

Administrative Reform in Cambodia

An Absolute Condition to Support Development and Alleviate Poverty

Strong public administration is a pillar of good governance and sustainable socio-economic development. Reforming Cambodian public administration to achieve these national goals is a challenging process.

Good governance at the national level is a common keyword in economic and human development literature, national policymaking and international policies. The concept of good governance is viewed as fundamental for a country's development and the people's well-being. International donors have made it one of the conditions to grant their financial and technical assistance.

Good governance demands that the government promote and maintain participation, consensus, respect of the rule of law, transparency, responsiveness to the needs and demands of the stakeholders, equity, effectiveness and efficiency, and accountability in the process of making its decisions and in their implementation. This allows the country's stakeholders to oversee their leaders' decisions and to interact with the government so that policies are consistent with national needs and interests. In this sense, good governance contributes to achieve sustainable human development while bad governance affects the quality of public service delivery and slows down economic development.

Historical Background

Since the birth of the Cambodian pluralist democratic regime in 1993, administrative reforms have been part of national development strategies. First to rebuild a public administration and lay down its foundations, then to modernize its components and improve the quality of its functioning.

At the end of the State of Cambodia regime, public administration was in ruins: competent former civil servants had fled the country, each party to the Paris Peace Accords

had its own administration, effective and efficient administrative procedures and financial systems were non-existent. In the absence of strong State intervention, basic public services (health cares, child cares, primary education, family development support) were ensured by local and foreign NGOs. By 1998 the RGC has achieved in unifying the civil service, the establishment of legislation and regulations for Civil Service, the introduction of financial systems.

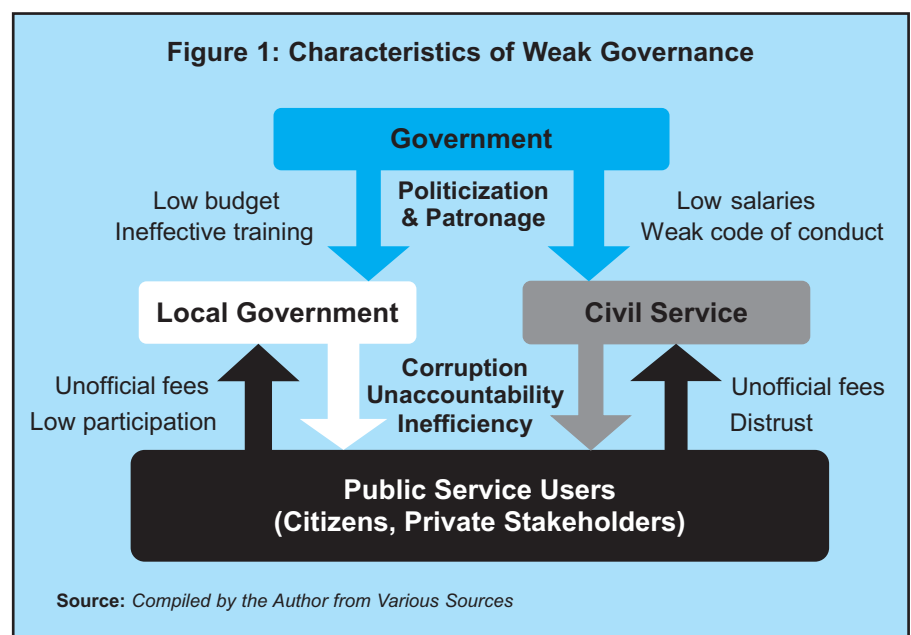
Acknowledging the importance of an efficient public administration in achieving its goals, the RGC adopted in February 1999 the National Program of Administrative Reform (NPAR) to continue building the capacity of the civil service and to optimize the functioning of public administration. To supervise and implement the administrative reform in the long term, the Council for Administrative Reform (CAR) was established in June 1999. The NPAR focuses mainly on public services and civil service and its strategy is built around the improvement of ser-

vice delivery, the enhancement of the administration pay and employment, the development of the capacity of people and institutions and the promotion of Information and Communication Technology (ICT). In this view, the RGC adopted a Strategy to Rationalize Civil Service (SRCS) in 2001 and a Public Financial Management Reform Program (PFMRP) in 2004.

