

# **CIVIL SERVICE REFORM FOR SUSTAINABLE HUMAN DEVELOPMENT IN JORDAN**

**Prepared by Jordan Institute of Public Administration for the MDGD/BDP/UNDP**

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**Table of Contents**

**Subject Page**

List of Abbreviation 2

Introduction 3

**Chapter 1: Public Administration in Jordan 4** Historical background 4

Concepts and Contextual Issues 4

Organizational Structure of Administration in Jordan 5

Meaning, Scope and Functions of civil Service 12

The Role of Agencies of Administrative Development 12

**Chapter 2: Civil Service and Public Administration Reform**

**for Sustainable Human Development in Jordan:**

Literature Review 14

Introduction 14

Civil service Reform Efforts in Jordan through the

Years 1984-1988 15

Major Reform Achievement in the Public Sector 22

**Chapter 3: Concepts and Issues in Civil Service Reform**

**for Sustainable Human Development in Jordan 23**

Introduction 23

Decentralization and Good Governance 23

Sustainable Economic and Social Development 25

Global Trends and Increasing Interdependence	29
Civil Service Pay and Emolument Structure	31
Civil Service Training, Capacity Building and Human Resource Development	32
Ethics, Integrity, Professionalism and Bureaucratic Corruption	32
Civil Service Policy and Focus on Performance and Results	35
Civil service Performance on Service Delivery Activity	37
Civil Service Management, Political Supervision and Public Accountability	37
Designing Civil Service Reform	38
Maintaining Sustained Leadership and Commitment	41
Private/Public Sector Cooperation	41
Partnership between International Community and Host Country	46
Appendix 1 List of Interviewees	47
Appendix 2 Bibliography	48
Appendix 3 Footnote	49

## **LIST OF ABBREVIATIONS**

**JIPA** Jordan Institute of Public Administration

**MDGD** Management Development and Governance Division

**EX** Ratio of Expenditures (cost) to Total Government Expenditures

**S** Size of Staff (Workforce)

**M** Ratio of Managers to Non-managers

**ACIB** Administrative Control and Inspection Bureau

**AB** Audit Bureau

**CSB** Civil Service Bureau

**ADU** Administrative Development Units

## **Chapter One**

### **Public Administration in Jordan**

#### **1. Historical Background**

March 2, 1921, the day Prince Abdullah Iben al-Hussein arrived in Amman, is regarded as the beginning of the establishment of a Jordanian state under the name of the "Emirate of Trans-Jordan". The same year witnessed the formation of the first Jordanian Government, the Council of Chancellors. In 1928, the first Jordanian constitution was enacted, under the title of "Essential Law of Trans-Jordan", in order to organize the affairs of the state and its three powers, namely the legislative, executive and judicial powers. It remained in force until 1946, when Trans-Jordan finally gained independence upon signing the Treaty of London in March, 1946. On May 25, 1946, Prince Abdullah was proclaimed King, and, in 1947, a new constitution was declared by issuance of Law No. (3) for the year 1947 under the name of the Jordanian constitution. On July 20, 1951, King Abdullah was assassinated in Jerusalem, and his oldest son, Prince Talal, succeeded to the throne. A year after his accession, King Talal stepped down in favor of his son Prince Hussein, who was proclaimed the King of the Hashemite Kingdom of Jordan in 1952, and a new constitution was enacted and promulgated. Its first Article stipulates that the Hashemite Kingdom of Jordan is an independent and sovereign Arab state, with a parliamentary and a hereditary monarchy.

#### **2. Concepts and Contextual Issues**

## *-Constituents of the Jordanian State*

### **Head of State**

Article (30) of the Jordanian constitution stipulates that the King is the Head of State, as well as, the Head of the Legislative, Executive, and Judicial powers.

### ***The Legislative Power***

The constitution vests the legislative power in the National Assembly (Parliament) and the King. Article (62) of the constitution states that the National Assembly is to consist of the Senate and the Chamber of Deputies. The duties of the legislative power can be summarized in the following:

1. Enacting Law: Law cannot be promulgated unless passed by both the Senate and the Chamber of Deputies and ratified by the King.
2. Monitoring governmental actions through casting votes of confidence or no confidence in the Cabinet or any of the Ministers.
3. Questioning Ministers, through enquires and direct questions, and approving the state's public budget.

Article (63) of the Constitution stipulates that the number of the Senate should not exceed half the number of the members of the Chamber of Deputies. The King appoints the Senate members to a four-year term.

Article (67) stipulates that the Chamber of Deputies should consist of members elected by secret ballot in general direct elections. Currently, the Jordanian Chamber of Deputies consists of 80 members.

### ***The Judicial Power***

The Courts of Law, in their varying types and degrees, exercise the Judicial Power. All verdicts are sentenced in accordance with the Law and pronounced in the name of the King. Article (97) of the Constitution stipulates that judges are independent and are subject to no authority other than that of the Law. According

to Article (98) judges of civil and religious (sharia) courts are appointed and dismissed by a Royal Decree in accordance with the provisions of the Law.

The Constitution divides the courts of Law into three categories, as follows:

1. Civil Courts: ordinary courts of Law that deal with civil and criminal cases.
2. Religious Courts: these are divided into Sharia courts and Tribunals of other religious communities acknowledged by the state.
3. Special Courts: these include Municipal, Income Tax, Military, and Police Courts.

According to the Constitution, courts of all categories are open to all people and protected from any interference in their affairs.

### ***The Executive Power***

A parliamentary government assumes the existence of an Executive Power composed of two elements: the Head of State, and the Cabinet. The Head of State is independent from the Cabinet and Parliament. This independence grants immunity from any political liability regarding governmental affairs introduced to Parliament. In fact, liability is the responsibility of the Cabinet and the Ministers.

According to the constitution, the Executive Power is vested in the King who exercises it through his Ministers. The Cabinet Ministers who are regarded responsible for all state affairs, internal and external, execute the public and administrative duties.

The Cabinet is authorized to set provisional Law in specific cases in the absence of Parliament. Moreover, the Executive Power is entrusted with setting regulations that are consistent with the provisions of the Law.

The Jordanian Cabinet consists of the Prime Minister and a number of Ministers determined by the needs and requirements of the public interest. Thus, the numbers of Ministers vary in each Cabinet depending on the public services provided by the government and their importance.

### **3. Organizational Structure of Administration in Jordan**

The organizational structure of the administrative authority consists of central and local authorities. The King, Cabinet, and public corporations represent the central authorities. The municipal councils and governors represent the local authorities.

#### **3/1 Central Administration**

The central Administration in Jordan consists of:

##### **The Prime Minister's Office:**

The Jordanian Cabinet consists of the Prime Minister's Office and a number of Ministries that vary according to the needs and requirements of the public interest. The Cabinet presides over the functional structure, and its responsibilities include:

1. Supervision of the administration and coordination of the cabinet's actions pertaining to the Prime Minister's office and public authorities including the Parliament, ministries, central departments, public corporations, and local authorities.
2. Preparation of the Cabinet's Agenda concerning economic affairs, follow-up on implementation of its related decisions, and documentation of information related to economic, financial and development matters.
3. Supervision of the implementation of decisions made by the Cabinet and the Prime Ministers' Office, and circulation of instructions, announcements and orders issued by the Cabinet and Prime Minister's Office to all official and public bodies.



4. Participating in drafting, reviewing, editing, typing, and publishing Laws and regulations in the official gazette in cooperation with concerned parties.
5. Provision of legal counsel to the cabinet and formulation of decisions made by the Cabinet and the Prime Minister's Office in the proper legal means.
6. Management of the financial and administrative affairs related to the Cabinet and the Prime Minister's Office.
7. Supervision of the administration and coordination of affairs of the Cabinet and the Prime Minister's Office regarding the media, public relations, and protocol.
8. Management of information and documentation systems concerning the Cabinet's actions.

### **The Cabinet:**

The Jordanian Cabinet consists of the Prime Minister as head, and a number of Ministers that vary according to the requirements and needs of public interest.

Every Minister is responsible for administrating all affairs pertaining to his Ministry. The Prime Minister executes matters that are within his authority and specialization, and refers other matters to the Cabinet for decision-making. The Cabinet is responsible for administration of external and internal affairs, except for matters entrusted by the constitution or any other legislation to any other person or body (entity). The Cabinet, with the King's approval, has the right to issue independent regulations that:

1. Determine the authorities of the Prime Minister, Ministers, and the Cabinet.
2. Control appropriation and spending of public funds and the organization of governmental warehouses.
3. Determine the administrative divisions in the Kingdom and the establishment of governmental departments.

### **The Ministries:**

The administrative structure of each Ministry in Jordan consists of a Minister who presides over his ministry's administrative hierarchy. He acts as a higher source of authority and is liable for the political and administrative responsibilities of his Ministry. The Minister is assisted by a Secretary General, a team of consultants

and employees who manage all the Ministry's departments, divisions and functions throughout the country. The secretary general is the executive manager who, under the supervision of the Minister, runs the daily affairs of the Ministry's head office and the Ministry's branches throughout the Kingdom.

The current Cabinet, which took office in 1998, has twenty-five (25) Ministries headed by active Ministers and four (4) Ministers of State portfolios. By the end of 1998, the total number of employees working in the Ministries was (129,895) employees. Table No. 1 (for 1998) shows names of Ministries, ratio of each Ministry's expenditure to total public expenditures, the size of each Ministry's workforce and proportion of managers to non-managers, and Table No. 2 presents the same data categories for the years 1995-1998.

