training, and ineffective promotion and employment and procedures (e.g., Verhoeven & Segura, 2007; Fedelino et al., 2006). This study supports the conclusion that first-generation reforms, while they may be effective in reducing wage bills in the short term, can adversely affect bureaucratic quality, especially in a less economically developed country like Ghana.

To policy, this study offers important lessons for all IFIs, as well as recipient governments, to consider in negotiating future lending programmes. The findings of this study indicate that IMF loan conditionality has not improved bureaucratic quality in Ghana's Civil Service; it only worsened an already existing problem. To maximize the positive effect of loan programmes on bureaucratic quality, donors should look at the vulnerabilities of recipient governments and strengthen them, rather than imposing conditionality that make them more vulnerable. It is hoped that the findings of this study would guide both the IMF and the government of Ghana on the kind of conditionality that must be accepted in future transactions, as far as the public service is concerned.

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- The Civil Service Annual Performance reports used in the study are available on request from the OHCS.

APPENDIX 1



UNIVERSITY OF GHANA

BUILDING CIVIL SERVICE BUREAUCRATIC QUALITY IN GHANA: ANALYSIS OF THE EFFECT OF INTERNATIONAL MONETARY FUND (IMF) LOAN CONDITINALITY

INTERVIEW GUIDE FOR THE OFFICE OF THE HEAD OF CIVIL SERVICE

Introduction

This interview guide is aimed at assessing the effect of IMF conditionality on Civil Service Bureaucratic Quality in Ghana. The study is part of the requirement for an MPhil Degree in Public Administration. In this regard, the study seeks your honest opinion. Please be assured of confidentiality and that the answers provided will be used strictly for academic purposes only.

Thank you!

1. Gender:
2. Educational level:
3. Position:
4. Number of Years at the OHCS:
5. Current Position:

RESEARCH QUESTIONS

The effect of IMF conditionality (freezing recruitment) on Merit-based recruitment

1. Could you kindly take me through the laid-down procedures of recruitment in the Civil service?
2. During the freeze on Civil Service recruitment, was there any change to the recruitment process used by the Ministries and Departments under the OHCS to recruit new staff?
3. If yes, how did it affect recruitment into the Civil Service?
4. Since when has recruitment into the Civil Service been affected by IMF loan conditionality? (any data to support the period?)
5. Did the OHCS obtain clearance from the MoF for all the requests for new personnel made during the recruitment freeze period?
6. Did the OHCS obtain clearance from the MoF for all the requests made during the recruitment freeze period to replace staff who had resign, died, or gone on retirement?
7. Do you have data on the number of requests for staff recruitment from the Ministries and the number of financial clearances you obtained from the Ministry of Finance (MoF) to employ new personnel for the civil service during the last IMF-Ghana programme from 2014 – 2019?
8. During periods of the freeze on Civil Service recruitment, did you receive reports from various MDs concerning shortage of competent staff? (any data to support?)
9. Do you think that the freeze on recruitment affected the quality of service delivery by the Ministries and Departments under the OHCS? (please explain).

The effect of Loan Conditionality on Personnel Promotion

10. Could you kindly take me through the promotion procedure in the Civil Service?
11. Did the IMF programme affect promotions of staff in the Civil Service?
12. If Yes to the above question, please explain.
13. Has the Civil service had more staff promoted to the next level since Ghana exited the IMF programme?
14. If yes, do you have the data to support?

The Effect of Loan Conditionality on Personnel Remuneration

15. Generally, what is your assessment of Civil Service Remuneration in Ghana?
16. What is your assessment of the various pay structure rationalisation conditionality (e.g., wage freezes, wage restraints, and cutting of some allowances) implemented in the Civil service?
17. Do you receive reports from the various MDs on how such conditionality siphoned quality personnel from their Ministries to the private sector? (If yes, please explain and give specific examples).
18. Did you receive reports on how such conditionality affects quality service delivery in the MDs? (If yes, please explain and give specific examples).
19. What are your final thoughts about the effect of IMF loan conditionality on efforts to building the quality of the Civil Service?