Decentralization and deconcentration, also known as local democracy, is a significant part of the government structure and the territorial organization and is the object of a reform of its own.

Administrative Reform in Development Strategies

The RGC initially only pledged commitment to better governance in the two Socio-Economic Development Plans 1996-2000 (SEDP I) and 2001-2005 (SEDP II) and acknowledged the lack of good governance in the National Poverty Reduction Strategy 2003-2005



(NPRS). Back then, good governance had just been conceptualized in development literature and the RGC's policies and strategies, focusing on urgent matters, mentioned it as a general principle, without formulating any plan to attain good governance. Two Governance Action Plans (GAP I and GAP II) have been drafted in 2000 and 2005, as a result of consultation with international donors, who stressed the importance of governance for Cambodia. But it is the National Strategic Development Plan 2006-2010 (NSDP) that set good governance as the very core of Cambodia's development. The ambitious NSDP is the synthesis of the Cambodian Millennium Development Goals (CMDGs) and the goals of the NPRS, as well as the operational framework for the Rectangular Strategy for Growth, Employment, Equity and Efficiency the RGC formulated in 2004.

Pillar of Good Governance

Public administration reform, commonly called administrative reform, is globally considered a pillar of good governance. Because public administration is a dynamic part of the State, administrative reform is a constant feature of State modernization in developed countries and a challenging task in developing nations. Like other developing countries, Cambodia acknowledged the need to reorganize, to modernize and to improve public administration. Along with the fight against corruption, the legal and judicial reform and the reform and demobilization of the armed forces, administrative reform is essential for good governance and thus for the country's overall development strategy.

Due to the changing functions and nature of public administration in general, the structure of administrative reforms varies from a country to another and from time to time. The content of the reform also depends on the structure and the maturity of the State administration, as well as the

political, cultural, social, and economic values and situation of the country. For instance, in a post-conflict developing country, public administration may have to be rebuilt from scratch with the main objective of the reform to set up the fundamentals of good public administration. While in a developed democratic country where principles of accountability, transparency, equality are already firmly anchored, administrative reforms would merely aim at updating procedures, rules, and statutes.

But the elements of administrative reforms are actually almost the same in every country. What changes is the priority each government gives to each part. For instance, in the same period of time, one country would emphasize local government while another would focus on civil service. But later their priority fields of action may change. There is no standard

structure of administrative reform but main areas of reform can be identified: civil service reform, local democracy, structural reform, procedure reform, etc. Those areas themselves are not formal and they can be interconnected. In Cambodia, emphasis is currently on the improvement of the civil service, the development of local government and the modernization of the overall public administration.

Areas of Achievements

Several ambitious strategies of administrative reform have been drafted and publicly released. Although these display a sound and well thought policy of reform, the results do not always meet expectations and are not always consistent with the real conditions of living.

In spite of the recent upgrading of civil servants' salaries, the aver-

Box 1: What Does Public Administration Reform Mean?

The meaning of public administration reform seems to be obvious but it is actually subject to debate. The concept of public administration itself is difficult to grasp. Definitions are various, numerous and changing with time. UNDP proposed a double definition for public administration:

- (a) The aggregate machinery (policies, rules, procedures, systems, organizational structures, personnel and so forth) funded by the State budget and in charge of the management and direction of the affairs of the executive government, and its interaction with other stakeholders in the State, society and external environment.
- (b) The management and implementation of the whole set of government activities dealing with the implementation of laws, regulations and decisions of the Government and the management related to the provision of public services.

For instance, in Cambodia, the ministries, their internal regulations, their civil servants, the senior officials themselves, anything that is connected to the functioning of the executive branch and funded by the National Budget are parts of "the aggregate machinery". In its abstract sense, public administration in Cambodia refers to the overall activities in the country, which aim at implementing laws and regulations and providing public services. On the contrary, legislative and judicial bodies are not considered parts of public administration.

Now, to understand public administration reform, one only needs to define reform: it is a change that is made to a social system, an organization, etc. in order to improve or correct it.