**Table No. 1**

**Names of Ministries, ratio of expenditure to total expenditure, size of workforce and proportion of managers to non-managers in each Ministry (1998).**

	Name of Ministry	Ratio of Expenditure (cost) to Total Government Expenditure (EX)	Size of Staff (Workforce) (S)	Ration of Managers to non mangers
1	Interior Ministry	.21	895	1-5
2	Justice Ministry	.49	2114	1-4
3	Foreign Affairs Ministry	1.1	404	1-2
4	Finance Ministry	40.9	981	1-7
5	Industry & Trade Ministry	.08	309	1-5
6	Planning Ministry	5.8	186	1-5
7	Tourism & Antiquities Ministry	.32	231	1-9
8	Municipal & Rural Affairs & the Environment Ministry	.14	585	1-10
9	Energy & Mineral Resources Ministry	.08	239	1-4
10	Public Works & Housing Ministry	2.55	1321	1-9

11	Agriculture Ministry	.89	2643	1-18
12	Water & Irrigation Ministry	.01	42	1-6
13	Supply Ministry	.12	455	1-4
14	Education Ministry	11.52	66334	1-23
15	Youth Ministry	.46	789	1-5
16	Awqaf Islamic Affairs & Holy Places Ministry	.95	4747	1-42
17	Information Ministry	.03	53	1-4
18	Labor Ministry	.06	345	1-4
19	Social Development Ministry	.41	1200	1-8
20	Health Ministry	6.14	22304	1-20
21	Higher Education Ministry	.12	1802	1-7
22	Transport Ministry	05	79	1-3
23	Culture Ministry	.12	351	1-4
24	Post & Communication Ministry	.52	2201	1-7
25	Administrative Development Ministry	.01	40	1-7

**Table No. 2**

**Names of Ministries, ratio of expenditure to total expenditure, size of workforce and proportion of managers to non-managers in each Ministry for the Years 1995-1998**

		EX				S				M			
	NAME OF MINISTRY	95	96	97	98	95	96	97	98	95	96	97	98
1	Interior Ministry	.22	.29	.21	.21	818	898	902	895	1-2	1-2	1-3	1-5

2	Justice Ministry	.61	.66	.51	.49	1927	2009	2110	2114	1-4	1-4	1-4	1-4
3	Foreign Affairs Ministry	.97	1.35	1.22	1.1	396	401	404	404	1-2	1-2	1-2	1-2
4	Finance Ministry	29	34.3	37.9	40.9	1015	1015	1016	981	1-4	1-4	1-6	1-7
5	Industry & Trade Ministry	.09	.09	.09	.08	306	326	331	309	1-6	1-6	1-5	1-5
6	Planning Ministry	9	10.5	8.37	5.8	187	187	189	186	1-10	1-10	1-5	1-5
7	Tourism & Antiquities Ministry	.23	.3	.28	.32	224	225	232	231	1-6	1-6	1-9	1-9
8	Municipal & Rural Affairs & the Environment Ministry	.16	.15	.16	.14	591	580	603	585	1-11	1-10	1-10	1-10
9	Energy & Mineral Resources Ministry	.06	.06	.07	.08	143	152	189	239	1-7	1-6	1-4	1-4
10	Public Works & Housing Ministry	2.5	3.2	2.89	2.55	1226	1276	1308	1321	1-10	1-10	1-9	1-9
11	Agriculture Ministry	.8	1	.91	.89	2645	2672	2699	2643	1-21	1-20	1-19	1-18
12	Water & Irrigation Ministry	.008	.01	.01	.01	39	42	41	42	1-10	1-8	1-6	1-6
13	Supply Ministry	.37	.35	.19	.12	558	566	555	455	1-5	1-4	1-4	1-4
14	Education Ministry	10	12.7	12.03	11.52	64573	65989	66037	66334	1-23	1-23	1-23	1-23
15	Youth Ministry	.36	.49	.45	.46	751	757	783	789	1-5	1-5	1-5	1-5
16	Awqaf Islamic Affairs & Holy Places Ministry	.83	1	.97	.95	5539	4709	4860	4732	1-44	1-38	1-42	1-42
17	Information Ministry	.04	.05	.04	.03	63	65	61	53	1-4	1-4	1-3	1-4
18	Labor Ministry	.06	.07	.07	.06	350	354	358	345	1-4	1-4	1-4	1-4
29	Social Development Ministry	.4	.42	.4	.41	1215	1247	1275	1200	1-8	1-8	1-8	1-8
20	Health Ministry	4.8	6.14	6.1	6.14	20698	22025	22359	22304	1-20	1-20	1-20	1-20
21	Higher Education Ministry	.52	.6	.58	.12	1828	1848	1875	1802	1-7	1-7	1-7	1-7
22	Transport Ministry	.04	.05	.05	.05	74	84	86	79	1-4	1-4	1-4	1-3
23	Culture Ministry	.1	.13	.13	.12	292	313	326	351	1-4	1-4	1-4	1-4
24	Post & Communication Ministry	.47	.58	.53	.52	2996	3006	3024	2201	1-7	1-7	1-7	1-7
25	Administrative Development Ministry	.004	.01	.01	.01	6	26	38	40	1-3	1-5	1-5	1-7

### The Central Departments:

Central Departments provide the executive units and agencies with relevant services. They were introduced to the government's administrative organization in 1952. They are financially autonomous and are headed by a Director General linked to the Minister. By the end of 1998, the total number of employees working in the Central Departments reached 8234. Table No. 3 shows the names of Central Departments, ratio of expenditure to total expenditure, size of workforce and proportion of managers to non-managers in each in 1998, and Table No. 4 presents the same data for the years 1995-1998.

**Table No. 3**

**Names of the Central Departments, ratio of expenditure to total expenditure, size of workforce and proportion of managers to non-managers (1998).**

No.	NAME OF CENTRAL DEPARTEMENETS	Ratio of Expenditure (cost) to Total Government Expenditure (EX)	Size of Staff (Workforce) (S)	Ratio of Managers to non mangers (M)
1	Supreme Judge Dept.	.13	610	1-5
2	Audit Bureau	.11	557	1-6
3	Civil Service Bureau	.03	121	1-3
4	Administrative Control & Inspection Bureau	.03	120	1-3
5	Legislation Board	-	156	1-3
6	Civil Status & Passport Dept.	.21	977	1-4
7	Palestinian Affairs Dept.	.03	146	1-4
8	Customs Dept.	.32	1834	1-10
9	Income Tax Dept.	.27	980	1-9
10	Budget Dept.	.03	76	1-4
11	Lands & Surveys Dept.	.27	1350	1-17
12	General Procurement Dept.	.06	106	1-6
13	Statistics Dept.	.1	325	1-13

14	Antiquities Dept.	.16	259	1-11
15	Government Tenders Dept.	.02	69	1-3
16	Jordan News Agency Dept.	.05	194	1-7
17	Public Press Dept.	.03	136	1-3
18	National Library	.02	72	1-3
19	Meteorological Dept.	.07	292	1-10

**Table No. 4**

**Name of Central Department, ratio of expenditure to total expenditure, size of workforce and proportion of managers to non-managers in each Department for the Years 1995-1998**

		EX				S				M			
	NAME OF CENTRAL DEPARTEMENET	95	96	97	98	95	96	97	98	95	96	97	98
1	Supreme Judge Dept.	.11	.14	.13	.13	526	595	609	610	1-3	1-3	1-5	1-5
2	Audit Bureau	.11	.13	.12	.11	531	544	552	557	1-9	1-9	1-6	1-6
3	Civil Service Bureau	.03	.04	.03	.03	138	135	137	121	1-4	1-4	1-3	1-3
4	Administrative Control & Inspection Bureau	.02	.03	.03	.03	113	116	122	120	1-9	1-9	1-10	1-11
5	Legislation Board	-	-	-	-	119	139	147	156	1-3	1-3	1-3	1-3
6	Civil Status & Passport Dept.	.19	.3	.31	.21	977	978	995	977	1-4	1-4	1-4	1-4
7	Palestinian Affairs Dept.	.02	.03	.03	.03	154	155	154	146	1-4	1-4	1-4	1-4
8	Customs Dept.	.29	.34	.35	.32	1930	1931	1947	1834	1-12	1-12	1-12	1-10
9	Income Tax Dept.	.21	.3	.27	.27	897	935	976	980	1-9	1-9	1-9	1-9
10	Budget Dept.	.02	.02	.02	.03	70	70	69	76	1-5	1-5	1-3	1-4
11	Lands & Surveys Dept.	.27	.3	.29	.27	1344	1347	1351	1350	1-18	1-18	1-18	1-17
12	General Procurement Dept.	.05	.08	.07	.06	123	123	122	106	1-9	1-9	1-8	1-6
13	Statistics Dept.	.1	.11	.12	.1	351	349	346	325	1-16	1-16	1-12	1-13

14	Antiquities Dept.	.12	.17	.16	.16	272	272	271	259	1-8	1-8	1-5	1-11
15	Government Tenders Dept.	.01	.01	.01	.02	34	34	37	69	1-7	1-7	1-2	1-3
16	Jordan News Agency Dept.	.04	.06	.05	.05	185	192	195	194	1-8	1-8	1-7	1-7
17	Public Press Dept.	.03	.04	.03	.03	132	135	134	136	1-5	1-5	1-4	1-3
18	National Library	.02	.02	.02	.02	70	72	72	72	1-4	1-4	1-4	1-3
19	Meteorological Dept.	.06	.08	.08	.07	299	299	298	292	1-13	1-13	1-9	1-10

### Public Corporations in Jordan:

Public Corporations are established by an act for the purpose of performing governmental functions. They enjoy financial and administrative independence, and are supervised by boards of directors headed by the concerned Ministers. By the end of 1998, the total number of employees working in Public Corporations reached (19,393). Table No. 5 shows the names of Public Corporations, the ratio of expenditure to total expenditure, size of workforce and proportion of managers to non-managers in each Corporation for the year 1998, and Table No. 6 presents the same data for the years 1995-1998

**Table No. 5**

**Name of the public corporation, ratio of expenditure to total expenditure, size of workforce and proportion of managers to non-managers (1998).**

	NAME OF PUBLIC CORPORATIONS	Ratio of Expenditure (cost) to Total Government Expenditure (EX)	Size of Staff (Workforce) (S) 1998	Ratio of Managers to non managers (M)
1	Orphans Fund Corp.	.03	141	
2	Aqaba Region Authority	.74	113	1-5
3	Royal Geographic Center	.08	266	1-9
4	Free Zones Corp.	.36	435	1-14
5	Jordan Investment Corp.	1.74	71	1-5
6	Institute for Standards &	.04	141	1-10

	Metrology			
7	Industrial Cities Corp.	.34	66	1-4
8	Natural Resources Authority	.33	475	1-10
9	Housing & Urban Development Corp.	1	307	1-4
10	Agricultural Marketing Corp.	.03	144	1-6
11	Water Authority	12.5	5471	1-21
12	Jordan Valley Authority	2.6	1603	1-14
13	Civil Service Consumer Corp.	.21	947	1-11
14	Zakat Fund Directorate	-	-	-
15	Radio & TV Corp.	1.31	2229	1-12
16	Vocational Training Corporation	.49	1161	1-25
17	National Aid Fund	1.19	219	1-18
18	Public Transport Corp.	.17	572	1-38
19	Hidjaz Jordan Railway	.04	116	1-8
20	Aqaba Railway Corp.	.59	689	1-17
21	The Ports Corp.	1.65	2564	1-12
22	Postal Saving Fund	.1	68	1-10
23	Institute of Public Administration	.02	74	1-5
24	Public Corporation for Environmental Protection	.07	80	1-11
25	Civil Aviation Authority	.62	1441	1-13