Thank you for your time

APPENDIX 2



UNIVERSITY OF GHANA

BUILDING CIVIL SERVICE BUREAUCRATIC QUALITY IN GHANA: ANALYSIS OF THE EFFECT OF INTERNATIONAL MONETARY FUND (IMF) LOAN CONDITIONALITY

INTERVIEW GUIDE FOR CIVIL SERVICE ORGANIZATIONS

Introduction

This interview guide simply seeks your opinion on the effect of IMF conditionality on Civil Service organisations in Ghana. The study is part of the requirement for an MPhil Degree in Public Administration. In this regard, the study seeks your honest opinion. Please be assured of confidentiality and that the answers provided will be used strictly for academic purposes only.

Thank you!

1. Gender:
2. Educational level:
3. Number of Years in Organisation:
4. Sector:
5. Position:

RESEARCH QUESTIONS

The effect of IMF conditions (freezing recruitment) on Recruitment

1. Anytime there is a freeze on Civil Service recruitment, what processes did you use to recruit or obtain new staff or replace outgone ones?
2. During the freeze on civil service recruitment, did you experience a severe shortage of staff in critical departments? (If Yes, explain).
3. During the periods of the freeze on recruitment, were you able to replace staff who had gone on retirement, resigned or died?
4. Did your Ministry obtain clearance from the MoF for all the requests for new personnel made during the recruitment freeze period?
5. If No to *question 4*, How many requests were approved, and how many were rejected?
6. Has Ghana's exit from the IMF programme since April 2019 affected on recruitment in this Ministry? (please explain).
7. Did the exit affect the quality of personnel you received from the OHCS?
8. What is the total number of employees in this Ministry?

The effect of IMF conditionality on Personnel Promotion

9. Did the IMF programme affect promotions of staff in this Ministry?
10. Has your Ministry had more staff promoted to the next level since Ghana exited the IMF programme in April 2019?

11. If yes, do you have the data to support?

The Effect of IMF Conditionality on Personnel Remuneration

12. Generally, what is your assessment of Civil Service Remuneration in Ghana?

13. What is your assessment of the various pay structure rationalisation conditionality (e.g., wage freezes, wage restraints, and cutting of some allowances) implemented in the Civil Service?

14. Did such conditionality siphon quality personnel from this Ministry to the private sector? (If yes, please explain and give specific examples).

15. Did the freeze on remuneration affect the quality service delivery by your Ministry? (please explain with specific examples).

16. What are your final thoughts about the effect of IMF loan conditionality on efforts to building the capacity of the civil service?

Thank You for Your Time

APPENDIX 3



UNIVERSITY OF GHANA

BUILDING CIVIL SERVICE BUREAUCRATIC QUALITY IN GHANA: ANALYSIS OF THE EFFECT OF INTERNATIONAL MONETARY FUND (IMF) LOAN CONDITINALITY

INTERVIEW GUIDE FOR THE MINISTRY OF FINANCE

Introduction

This interview guide is aimed at assessing the effect of IMF conditionality on Civil Service Bureaucratic Quality in Ghana. The study is part of the requirement for an MPhil Degree in Public Administration. In this regard, the study seeks your honest opinion. Please be assured of confidentiality and that the answers provided will be used strictly for academic purposes only.

Thank you!

1. Gender:
2. Educational level:
3. Number of Years in Organisation:
4. Sector:
5. Position:

RESEARCH QUESTIONS

6. Could you kindly mention or provide documents on some of the conditionality that have been imposed by the IMF on civil service organisations in Ghana from the 1990s?
7. What are the processes for assessing loan from the Fund?
8. What is the rationale behind freezing recruitment and wages as part of conditionality?
9. Why does the conditionality often exempt the health and education sectors?

From my interaction with the OHCS and the various Ministries, it was revealed that the freeze caused severe manpower deficit which affected quality service delivery. They also reported that obtaining financial clearance from the Ministry of Finance (MoF) to fill vacancies created by those who had gone on retirement, resigned or died was very difficult and in most cases unsuccessful.

10. What is your view on the above report?
11. Could you provide me with data on the financial clearances granted civil service organisations to recruit new staff from 2000 to 2019?

Directors from the OHCS and the various Ministries also claimed that during the periods of the conditionality, they experienced issues regarding non-release of budgetary allocations, budget cuts, and late release of funds from the MoF, which affected the financial capacity of MDs, as well as staff promotion.

12. What is your view on that?
13. Did the situation improve after the conditionality?