Source: UNDP, *Public Administration Reform - Practice Note*, 2004

age wage barely covers the cost of living due to limited national revenues, inefficient budget planning, unchecked inflation and lack of consistency between salaries and real market prices. Citizens complain about the lack of competence of their local councilors and the lack of conscientiousness in the delivery of public services, affected by patronage, corruption, and lack of skills and motivation. In addition, the draft of the Law against Corruption has not yet been presented since its last release for discussion to parliamentarians and to the public, whose inputs could be of the utmost value for developing a sound and reliable anti-corruption system.

On a more positive note, since the launching of administrative reforms, the RGC successfully implemented the SEILA program to enhance decentralization and poverty reduction at the local level. The setting up of Priority Mission Groups (PMGs) also resulted in accelerating and effectively carrying out reforms through financial incentives and selection of skilled civil servants. The National Information Communications Technology Development Authority (NiDA) organized promising events to

promote ICT, such as trainings for government officials. The National ICT policy has been drafted, though not yet adopted and publicly released.

Towards Successful Administrative Reforms

Administrative reforms face hurdles both in developed and developing countries. General causes of failure are identified by Charles Polidano (2001): too ambitious administrative reform, lack of ownership of the reform from the domestic government, lack of commitment from parts of the public administration, weak coordination, gap between central and local levels, and no accountability for the results. In Cambodia, the RGC and public administration faced the same constraints in addition to the costs of foreign experts' assistance and the drain of Cambodian talents to the private sector and civil society to the detriment of the civil service.

Improving Skills and Incentives

Due to a lack of skilled local experts, the RGC mainly employed foreign experts whose fees are often much higher than what the country can

afford. In addition, donors often required the assistance of foreign experts as a condition for their grants, fearing that Cambodians were not qualified enough to produce reliable results. Now aware of the importance to rely on local competence and to promote local expertise, donors and government encourage educated skilled Cambodians to contribute to development and government projects.

However, low salaries, lack of financial and moral incentives, and lack of empowerment in the public sector often see educated young Cambodians turn their backs to the civil service, to the benefit of civil society and international organizations. In return, this shortage of young dynamic civil servants slows down administrative and civil service reform.

Connecting to New Technology

While the focus was on the civil service and local government, there have been no discussions or intentions to reform the Government to a smaller but more efficient structure. The number of ministries and the size of government have an impact on economic growth and development and the optimal size of government is

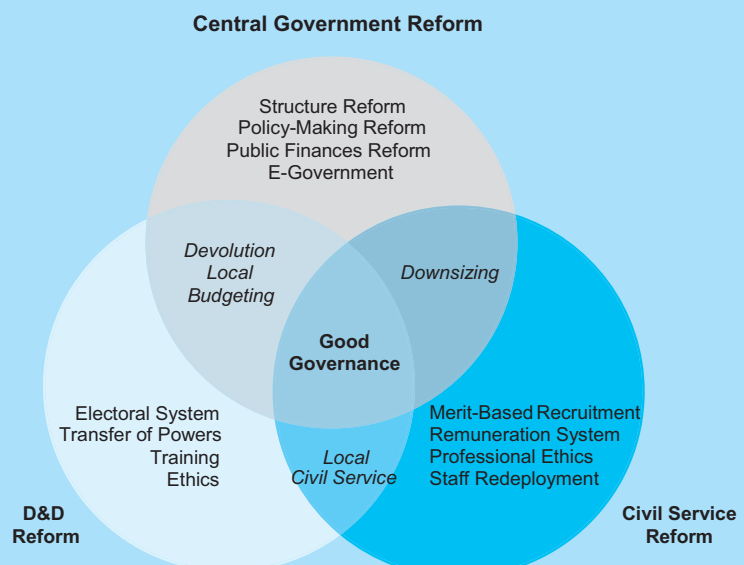
Box 2: Health Care Services Delivered by NGOs

A five-year experiment led by the Ministry of Health and financed by the Asian Development Bank demonstrated that primary health care centers completely managed by NGOs achieved higher performance than their government counterparts in delivering services and in reaching the poor.

The main reasons to this difference seem to be better management skills from NGOs and higher wages that allowed to hire skilled workers and to motivate them.

Source: World Bank, *Development Outreach*, May 2005

Figure 2: Possible Structure of Administrative Reform



Source: Compiled by the Author from Various Sources

one topical object of study, which may be of significant value for Cambodia.