**Table No. 6**

**Name of Public Corporation, ratio of expenditure to total expenditure, size of workforce and proportion of managers to non-managers in each Corporation for the Years 1995-1998.**

		EX				(S)				(M)			
	NAME OF PUBLIC CORPORATION	95	96	97	98	95	96	97	98	95	96	97	98
1	Orphans Fund Corp.	.02	.03	.03	.03								
2	Aqaba Region Authority	.42	.52	.76	.74	101	117	118	113	1-5	1-5	1-5	1-5
3	Royal Geographic Center	.06	.07	.07	.08	271	271	271	266	1-9	19	1-9	1-9
4	Free Zones Corp.	.44	.35	.45	.36	453	467	467	435	1-15	1-14	1-14	1-14
5	Jordan Investment Corp.	2.75	1.6	1.15	1.74	84	84	83	71	1-5	1-5	1-5	1-5
6	Institute for Standards & Methodology	-	.04	.04	.04	123	139	145	141	1-11	1-11	1-10	1-10
7	Industrial Cities Corp.	.09	.14	.1	.34	35	49	60	66	1-2	1-3	1-3	1-4
8	Natural Resources Authority	.6	.62	.39	.33	516	511	508	475	1-11	1-10	1-10	1-10
9	Housing & Urban Development Corp.	1.27	.74	1.15	1	312	311	311	307	1-4	1-4	1-4	1-4
10	Agricultural Marketing Corp.	.02	.03	.03	.03	136	140	145	144	1-6	1-6	1-6	1-6
11	Water Authority	7.36	8.5	9.85	12.5	5450	5489	5509	5471	1-22	1-21	1-20	1-21
12	Jordan Valley Authority	2.7	3.25	3.07	2.6	1638	1638	1637	1603	1-16	1-15	1-14	1-14
13	Civil Service Consumer Corp.	.23	.21	.19	.21	853	933	942	947	1-11	1-11	1-11	1-11
14	Zakat Fund Directorate	.25	.28	.24	-					1-	1-	1-	1-
15	Radio & TV Corp.	1.16	1.9	1.61	1.31	1353	1025	1992	2229	1-11	1-8	1-12	1-12

16	Vocational Training Corporation	.36	.56	.39	.49	1115	1140	1144	1161	1-26	1-25	1-24	1-25
17	National Aid Fund	.92	1.04	1.29	1.19	193	214	220	219	1-21	1-19	1-18	1-18
18	Public Transport Corp.	.16	.25	.2	.17	656	645	629	572	1-36	1-38	1-37	1-38
19	Hidjaz Jordan Railway	.05	.03	.04	.04	119	119	118	116	1-7	1-8	1-8	1-8
20	Aqaba Railway Corp.	.7	1.5	.62	.59	730	718	715	689	1-17	1-17	1-17	1-17
21	The Ports Corp.	1.45	1.75	1.69	1.65	2623	2577	2577	2564	1-11	1-13	1-12	1-12
22	Postal Saving Fund	.13	.15	.11	.1	79	77	75	68	1-11	1-10	1-9	1-10
23	Institute of Public Administration	.02	.03	.02	.02	76	76	76	74	1-4	1-4	1-4	1-5
24	Public Corporation for Environmental Protection	-	.03	.04	.07	0	59	82	80	0	1-10	1-10	1-11
25	Civil Aviation Authority	.66	.8	.73	.62	1495	1510	1507	1441	1-13	1-13	1-13	1-13

### **3/2 Local Administration**

Local administration in Jordan is represented by:

4. The Governors, who are the representatives of the King and government on the regional level. A Governor who is nominated by the Minister of the Interior and appointed by the Cabinet heads all Governorates.
5. Branches of central Government agencies that provide services to citizens in the local areas.
6. Municipal Councils, which are elected by citizens with the exception of the Greater Amman Municipality, which is directed by a council consisting of an even number of elected and appointed members.

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### **4. Meaning, Scope and Functions of Civil Service**

Civil Service in Jordan refers to the body of appointed officials who are covered by the civil service Bylaw and carry out the functions of the government under the direction of the Prime Minister.

As mentioned earlier, Public Administration in Jordan consists of the Ministries, Central Departments, and Public Corporations, which are established to provide services to citizens. Civil Service includes the employees occupying posts in government agencies covered by the Civil Service Bylaw. The Cabinet has the right to exclude any government agency from the Civil Service Bylaw, which does not cover military personnel, foreign diplomats, and the higher positions in the Royal Hashemite Court. Judicial officials and diplomats are covered by Civil Service Bylaw and their own legislation which embraces cases and circumstances that are not covered by the Civil Service Bylaw.

The functions of the civil service and the role of government are referred to interchangeably, as this role is carried out by the civil servants. Currently, the role of the government in Jordan is undergoing changes in response to international and local changes and requirements. These challenges are reflected in the government's new vision for restructuring government administration through its public administration reform efforts, which concentrate on reducing the size of the government by merging some ministries and reducing the number of government employees.

In accordance with the Government movement towards privatization, a special unit in the Cabinet has been established and studies have been undertaken to assess the possibilities of privatization in Jordan in some of the functions that have been assumed by the government.

The new mission of the government's role is to protect the states sovereignty, maintain internal security and discipline in a way that promotes social stability to all citizens, and to promote investment in the country through providing the organizational and legislative frameworks and infrastructure that would encourage the private sector to invest in the country. In addition, the government needs to carry out the functions that the private sector refrains from carrying out.

## **5. The Role of Agencies of Administrative Development**

### **The Ministry of Administrative Development (MAD)**

In cooperation and coordination with various government agencies, MAD is responsible for a number of functions, including preparation of plans and principles of administrative and human resource development and the administrative organization of the public sector on the comprehensive level. It is also accountable for ensurance of the appropriate application of personnel legislation, conducting administrative research and consultations, the establishment of job specifications and description, creation and maintenance of data bases and management information systems, and supervision and ensurance of the proper implementation of Civil Service Bylaws.

### **The Civil Service Bureau (CSB)**

CSB supervises application of the Civil Service Bylaw concerning personnel affairs such as recruitment, selection, hiring, compensation, promotion, performance evaluation, and all other related services devised to improve employees' performance.

### **The Jordan Institute of Public Administration (JIPA)**

JIPA seeks advancement of the public sector through conducting training programs for all administrative levels. This is done through a training path parallel to a career path for government employees. In addition, the Institute conducts scientific research and management consultations in various administrative fields, and prepares and circulates documents, publications and pamphlets related to administrative matters.

### **The Administrative Control and Inspection Bureau (ACIB)**

ACIB's main function is to ensure the accurate and safe implementation of various administrative procedures and processes in all government agencies as well as to monitor the improvement of their performance and productivity. In addition, it is responsible for follow-up concerning the execution of instructions, decisions and circulars issued by concerned parties, ensurance of the implementation of public sector plans and programs, detection of performance gaps and weaknesses, and suggestion towards appropriate methods for the development of work procedures.

### **The Audit Bureau (AB)**

AB is a specialized financial control agency and is the right arm of the Legislative Power. Responsibilities include the supervision and control of the state's revenues, expenses and manner of spending. In addition, it offers accountancy consultations to public sector institutions.

### **The Administrative Development Units (ADU) in the government agencies**

In the government efforts toward administrative development, ADU in all government agencies were established. Their main role is to boost the administrative reform effort by acting as linkage points between their agencies and agencies of administrative reform such as MAD and JIPA.

## **Chapter 2**

### **Civil Service and Public Administration Reform in Jordan: Literature Review**

#### **1. Introduction**

The government of Jordan started its public sector reform efforts in the early 1950's. Since the late fifties and early sixties, it has relied on the support of a number of international civil service reform experts. Banckhurst proposed a new Civil Service Bylaw in 1959, followed by a number of studies such as Franklin (1966), Griffin Hygen (1968), Ford (1968), the World Bank and the McKinsy Consulting Corporation.

In order to institutionalize administrative reform, a number of specialized organizations were established. AB was established in 1952 to conduct financial control and monitoring. CSB was established in 1955 as a central agency for management of the public sector personnel affairs. In 1968, JIPA was founded to train and rehabilitate public and private sector employees and to enhance the performance of the public sector through research and consultation.

As of 1972, the government adopted a new approach by establishing specialized civil service reform committees. In 1972 a committee was formed to follow-up the implementation of the public sector three-year development plan, which was guided by

Royal directions demanding improvement of service delivery to citizens by strengthening the capacity of the public sector.

In response to the growth in the needs and demands of citizens, there has been an increase in the number of government organizations and the number of civil service employees which has created some administrative and organizational problems such as overlap of agency functions and specializations.

The nineties witnessed a more practical approach towards administrative accountability and control in the public sector. ACIB was founded in 1992 and MAD in 1994 with the main function of supervision of civil service reform in Jordan.

Public sector reform in Jordan recently came to the attention of the highest authorities in Jordan. His Late Majesty King Hussein have, on many occasions, emphasized the need to reform the public sector. In almost all of his speeches from the throne, His Majesty stressed the importance of reform issues particularly in the areas of accountability, transparency, restructuring, partnership and participation.

In 1994, the Royal Committee for Development and Modernization was established to furnish the appropriate environment for administrative development and reform.

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## **2. Civil service Reform Efforts in Jordan through the Years 1984-1998**

### ***2/1 The Royal Committee for Administrative Development (1984)***

Jordan's public sector reform efforts witnessed a new direction in 1984 with the formation of the Royal Committee for Administrative Development. The objective of reform was to facilitate implementation of the country's social and economic plans and to

improve the living standards of Jordanian citizens through an effective and qualified public sector.

The establishment of the Royal Committee upon the guidance of His Late Majesty the King institutionalized this interest in administrative development. The main goal of the Committee was to set a comprehensive strategic framework of administrative development that would serve as a guiding roadmap for all administrative development activities in Jordan.

The committee conducted a comprehensive study of the public sector human resources, its organizational structure and work procedures, and reviewed and analyzed the administrative laws and regulations.

One of the Committee's achievements was revision and improvement of the Civil Service Bylaw of 1988. According to the revised Bylaw, a number of public corporations and central departments that had been previously governed by special laws outside the context of the civil service were included under the rulings of Civil Service. In addition, it modernized a number of laws and regulations that govern the activities of the public sector.

### ***2/2 The Public Sector Reform Component in the 1986-1989 Comprehensive Economic and Social Development Plan***

The 1986-1989 Comprehensive Economic and Social Development Plan covered a number of public sector reform aspects by stressing the following:

1. Institutionalization of administrative development through the establishment of a central organization with the mission to introduce administrative reform and development in Jordan, including the founding of internal administrative development units within all public agencies;
2. Update and modernize legislation governing civil service in order to meet the new challenges;
3. Establishment of a national job classification and description system.

### ***2/3 The Public Administration Component of the 1993-1997 Comprehensive Social and Economical Plan:***

Jordan's continuous efforts to reform the public sector has been reflected in the country's 1993-1997 Social and Economical Plan which stressed the following directions:

1. Continue reorganization of public sector agencies to achieve the objectives of administrative development, including job classification and description.
2. Business process reengineering and review and simplification of application forms and guidelines for a number of public sector agencies for a more effective and efficient service delivery.
3. Setting general principles and future guidelines to the process of transformation to privatization through identification of a number of public agencies deemed appropriate and feasible to be handled by the private sector.
4. Preparation of a national training plan aimed at enhancing the performance of public sector employees and strengthening the capacity of public organizations.
5. Restructure and reorganization of the Civil Service Bureau and amendment of the Civil Service Bylaw to cope with changes in the public sector environment, and improvement of the selection and hiring criteria in order to ensure objectivity and equity.
6. Restructure of the AB and improvement of its processes and procedures to make it more focused on follow-up auditing.
7. Restructure of JIPA and review of its law in order to improve its performance and enhance its employees capacity in the area of research and training.

#### ***2/4 The 1990-1993 Administrative Development Project:***

In 1990, the government launched an administrative development project in coordination with UNDP. The purpose of the project was the institutionalization of administrative development and improvement of the performance of the civil service. It concentrated on the following elements:

1. Organization, including review of administrative legislation, clarity of organizational goals, definition of work distribution, etc.
2. Public Positions, conducting job classification and description for all public sector jobs.
3. Human Resources Development, through rehabilitation and training of public employees in order to enhance their effectiveness.
4. Capacity Augmentation of Administrative Units, recruitment of qualified personnel.



In order to implement the Administrative Development Project, the Executive Sub-Committee of Administrative Development was formed in 1990.

***2/5 The 1993-1997 National Training Plan:***

Upon the direction of the Government, JIPA completed the National Training Plan in 1993. The Plan was based upon a number of principles and experiences accumulated and adapted by previous governments. The mission was to transform the public sector in order that it might cope with new challenges on the local, regional and international levels, and to enhance the performance of current and future public servants.

The plan aimed at achieving the following:

1. To improve the knowledge and skills of public employee and provide them with the necessary training for utilizing improvements in work processes and procedures.
2. To achieve a positive change in employee's attitude and behavior.
3. To rehabilitate and prepare candidates for civil service positions before entering the public sector and to provide them with on-the-job training upon their hiring.
4. To enhance the knowledge and skills of top management.
5. To follow-up improvement of JIPA's ability to plan & implement training programs, in coordination with concerned training, rehabilitation and higher education institutions.

Within the above plan, JIPA conducted the following:

1. Sectoral workshops and seminars for top management.
2. Training and Rehabilitation of the officials of the administrative developments units.
3. Training programs in financial audit and administrative inspection and control.
4. Executive and middle management programs.
5. New employees orientation programs.
6. Preparation of top management and leadership programs.

7. Seminars and workshops in local government.

***2/6 The 1994 Royal Committee for Development & Modernization.***

In 1994, His Royal Highness Prince Hassan chaired the newly founded Royal Committee, whose mission was to come up with appropriate ways and means for recruiting and hiring qualified personnel in the public sector and improve the performance of current employees. In addition, it was to establish the principles and criteria for selecting public sector leaders and top managers. Its mission also included studying and analyzing the laws and regulations of the Social Security Corporation, Retirement Fund, JIPA, Civil Service Pension and the principles of employees' selection.

The Committee came-up with a strategy to organize and reform the public sector and improve its efficiency and effectiveness in various aspects. Its strategy included establishment of goals, objectives and action plans based on the following considerations:

1. Limiting the size of government.
2. Partnership with the private sector.
3. Top leadership characterized with honesty, integrity and objectivity.
4. Institutionalization of government agencies.
5. Decentralization of management and decisions.
6. Modern and flexible Civil Service Bylaw.
7. Efficiency and effectiveness of the performance of the public sector.
8. Transparency of regulations and decisions.

***2/7 The 1995 Administrative Development Plan.***

The plan was prepared by MAD in 1995 based on the following principles:

1. Administrative development is a continuous dynamic endeavor, therefore, it is essential to constantly revise the administrative development plan in order to keep up with the changing environment. This would improve the work environment and secure the continuous training of employees.

2. Administrative development requires a long period of time and its outcomes might not be seen in the short run. Plans must be implemented in predetermined time frames.
3. Administrative development is an independent activity carried out independently. Guidance, central support and supervision should be provided from the highest political levels.
4. Administrative development shall be based on scientific research methods, although human elements must be considered in the process.
5. Proper planning for administrative development is based on the proper understanding of all elements of organizations. Comprehensive attention shall be given to human, legislative, and financial factors.
6. The human element is the essential part of the development effort. Appropriate policies and procedures are necessary to recruit, hire, train and motivate employees.
7. Civil Service Bylaws are vital elements for the success of administrative development. They must be flexible and transparent.
8. Merit based compensation is essential in recruiting and retaining qualified employees.
9. Democracy and participation in decision making are important pillars in the employment effort.

The development plan specified implementation of the following tasks in the public sector:

- Simplification of procedures.
- Delegation of authority.
- Human resource development.
- Database and Management Information System.
- Modernization of Laws, bylaws and regulations.
- Restructuring and reorganization.
- Establishment of job description and classifications.
- Setting criteria for selection of top management personnel.

- Specifying institutions' goals and performance standards.
- Local administration and administrative decentralization.

### ***2/8 The Career and Training Paths Project 1997-2001***

In 1997, JIPA embarked on a strategy to improve training of public sector employees and increase the capacity of the public institutions. The overall goal of the strategy was to design a plan for the development of public human resources by a gradual administrative training path that leads to the evolution of specialized administrative skills in order to enhance the performance of the machinery of Government. This was based on the following:

1. Provision of basic administrative training to all Government employees by furnishing them with the essential administrative knowledge and skills, including modern concepts of the public office and proper service delivery.
2. Compliance with modern administrative trends, composition of job descriptions and position classifications within a clearly-defined career path and training path that supports an employee's promotion process in his/her career path.
3. Foster an employee's cumulative administrative skills, experiences and knowledge during his/her service by gradually providing him/her with essential administrative information and skills that lead to higher and more advanced administrative skills.
4. Construction of a clear mechanism to help Governmental organizations discover potential administrative leaders in the early stages of their careers. This is done by observing participants in training programs and seminars, and selection of those who demonstrate exceptional administrative capabilities and skills that qualify them to occupy advanced positions. Clear criteria and indicators are used by the competent bodies such as MAD, JIPA, Civil Service, etc., to help distinguished candidates reach those positions.
5. Assisting the various administrative levels in the development of administrative frameworks such as establishment of guarantees against the arbitrary transfer of government workers from one post to another, thus alleviating the administrative and psychological burdens that negatively affect the overall performance of the machinery.

2/9 In 1994, MAD and the Administrative Development Council were established. The new Council replaced the Civil Service Council, and was assigned responsibilities including the direction of policy concerning the administrative development process, participation in formation of the country's comprehensive development plans, and ensurance of the best utilization of human, financial and other resources. The new council

included members from both the public and private sectors as well as representatives of NGO's.

### *2/10 The 1997 Study of Public Opinion Surveys*

This study was conducted as part of a World Bank grant to reform Jordan's public sector management. It aimed at studying and analyzing the performance of government agencies that have direct links with a large number of citizens, and that deliver services of great importance to various societal levels. The Primary objective is to improve the quality of services provided to citizens through the design and conducting of public opinion surveys that reflect citizens' perceptions and attitudes toward the delivered services. In addition, it aimed at identifying the obstacles and weaknesses that face these agencies and setting the necessary action plans to overcome them.

The study covered the following five key agencies: the Custom Department, the Land and Survey Department, the Income Tax Department, The Ministry of Social Development, and the National Assistance Fund. The study revealed a number of very important findings concerning the quality of services delivered to citizens, including the following:

- Arrogance and arbitrariness of employees in their dealings with customers.
- Complexity of procedures and excessive bureaucratization.
- The ineffective use of customer service windows.
- Duplication and overlapping of agency legislation.
- Excessive centralization and limited delegation of authority.
- Underutilization of technology and information systems.

The study findings have provided the subject organizations with a clear vision of their weaknesses, and action plans have been formulated by all of them to overcome their problems as soon as the studies were completed.

JIPA has expanded its studies in this area to include other government agencies, such as; Ministry of trade and industry, Ministry of Tourism, Ministry of Interior and Civil service consumer Corporation.

## *2/11 The Study of Decentralization and Good Governance, 1997*

This study has been conducted as a cooperative effort between JIPA, and the United Nations Development Program, UNDP/MDGD, and the Massachusetts Institute of Technology, MIT. Its overall objectives were as follows:

1. To assess the current level of the characteristics of good governance: transparency, participation, partnership, and equity, in Jordan's decentralized (deconcentrated) units.
2. Determine the level of services delivered to citizens in the Ma'an and Irbid localities.
3. Identify administrative problems and obstacles facing top officials of the decentralized units during service delivery.
4. Compare the levels of good governance and quality of service in the Governorates of Ma'an and Irbid in order to detect the dissimilarities between them.

Present suggestions and recommendations to concerned parties that would enhance both good governance and the quality of service.

The major findings of the study were as follows:

1. Shortage of adequate funding. A relatively high percentage of the respondents, 58%, supported this conclusion. Directors of services in the localities under discussion feel that the small allocations to services in their areas hinder the delivery of a proper level of services that corresponds to citizens' expectations in qualitative and quantitative terms. While it is true that the central budget faces a mounting deficit and a chronic scarcity of resources, it is still felt that available resources are not equitably distributed in a manner that truly reflects people's needs in the localities.

The Jordanian government has lately adopted a new budget approach, the "Governorate Budget" whereby each Governorates is allocated its own budget. The new approach is facing application difficulties, and it is felt in the localities that the Governorates' estimates of their budgets are not honored by the central authorities for various reasons and motives.

2. Agency headquarters do not seriously respect the suggestions of the directors of local services to improve work procedures in their localities. Almost half of the respondent

directors have maintained this view. This can be explained by the tendency of top officials in agency headquarters to overcentralize, or their lack of understanding of the special needs of local units.