The tremendous expansion of ICT worldwide and in Cambodia has introduced the concept of E-government. Computerized systems and Internet have been introduced in the public administration management to make it more efficient, accountable and transparent. However, civil servants still need further training, modern equipment needs specialist maintenance, and all citizens need easy and user-friendly access to government electronic information in order to reap the benefits of ICT in governance. However, the introduction of advanced technology in daily life and public management has its risks. Successful stories of e-government in some developing countries are outnumbered by failures in others, due to a digital divide and the wide gap between the adopted technologies and the reality of poorly equipped countries.

Adopting Anti-Corruption Law

Although the fight against corruption is a reform of its own in the RGC's Rectangular Strategy, the development and implementation of an efficient anti-corruption system is the key foundation for a neutral, responsible, competent, responsive, transparent, productive public administration at the service of the citizens and public service users.

As stated above, an anti-cor-

ruption system is a fundamental element of public administration. The stalemate in adopting the Law against Corruption is slowing down the pace of the administrative reform and without an effective anti-corruption system, the achievements made so far may well be short-lived.

Considering the political turmoil after every legislative elections, the 2008 legislative elections may be followed by a period of tension and negotiations, which will probably delay the administrative reform schedule. In addition, the coming Commune Council Elections in April 2007 will be an occasion to analyze and assess the political environment and the behavior of the electorate.

The development of new financial systems, especially in planning and drafting the National Budget, will be another step in administrative reform this year. The introduction of program budgeting in financial systems is expected to align the national budget with development goals. However, this system may well bring havoc and confusion as it did in Germany.

The importance of a well-planned budget is critical to the implementation and achievement of development strategies and consultations with civil society, international organizations, experts and the public will be a significant contribution to develop efficient financial systems and budgeting.

Concluding Remarks

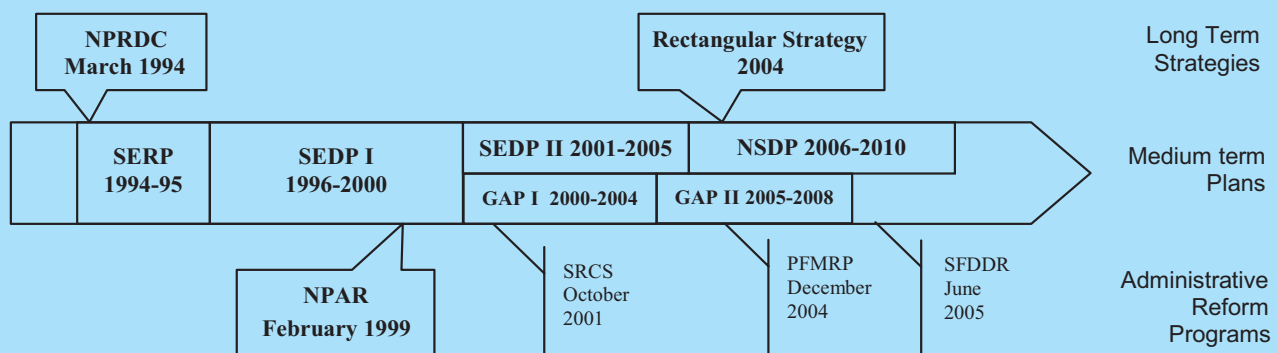
There is no doubt that reforming public administration is a long task, and particularly challenging for a Least Developed Country as Cambodia. Achievements of administrative reform are numerous and praiseworthy, but major constraints to the reform also have to be lifted. Contributions from civil society, participation from citizens and stakeholders and openness from the RGC are critical to attain, or at least to be the closest as possible to, a state of good governance.

Several issues and questions need to be addressed to pursue administrative reform and accelerate the pace of reform at a comfortable tempo. Assessing the costs and benefits from reforming the government would help the RGC and future leaders in drafting a plan to restructure and reorganize ministries in a more efficient and productive manner.

Evaluating the e-readiness of the civil servants and especially of the citizens and the country's infrastructures would provide the RGC with information to improve and release the draft ICT policy. Analyzing the conditions of bureaucracy would also considerably help in assessing its impact on good governance, understanding its origins, and if necessary developing a strategy to reduce its negative effects.

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Figure 3: Administrative Reforms in the RGC's Development Strategies and Policies



Source: Compiled by the Author from Various Sources