3. Shortage of properly qualified and trained staff at the local levels. Naturally, delivery of adequate services that meet citizens' expectations is impossible without availability of well-trained and highly qualified employees who are capable of understanding and comprehending citizens' needs and priorities. The study team has noticed that this problem is particularly true in the locality of Ma'an, which faces a critical shortage of qualified personnel. The team thinks that qualified employees shy away from serving in outlying areas like Ma'an, and that the overriding concern of those who get transferred to Ma'an is to find ways to move back to the capital city of Amman or its surroundings.

4. Inequity in the distribution of services among the various regions of the Kingdom. This result reflects dissatisfaction of employees of local units with the level of fairness in the distribution of services among the various regions, and it was reinforced by complaints of citizens in the two localities who feel that their areas are given less attention than other areas, particularly the capital city of Amman and its surroundings.

5. The limited share of municipalities in the delivery of services to citizens. This reflects the restricted participation of municipalities, which are supposed to be major partners of central government agencies in rendering services to citizens. The municipalities' responsibilities in Jordan are limited to setting up the organizational and control aspects of service delivery and garbage collection, and they do not include many basic services such as health, education, sewage and water facilities.

6. The restricted level of assistance by major industrial firms in the area of social services, as part of their social responsibilities.

### ***2/12 The 1997 Institutional Performance Appraisal Project:***

The purpose of this project was to develop a number of performance indicators for the public sector in order to help government agencies establish their own performance indicators. Other project objectives were:

1. Institutionalization of the organizational performance evaluation on a continuous bases.
2. The extensive communication of organizational goals to all employees and the translation of general goals into objective tasks and activities.
3. Determination of the appropriate percentage of employees that is necessary to perform the identified tasks and activities.
4. Reduction of the administrative levels of government organizations.

In 1998, MAD, in cooperation with a number of public agencies, started implementation of a number of action plans to achieve the project's objectives. Some of these action plans were:

1. Classification of government agencies into sectors according to the nature of business practices.
2. Identification of the goals of all government agencies based on their legislation.
3. Translation of goals into measurable objectives and activities.
4. Development of agencies' specific performance indicators.
5. Focus on outcomes to measure performance.

#### ***2/13 The Performance Budget Project, 1997***

In 1997, the General Budget Department started a new approach towards designing the country's budget, performance budgeting. The Department experience was based on the following mechanisms:

1. Translation of strategic objectives into sub-objectives and scheduled action plans.
2. Identification of performance indicators for agencies' activities.
3. Establishment of internal information systems to assist in monitoring the progress of desired activities and performance indicators.
4. Modernization of legislation to cope with the new budgeting system.

#### ***2/ 14 The Training Needs Assessment Study for the Local Councils, 1998***

MAD has conducted this study to assess in designing the training courses needed by local councils. The study revealed their training needs. Accordingly, specialized training programs will be delivered to them in order to increase their competencies. This step will help in promoting decentralization and good governance.

### **3. Major Reform Achievements in the Public Sector:**



1. JIPA has conducted a study that examined the current status of the public sector and reviewed its legislation, activities and structures. The study presented a number of recommendations to improve the effectiveness and efficiency of the public sector based on the classification of government agencies into four sectors.
2. MAD and CSB have completed a job classification system for all government agencies.
3. Simplification of procedures and forms has been completed for a number of agencies, particularly those that have direct link and impact on citizens,.
4. Reorganization and restructuring of most agencies has been accomplished.
5. A study has been conducted on the obstacles of privatization, and a Privatization Unit has been established at the Prime Ministry.
6. The Electricity Authority and the Telecommunication Corporation have been privatized.
7. A National Information Center has been founded.
8. JIPA started the implementation of the training and career path project. The number of training programs and participants have increased rapidly in all administrative levels. A number of workshops and seminars have been conducted for administrative leaders in coordination with international funding agencies. The Institute will launch the Fast Track Leadership Program starting 1999.
9. MAD prepared a comprehensive survey for all employees of the fourth category, about 40,000 employees, in order to establish a comprehensive information system to cover all.
10. JIPA has hosted a number of international experts in the area of modern administrative development in order to increase awareness of concerned agencies.
11. The cabinet has approved a merit-based incentive system in 1999.
12. His Late Majesty King Hussein's Performance Award has been established by the Administrative Development Council.
  13. A taskforce for quality management has been established by JIPA and a number of total quality management experts have been hosted to conduct workshops and seminars for agency directors and Secretary Generals.
    1. The Department of Budget started the implementation of the performance budget system in a number of agencies. Upon success of the experiment, the system is expected to be generalized to all public sector agencies in the near future.

## **Chapter 3**

### **Concepts and Issues in Civil Service Reforms in Jordan**

#### **Introduction**

This chapter addresses the issues proposed in the project document. It consists of a brief background of each issue and the remarks and points of views of the interviewees. Interviews were conducted with a number of informants involved in the Public Sector Reform (list of the Interviewees in Appendix 1).

#### ***1. Decentralization and Good Governance***

Decentralization has been the classical remedy described by experts for solving administrative problems in developing countries. It can take the form of deconcentration, devolution and/or delegation of authority. Traditionally, deconcentration has been the dominant form of decentralization in Jordan.

In the past few years, Jordanian policy makers have stressed various forms of decentralization, and many public agencies have established various arrangements for decentralized delivery of public services, emphasizing citizen satisfaction.

His Late Majesty King Hussein has pioneered the trend to decentralization by advocating decentralization of government services and good governance at various occasions since the late eighties. As a result, a number of workshops, seminars and studies have been conducted to speed the implementation and institutionalization of these two concepts.

To encourage adoption of the principle of decentralization and good governance by the various administrative levels, in 1998 the Prime Minister has taken the lead by delegating some of his authorities to the Ministers and delegating some of the authorities of Ministers to the governors, particularly those related to the application of the civil service Bylaw, such as appointments.

The largest ministries, Health, Education, and the Interior were among the first initiatives to decentralize their services by delegating most of Ministers' authorities to the Director Generals in the Districts.

In most developing countries, traditional public agencies whose main function is the maintenance of law and order, such as the Ministry of Interior, are usually highly centralized. This conclusion does not apply any longer in the Ministry of Interior in Jordan, which has lately witnessed a substantial degree of decentralization by delegating the following authorities to its governors in the field:

1) Approval of the transfer of employees within their Governorates, approval of budgets of the municipalities in their Governorates (except the budget of the capital city), endorsement of expenditures (JD 300.000 or less), and approval of technical services and municipalities tenders that amount to JD 3000.

2) Request required expertise through holding training workshops, in cooperation with experts from the United Nations, that are attended by a number of officials and governors. The objective of these workshops is to enhance the skills of the human resources in the Governorates and service agencies.

The Ministry of Interior constantly reviews all its instructions in order to comply with the demands and novelties of the 21<sup>st</sup> Century. Accordingly, many of the authorities of the Minister of Interior have been delegated to the Secretary General, and many of the authorities of the Secretary General have been delegated to the governors and the directors in the Ministry head office.

The expectation is that more authorities of other Ministers will be delegated to the governors in the field. Such delegation would yield several advantages, including reducing the suffering of citizens and relieving top decision makers of the burden of making routine decisions to enable them pay more attention to supervision and planning. This would be possible because of the availability of qualified staff and leadership who are capable of carrying out qualitative work. Many other ministries have followed the example of the Ministry of the Interior. Some of the authorities of the Minister of Municipal, Rural and Environmental Affairs (MREA) have been delegated to directors of that Ministry.

Concerning the Cities and Villages Development Bank, which is linked to the MREA, some of the authorities of its Director-General have been delegated to branch managers, such as the authority to approve withdrawal of a portion of the deposits of municipal and rural councils. Also delegated are the review of loan requests submitted by municipal and rural councils, assessment of needed loans, demonstration of the economic feasibility of productive projects, determination of priorities, attendance at the opening of tender documents for projects funded by the Bank, as well as supervision of implementation of these projects to ensure compliance with applicable standards. The above delegated

authorities have been implemented in order to facilitate the work of the directors of municipal and rural councils, relieve them of the burden of referring to the Bank's Head office and facilitate the processing of their transactions.

Concerning implementation of the project of development of the local infrastructure, the Bank has taken the following steps to apply the principle of decentralization to the social security package, which is one of the main elements of the Government's strategy to fight poverty and unemployment:

1. Definition of preliminary needs within the framework of developing the local infrastructural projects is done by local authorities (the directorates of Engineering in the Governorates) in cooperation with the Cities and Villages Development Bank.
  2. The Bank assisted the directorates of Municipal, Rural and Environmental Affairs in surveying the available infrastructural facilities.
  3. Formation of committees headed by the Governors to prepare a candidate list of local authorities that will benefit from the project.
1. The above committees will participate in specifying the quality and quantity of projects, in cooperation with the local people.
  2. Involvement local governmental and non-governmental authorities in the collection of data on poverty in the Kingdom.

JIPA's Study on Decentralized Good Governance in 1997 (refer to page 21) concluded that the application of decentralization and good governance is difficult without availability of an adequate infrastructure, including qualified trained and stable human resources and the necessary facilities and technology.

## ***2. Sustainable Economic and Social Development***

Sustainable economic and social development is largely dependent on a reformed civil service, a civil service characterized by a strong administrative capacity which is capable to perform core government functions while improving the quality of services delivered to citizens. (Rahman 1998, 5).

A large civil service and low economic profile characterize most developing countries. A number of international organizations have been promoting civil service reform in most developing countries. In many instances they link financial assistance to these countries with their effort in restructuring the civil service.

Civil service shall be the infrastructure for improvement and development of the private sector. It is widely believed that a weak civil service can cause a weak private sector and therefore a fragile economy. A traditional large bureaucratic public sector achieves nothing more than hindering social and economic growth.

In this regard, it has been clear to all governments of Jordan through the last 40 years that sustainable economic and social development is highly dependent on reform of the civil service. This is very apparent in all strategic economic and social plans. A large part of these plans is always dedicated to civil service reform (refer to page 16).

The Government, represented by the MAD, has taken several positive measures in the area of administrative reform and the civil service. The consequences of these reforms have not yet been demonstrated.

Fairness and participation are essential factors for sustainable development. Administrative reform aims at rationalization of management, the enhancement of accountability, the commitment of employees to the principles of transparency, dialogue, control and accountability as well as the advancement of public employees by giving all the opportunity to participate in management and the economy. The following measures have been adopted in that respect:

1. Establishment of a new civil service Bylaw that provides good incentives to the performance of public employees, including the Al-Hussein Reward for Excellence, which will lead to better performance and encourage competition among employees.
2. Establishment of Internal Administrative Development Units in every Ministry and public agency.
3. Increasing the training opportunities of public employees, which will raise their productivity and reduce the cost of delivered services of goods.
4. The gradual reduction of employment in the public sector through such means as early retirement and leave-without-pay prerogatives for up to (10) years.
5. The gradual replacement of the civil retirement system by the social security system.

6. Delegation of more authority to the control institutions in order to enable them to carry out an adequate role concerning verification of public expenditures and tracking deviations.
7. Establishment of anti-corruption measures in regards to financial and administrative institutions.

With regard to civil service reform, during the sixties and seventies most of the administrative reforms that took place in some sectors were brought about through the establishment of new, modern agencies, with carefully selected cadres and advanced administrative means. Examples include the Central Bank, the National Planning Council, the Housing Bank, and others. It has been noticed lately that some of these institutions have gradually deteriorated and become outmoded.

Concerning the current position in many Governmental institutions, some suffer from a shortage of qualified cadres because of appointments made during the oil boom period. During that time, Government appointments were made in an environment of scarcity of employees, and some unqualified people found their way into public service. Presently, many of them occupy top, sensitive positions in Government and its institutions.

Various consecutive Governments have been committed to the Economic Restructuring Program and its privatization component. Several important privatization steps have been adopted, such as:

1. Establishment of the Privatization Unit in the Prime Minister's office to help in implementation of the program.
2. The sale of all or part of shares in the Jordan Intercontinental Hotel, the Cement Company and other Industrial Companies.
3. Conducting required studies for the privatization of a number of public enterprises such as Telecommunications, The Electricity Authority, Royal Jordanian, the Aqaba Railway Corporation and the Public Transport Authority.
4. Limiting the role of the Government in commercial activities and increasing the role of the market and the private sector in the provision of supplies and determination of prices.

Despite the above, the transition towards privatization is still slow, and it faces some resistance that is probably based on incorrect views concerning the role of foreign and Arab investments, the participation of the private sector in management and operations, and the difficulty of giving up the services of the public sector.

The government privatization efforts can be summarized as follows:

1. Based on the Government's policy of maximizing the economic and social benefits of its scarce financial resources, it has decided to privatize some of its activities through an organized process of restructuring its direct productive activities and allowing the private sector to play an adequate role. Accordingly, a privatization execution Unit was established as an independent Unit in the Prime Ministry's Office to assist in the implementation of the privatization effort in compliance with the Government's policies and its future aspirations within applicable legislation. The Unit is to directly coordinate with ministries and other concerned parties in utilizing optimal privatization methods to privatize projects objectively, efficiently and in accordance with the rulings of transparency.
2. Considerable accomplishments have been achieved in preparing the legal and organizational environment that supports privatization. Some Laws have been amended, such as the companies' Law, tax Law, customs and the promotion of investments Law. New Laws have been enacted, such as Electricity, Telecommunications, Protection of the National Economy, etc. The Government is presently in the process of enacting the Law of competition and prevention of monopoly and the Law of patent rights.
3. Reinstitution have been set up to monitor the quality of delivered services and their prices, such as the Telecommunications Regulating Commission and the Electricity Regulating Commission. The Government intends to establish a commission for regulating the passengers transport sector and another for regulating the railway sector.
4. The restructure of several public enterprises in preparation for transformation into public companies owned by the Government with financial and administrative autonomy is a step towards their privatization. For example, the Electricity Authority of Jordan has been transformed to a public company owned by the Government and called "The National Electricity Company", and the Telecommunications Authority was transformed to the "Jordan Telecommunications Company".
5. To strengthen its institutional and technical capabilities in order to implement the privatization program, the Council of Ministers, which is the final authority in matters of privatization, formed the Higher Ministerial Privatization Committee in 1994, headed by the Prime Minister. The Privatization Implementation Unit was also established in the Prime Minister's Office, as an independent unit supervised by the Privatization Higher Committee. The committee cooperates with concerned ministries and authorities, through advisory committees and field inspection teams,

- in supervising the privatization processes in an objective, efficient and transparent manner.
6. Some projects have been completely privatized, while others have been partly privatized. For example, 33% of the Government's shares in the Jordan Cement Company have been sold to a private investor.
  7. Agreements have been signed with three local private operators, granting them exclusive rights for 15 years to operate public transport lines (distributed among four units). Government shares in 19 companies in the Portfolio of Jordan Investment Corporation have been sold through the Amman Financial Market. The Government owns 5% or less of the Investment Corporation. The Government shares in Hemmeh Resort, which amounted to 34.6% of the shares, have been sold to the private sector. Also, 40% of the shares of the Government in the Vegetable Oils Company have been sold to a local investor through the Amman Financial Market. A memorandum of understanding has been signed with a French Consortium giving them exclusive rights to manage and develop Ma'ain Spas for thirty years.
  8. A preliminary agreement has been concluded with a local firm to manage the Greater Amman Water and Sewage Systems for 4 years.
  9. Negotiations are being conducted with a consortium that submitted the best bid to modernize and operate the Aqaba Railway.
  10. A number of steps have been taken in the areas of restructuring and privatizing several institutions in other sectors. For example, contracts have been concluded with a financial consortium and a legal consortium to prepare the required strategy and documents for the restructuring of Royal Jordanian, which will convert to a collection corporation, and the establishment in cooperation with a strategic partner, of a subsidiary company to manage essential operations. Support activities will be sold to private investors.
  11. The Jordan Electricity Company is currently undergoing restructuring by subdividing it into three companies, one for the generation of electricity, the second for carriage and control and the third for distribution. Accounts of these three companies are being separated and investment plans are being prepared.
  12. The committee entrusted with assessing the assets and liabilities of the Jordanian Cooperative Organization has submitted its final report, thus paving the way for privatizing the establishment.

The above measures have been also mentioned by Dr. Abdel Razaq Bani Hani, Secretary General of the Ministry of Planning.

The various consecutive Governments in Jordan have given a great deal of attention to developing the performance of the Public sector. In many cases, however, policies and measures have been taken without giving due regard to the institutional dimension, and this was reflected in the performance of the public sector. Accordingly, and based on the



Government's realization of its huge burden, and given the big gap between its resources and aspirations, it has followed a number of policies and measures that would enhance the efficiency of the public sector. These include:

1. The continuous restructuring and development of the public service through reorganization of all public institutions, with emphasis on the institutional dimension of management.
2. Modernization of legislation that governs administrative work, in accordance with the modern trends of market economies, privatization and rationalization of available resources.
3. Restructuring the Government's institutions that are directly related to public management, such as the institute of Public Administration and the Civil Service Council.
4. Strengthening the control, monitoring and evaluation mechanism of the Bureau of Audit and the Bureau of Inspection and Control.
5. Reduction of current expenditures.
6. Limit of the increase of public employees, distancing Government from its classical role of being the main employer, and emphasize qualifications in appointments.
7. Limit the role of Government in the productive process by allowing the private sector to replace it in that respect.
8. Reduction of Government subsidies to the productive and consumption activities.
9. Reconsidering the prices of public goods and allowing increases to cover the cost of production.

In order to promote the quality of reform efforts in Jordan, it is essential to concentrate on certain technical performance areas that would have positive economic implications on the country, and not to treat all Government Apparatus as one identical unit.

Incentives which are based on productivity and efficiency should be implemented in order for the reform efforts to be effective in the social and economical sustainable development.

### ***3. Global Trends and Increasing Interdependence***

The rapid development and use of information technology has highly contributed to the increase of Jordanians awareness of the importance of globalization and openness. Whether in terms of economics, social or cultural issues, it is very clear for most Jordanians that the current world is functioning in a different way than it used to be. The 1997 Global Competitiveness Report (GCR) ranked Jordan 9th out of 53 countries surveyed in the "Openness Criteria" concerning trade volume as a percentage of GDP.

The most known and advocates toward globalization and openness are His Late Majesty King Hussein of Jordan. In many of their speeches, HM and HRH emphasized these new changes and the need for Jordan to participate.

"We need a strategy for managing our economy in harmony with the process of globalization, a strategy that will allow us reap all the fruits of large-scale growth. We must recognize how conditions and circumstances have changed. The era of government dominance and control over the economy is ending. Policies and institutions that served the countries of the region well in the past have now become handicaps. They may constitute even greater burdens in the future".

Jordan has recently signed a preliminary agreement with the European Union concerning a free trade agreement and will become part of the GATT.

These actions have had an impact on the civil service of Jordan. In 1996, JIPA signed an agreement with the Euro-Arab Management School, a new venture of the European Union. It is born out of the Euro-Arab dialogue as a way to further develop economic relations between Europe and the Arab World. The school aims at achieving, through a collaborative network of partner institutions both in the Arab World and in Europe, a better understanding of socio-economic and managerial issues that are central to Euro-Arab relations.

Although the civil service in Jordan is improving its use of science and technology, there is a great deal that needs to be achieved. This was very clear in the 1997 and 1998 GCR that revealed the low ranking of Jordan in the area of technology and the number of Internet hosts. On May 5th, 1998, His Late Majesty King Hussein ordered the government to provide all government institutions with Internet services, in addition to all schools. By the end of 1998 the majority of public institutions have connection to Internet service and have web pages on the Internet.

Dr. Ibrahim Badran, Director General of the Palestinian Affairs Department, stated that the philosophy of administrative development in Jordan was not tied originally with globalization or with the improvement of science and technology. Therefore, the inputs of these elements in the administrative process were very limited and were not introduced in a planned manner.

Dr. Jawad al-Anani, Chief of the Hashemite Royal Court, former Deputy Prime Minister, former economist and consultant, stated the following concerning the adaptation of civil service reform to new global trends:

"Despite the availability of a modern information and communications infrastructural facilities such as E-mail, the Internet, Information Centers, etc., and despite the establishment lately of various control mechanisms in the public and private sectors, their impact on administrative reform is still very limited.

The computer system for example, with its developmental means and possibilities and all its possible uses, is still used in many agencies as simply an advanced typewriter.

Many Government offices are overstaffed with employees who are experiencing computer-phobia, causing them to reject the technology, because they are not familiar with its potential uses. Increasing computer awareness, and raising employees' comprehension and understanding of the value of information and its vital significance for decision making constitute the required practical step towards administrative reform.

Concerning reform of the decision making process, adopting objective indicators and neutral terms of reference is still inconceivable even in the private sector and major public companies. The concept of accountability in its comprehensive meaning has not yet taken root. This requires continuous effort on the part of concerned parties such as the AB, the MAD, CSB, and the JIPA. Accountability should not cover financial matters only, it should also include the establishment a comprehensive set of indicators and terms of reference to measure the employees' performance and productivity and their ability to perform their duties. The development of such systems that have to be based on information is required to enhance the financial and administrative performance of the various agencies."

#### ***4. Civil Service Pay and Emolument Structure***

Pay and emolument is the single strongest motivator for attracting potentially competent staff, encouraging them to work efficiently and giving them sufficient incentives to stay in public service. But in recent years this motivator has been battered from various sources such as escalating inflation, increasing public employment caused by government acting as employer of last resort and a widening gap between public and private sector compensation. Overstaffing and low salaries also have adverse consequences, including poor staff morale and decline in work effort as well as difficulty in recruitment of technical and professional staff (Rahman 1998, 10-11).

In Jordan, a country with scarce resources and a private sector not strong enough to create sufficient jobs, there has been a high demand on the part of citizens to work in the public sector as a source of last resort, although the salaries and compensation provided is low compared to the rate of inflation escalation over the years. In this context, usually, the public sector can attract and retain ordinary people not qualified and professional enough in comparison to those attracted by successful private sector companies in Jordan and outside.

Although the compensation provided to public employees is insufficient, the government is trying to enforce certain incentives to promote quality of work. One of the government recent initiatives is the King Hussein Award for Excellence, which will allocate an award to Departments and employees who meet certain standards of performance. The government also tries to help government employees through providing some services such as housing schemes, health insurance, free education in schools...etc.

According to one expert, the Civil Service of Jordan is, to a large extent, capable of carrying out administrative reform, because the requirements of reform are available at an acceptable level. These include availability of qualified staff, the full awareness of the problems and hurdles that face the process of reform, familiarity with the characteristics and the historical development of the Civil Service, the possibility of benefiting from previous Civil Service experience and practices the possibility of benefiting from the successful experiences of other countries, and above all, the political commitment and support for the reform process.

Concerning the role of Civil Service, it is incapable of accomplishing the requirements of reform, particularly in the following areas:

1. **Appointments:** The present system of appointment limits the ability of public agencies in attracting the required qualifications because the present criteria of measuring qualifications does not differentiate between certificates and universities, gives more weight to number of years after graduation and is influenced by social, human and regional considerations.

The intervention of Parliament is another factor that has a negative impact on appointments because members demand absolute equality among the various constituents, without giving sufficient weight to efficiency and qualifications.

2. **Promotion:** Promotion is primarily based on seniority (the number of years in service).

3. Salary and Compensation: The present pay level does not represent an incentive to work in the public sector. Low pay is one of the main reasons for the high turnout rate in the public sector, among qualified people only.

### ***5. Civil Service Training, Capacity Building and Human Resource Development***

The development in information technology and the new global trends have influenced the requirements and needs of the markets. Civil servants have to adjust their competencies to these new requirements and needs. Cultural constraints limit the ability of many governments to fire the employees with obsolete qualifications and replace them with those with the required qualifications. As a result, governments have to reinvest in their current civil servants through training and education, and this increases the financial burden on governments.

In Jordan, the main provider of training to the civil service is JIPA. Since its establishment in 1968 and until the end of 1997, the Institute conducted 1421 training programs. Recently there has been much emphasis on training top officials, including directors and Secretary Generals. A number of workshops and seminars were conducted in contemporary management issues in the last four years. In addition, Jordanian civil servants receive training at a number of private training institutions inside Jordan, and many of them are sent for training outside Jordan through donor agencies outside the country.

Although, there has been increasing appreciation of the importance of training in Jordan, it is not yet as desired. This is reflected by the 1998 GCR and the 1998 Benchmarking Service Report of the American Society for Training and Development.

In 1997, JIPA launched its Career and Training Path Strategy in an attempt to reengineer and energize the training momentum, and enhance the quality of civil servants, more importantly to link training with promotion and advancement in the job (refer to page 19). It should be emphasized here that training is only one part of the capacity building effort. Accordingly, JIPA supplements its effort through providing consultations and research to the public sector.

### ***6. Ethics, Integrity, Professionalism and Bureaucratic Corruption***

Does bureaucratic corruption cause low ethics, low integrity and low professionalism, or is it caused by them? This is a controversial issue. Irrespective of the answer, all these terms are interlinked. In many cases, bureaucratic corruption in a society may negatively influence that society's ethical values and its integrity, and may lead to less interest in development and professionalism. In other cases, a society characterized by a culture of low ethical standards and menial integrity can experience bureaucratic corruption. Weak institutionalization and low levels of awareness and education can contribute to the decline of ethical values and moral standards of citizens.

Even though bureaucratic corruption is a global problem, it is more common in most developing countries. Jordan suffers from this nuisance as well. This is reflected in the low ranking of Jordan in the 1997 GCR on the "Effectiveness of Anti-Corruption" scale.

Following are some of the major forms of corruption in the civil service of Jordan::

- 1) Uses of public office for private gain.
- 2) Nepotism in hiring and promotion of public employees.
- 3) Nepotism in awarding government tenders.
- 4) Discrimination in providing quality services.

Jordan's efforts in fighting and tackling corruption started as early as the fifties. The AB was established in 1952, and financial corruption was its main focus. The current economic stagnation rekindled the anti-corruption drive, and, in 1992, the CSB was established to audit administrative procedures and practices. Since the two bureaus perform similar functions, and in order to integrate their efforts, many experts are currently advocating their merger. The main justification of the merger advocates is the difficulty of separating financial audit, the main function of the Bureau of Audit, and administrative control, which is the responsibility of the Bureau of Inspection and Control.

Other indications of Jordan's serious commitment to administrative reform include the establishment of the Ministry of Administrative Reform and the Anti-Corruption Department within the Intelligence Bureau. In 1995, MAD and the JIPA, in collaboration with the World Bank, organized a conference on " Integrity in Government", and seven countries presented their experiences in combating corruption. The workshop and its media coverage were major factors in increasing people's concerns and awareness about corruption.

In 1996, the establishment of the Anti-Corruption Department has increased citizens' expectations and confidence in the sincerity and seriousness of the government's anti-corruption drive. This was enforced by the latest corruption cases that were revealed by the Department, including the polluted water scandal. In late 1998 a high-ranking official was charged with a corruption case.

In 1998, the MAD formulated the establishment of a code of ethics for public employees and plans to distribute it to government agencies as of 1999. According to the direction of HRH Prince Hassan, a group of academicians and experts finalized the establishment of the Charter of Jordanian Society of Transparency. It is expected that the Society will start its work in 1999.

The ethical values and standards of public office include commitment to office working hours, observance of work rules and regulations, honesty, neutrality, efficiency, treatment of all citizens equally, provision of guidance to customers, simplification of procedures, safe guarding public funds and assets and performance of public duties in the shortest possible time.

Despite the above formal and informal arrangements to institutionalize and regulate ethical standards and norms of public employees, the majority of the prominent private sector leaders who were contacted by the study team complain about the gap between verbal commitment to ethical norms and their actual abuse in real life by many employees.

Some private sector leaders think that the public sector truly suffers because of the personal arbitrary discretion of employees in their application of public Law and Bylaws. In addition to being treated arbitrarily by public employees, the private sector suffers because it is subject to several control institutions with conflicting views. Conflict of opinion among the multiple control mechanisms is probably caused by the lack of clarity of Law and Bylaws and the lack of proper training of employees which would assist them in comprehending the true meanings of Law and Bylaws and their real economic and social objectives.

However, the actual implementation of the above values and standards by public employees indicates that many of them are not committed to these values and standards. Indicators of non-commitment include reporting late to work, non-observance of work rules and regulations, misuse of office working hours, delay in processing files, unequal treatment of citizens, corruption and bribery and leakage of sensitive and important information. The reports of the Bureau of Audit and the Anti-Corruption Department abound with corruption cases, abuse of authority, biases and nepotism concerning some tenders.

In addition there is a considerable amount of misuse of public funds including unnecessary spending practices such as attending non-essential conferences outside Jordan, repeated travel trips by same persons, lack of attention to training courses by many employees, abuse of public assets and facilities such as the personal use of public vehicles.

Some employees display a superiority complex in their dealings with citizens, which result in delayed processing of their files, complicating their business and failing to provide them with the required information.

Many officials are biased in the evaluation of their subordinates due to interference of personal factors and the absence of fairness in dealings with others. The absence of institutionalization, lack of job descriptions, and the assignment of inadequate persons in public jobs contribute to non-compliance with the ethical values of public jobs.

Few of the private sector leaders feel that ethical values and standards generally bind public employees while practicing their duties and responsibilities. Naturally, there are exceptions to every rule. Fortunately the ratio of the exceptions is small, and when they are found, they are due to arbitrary considerations.

## ***7. Civil Service Policy and Focus on Performance and Results***

Improving the level of services provided to citizens can only be accomplished by making civil servants accountable for the consequences of their actions. The more accountable and empowered civil servants are the higher the probability of increasing the efficiency and effectiveness of their services. The focal point in the accountability issue is results. Accountability of employees concerning the result of their work will lead to increasing their concerns and awareness of the importance of customer satisfaction. It also makes employees seek the satisfaction of not only their bosses but also their customers.



Customer satisfaction has lately become the slogan of many public agencies in Jordan. As a first step, a number of Jordanian institutions have launched projects to evaluate their organizational performance and establish performance criteria that are based on results. The JIPA has been playing a large role in promoting institutional evaluation based on performance and results (refer to page22). In 1997 and 1998 it conducted, in cooperation with some donor agencies, a number of workshops and seminars on the subject of institutional performance appraisal. The Budget Department has initiated the Program in Performance Budgeting in Jordan in order to measure the degree of accomplishment of intended results. In addition, the Department of Land and Survey has started a new strategy of institutional performance evaluation focusing on results. (refer to page22).

The experience of the Land and Survey Department in setting up and implementing its new institutional performance appraisal method is a very instructive case study. Following is a summary of that experience as narrated by its engineer and catalyst, the Director General of the Land and Survey Department.

Last year, the Department completed an Organizational Performance Appraisal System of the Department and an executive plan has been prepared to implement the new system. The new system aims at revealing the points of strength and its assessments is based on clear criteria that have been prepared.

In addition, an annual plan has been prepared, and the performance will be measured against the new criteria and the annual plan. As a result, the subject of accountability will be based on clear rules, devoid of vagueness and nepotism.

To achieve more customer satisfaction, the Land Department has adopted a quality control system last year that has been implemented in three technical activities (as a first stage). The system is being generalized this year to all activities. It aims at documenting and generalizing procedures in order to make its application mandatory. This will be followed by inspection tours to ensure efficiency of implementation. It is hoped that the system will lead to simplification and unification of procedures, which will eventually lead to better quality of service and more customer satisfaction.

Another key public agency that has been eagerly modernizing its work procedures is the Budget Department.

The Budget Department has adopted Program and Performance Budget as a strategic plan in 1996, with the intention of assessing the consequences of public expenditures,

rationalizing it, and establishing the optimal uses of financial resources, in accordance with the Economic Restructuring program. The focus of the project is the translation of strategic objectives into work programs through analysis of the objectives, the definition of the consequences and results of each project, separately, in comparable units. The establishment of an internal information system and energizing of the role of internal control and annual reports in reflecting achievements.

Following is a summary of the last years activities of the Budget Department:

1. In cooperation with the German Agency for International Development, a working team representing the Department conducted an exploratory visit during the period April 21-30, 1996 to Holland, Sweden and the City of Berlin to review their experiences in applying program and performance budget.
2. To meet its commitment to the concept of Program and Performance Budgeting, the Department has completed in 1996 the classification of most of the chapters of the Law of Budget according to the requirements of the Program and Performance Budgeting. It also completed the definition of the strategic objectives of each Ministry by referring to applicable Law and Bylaws.
3. Due to the significance of this project, the German Agency for International Development and the United Nations Development Program were requested to help in funding the project and separating it from the national Information System. The Department presented a working paper on the project, and as a result, a group of experts visited the Department during the period of September 2-8, 1997.
4. A workshop for the Director Generals and Governors was conducted on July 1, 1998 to clarify the general framework of the Program and Performance Budgeting. The chairman of the seminar presented a full explanation of the general objectives of the project and the aspirations of the Budget Department.

Not all public agencies display the same vigor and eagerness as the Land and Survey Department and Budget.

Some Jordanians feel that the public sector does not adequately comprehend the regional and international changes that require rapid positive response, which otherwise turn into sore spots.

In general, the public sector is inefficient, and lacks definite standards of control. Its response to demands and complaints is slow and it lacks a unified set of procedures that

can deal with similar problems in an institutional fashion that is based on clear bases, rather than on the personal whims and preferences of public employees.

Others see mixed signals and are less pessimistic.

"A few years ago, the subject of accountability was among the odd concepts of public administration. Lately however, we have heard about, noticed, and documented several accountability cases in the public sector, as evidenced by parliamentary discussions and the inquiries of the members of Parliament addressed to Ministers.

There are even cases of public officials who were referred to court by the public prosecutor for harming the public interest, such as the recent water pollution crisis".

#### ***8. Civil service Performance on Service Delivery Activity***

Most government agencies are established to provide citizens with services, and the recipients of these services are beneficiaries who have the right to evaluate the quality of services delivered to them. Consequently, evaluation of public sector effectiveness is highly dependent on its responsiveness to citizens' needs and demands.

Based on the above remark, the MAD and the JIPA, through a World Bank grant, conducted a number of public opinion surveys in 1998 to evaluate the customers' satisfaction with the services of a number of government institutions. The aim of these studies was to identify problems and obstacles that hinder these agencies from providing citizens with effective and efficient services. It was also intended to serve as a pillar for reforming these agencies. These objectives were met through:

1. Identifying the level of customers' satisfaction with the delivered services;
2. Identifying the problems facing customers while receiving the services; and,
3. Determining areas of reform necessary to improve the services provided.

The immediate impact of these studies was the increase awareness of top officials in these agencies for the need to reform their policies and to adopt programs and policies that focus their services on customers. By the end of 1998 all public agencies started their reform efforts and quite a number of other organizations have asked the Institute to conduct such service delivery satisfaction studies as a guide to evaluate their performance.

### ***9. Civil Service Management, Political Supervision and Public Accountability***

Improving public sector management effectiveness requires a more proactive role by Personnel Management. Traditional Personnel Management is becoming an outdated practice since it has not been changed significantly over the years. What is needed to improve the public sector is a more modern Human Resource Management that focuses on strategies and policies (Rahman 1998, 21-22).

The majority of Jordan's public organizations are still applying traditional Personnel Management practice. Usually top management voices its concerns by expressing doubts relative to the applicability and/or flexibility needed to implement Civil Service and other HRM related Law, regulations, and procedures. It is widely believed that the current Civil Service Bylaw limits the ability of these organizations to adopt effective and best human resources practices in recruitment, hiring, promotion, compensation, and employees' development.

Cultural values play an important role in the application of political supervision and public accountability. In many developing countries, such as Jordan, various interest groups influence the civil service decision making process and its performance by lobbying decision makers to adopt their special interests. Since some special interest groups have more resources than others do, the influence of special interests harms the public interest. An improvement in policies focusing on performance and results can positively influence both political supervision and public accountability.

Contacts of the study team with private sector prominent leaders indicate that a great deal of improvements are still needed in the area of accountability. There is a general consensus among business leaders that the level of accountability is inadequate. Red tape and the arbitrariness of public employees in their dealings with citizens are major comp.

The reasons for complaints include the following:

- Lack of adequate transparency of legislation which limits the ability of public employees to implement Law and Bylaws.
- The complicated routine that public employees are accustomed to.
- Unjustifiable delays in processing citizen's files and petitions.

- Lack of adequate disciplinary actions.
- Hesitation of public officials to make decisions because they are afraid of being accused of bias or corruption.

There is a need for the establishment of a clear and firm accountability system to punish those public employees that unjustifiably delay the processing of citizen's requests. Such systems exist in some neighboring countries. At the same time, there is a need for an adequate incentive system with objective criteria to motivate efficient employees.

Based on its previous studies and its contacts with public officials and the business community, JIPA is aware of the need for more studies in the area of accountability and is currently conducting a study, in cooperation with UNDP/MDGD, on financial accountability and transparency to assess the current state of their application in Jordan

### ***10. Designing Civil Service Reform***

A clear vision and articulated goals, objectives and strategies with adequate preparation and involvement of stakeholders play a vital role in the process of designing civil service reform programs (Rahman 1998, 23).

We have indicated earlier in this report that all social and economic development plans of Jordan for the last 20 years have focused on civil service reform. The momentum of public sector reform has been increasing in that the main characteristic distinguishing the current 1998-2003 Social and Economic Development Plan from previous plans is its great attention to public sector reform. The plan was a joint effort by the public, private, NGO's sector, and other stakeholders. For the first time in the history of planning in Jordan, the plan identified the following strategies and action plans for reforming the public sector:

#### **Strategy 1: The size of Government.**

The ideal size of government is the small, effective and efficient. Its role is to be limited to the following functions:

- Legislation and control.
- Furnish appropriate investment environment.
- Protection of public rights.

- Provide security, safety, justice and social welfare.
- Enhance the public sector ability toward productivity and creativity.

### **Action Plans:**

- Review of the overall government organizational structures and reduce its size through merger or demolition of certain Ministries and Departments.
- Freeze hiring in the public sector with the exception of the education and the health sector. Transfer of employees from overstaffed institutions within the public sector to understaffed ones will be used.
- Provide early retirement incentives.
- Stop rehiring retired civil and military personnel with the exception of those with technical or\and occupational skills when necessary.

### **Strategy 2: Partnership with the Private Sector.**

Partnership with the private sector is a top priority of the public sector. This requires re-examining the relationship between the two sectors, particularly in the area of private sector participation in policy and decision making.

### **Action Plans:**

- Form joint sectorial councils based on Bylaws that emphasize effectiveness, institutional representation and sustainability.
- Participation of the private sector in the review and modernization of legislation and work processes.
- Open channels of dialogue between the two sectors and exchange of information through specified mechanisms and programs.
- Transfer some public sector services to the private sector where they can be operated more effectively and transparently.
- Review legislation in order to reduce and abolish any Law and regulations that limit the effective participation of the private sector.

### **Strategy 3: Enhance the Role of Top Management.**

It is necessary to issue appropriate legislation based on the following principles and guidelines:

- Establish knowledge, skills and experiences as the essential criteria to occupy leadership posts.
- Set appropriate mechanisms for the selection and evaluation of the performance of management posts, based on competitive standards.
- Provide career development opportunities.
- Establish appropriate mechanisms for provision of incentives and rewards for creative performance.

#### **Action Plans:**

- Form a higher committee for selecting administrative leaders based on objectivity, integrity, knowledge, experience and national loyalty.
- Provide continuous training for top leaders either by the public & private sectors, or by establishing a high academy for leadership.
- Establish a mechanism of evaluation and ensure accountability and integrity of public sector leaders.

### **Strategy 4: Institutionalization of Public Administration.**

#### **Action Plans:**

- Set an approach to identify all government agencies' vision, mission, strategic objectives, policies, and activities.
- Establish information, planning, research and development units in government agencies where it is deemed necessary.

- Issuance of required legislation to ensure that all officials are accountable for their actions regardless of their levels.

### **Strategy 5: Decentralization and Delegation of Authorities in Services Delivery and Decision Making.**

#### **Action plans:**

- Transfer of financial and procurement decision-making authority to the Governorates.
- Establish a Municipalities Forum to enhance coordination and cooperation and improve the lot of local communities.
- Re-examine the Law of Local Administration in order to emphasize the importance of selection of governors, provide them with appropriate authorities, and establish their accountability.
- Shift some services to the Municipal Councils and Local Communities including revenue generation and uses.

### **Strategy 6: Sustainable Human Resource Development**

#### **Action Plans:**

- Selection and promotion of employees based on merit, performance and qualification.
- Continuous training and development of employees in accordance with the training and career path plan.
- A compensation and rewards system based on merit.
- Establishment of a national training fund aimed at financing training required training to rehabilitate employees and meet the needs of society, through contributions from the public and private sectors..
- Improving the academic qualification of top administrative leaders.

### **Strategy 7: Information Technology and Decision Making.**

#### **Action Plans:**



- Set a national program to increase public awareness of the importance of information and its uses.
- Eliminate computer illiteracy among government employees according to a five year plan.
- Organize extensive information technology programs for the leaders in the public sector.
- Improve the National Information System to facilitate easy access to information, and provide government financial assistance to the private sector to participant in the improvement efforts.

### **Strategy 8: Strengthening the Capacity of Public Institutions Concerned with Administrative Development.**

#### **Action Plans:**

- Study the needs of agencies concerned with administrative development and enhance their human, financial, and material capacities in order to enable them to perform their responsibilities effectively.
- Utilize local expertise, particularly Jordanian universities and management consultation and research companies, by setting joint ventures among them in academic rehabilitation, training and research.
- Cooperate with Arab and International expertise in the area of public sector reform.

### ***11. Maintaining Sustained Leadership and Commitment***

A change effort requires clear support of top leadership and its commitment. This applies more strictly in the case of reforming the public sector because such reform requires many societal changes, including regulations, education, infrastructure, democracy...etc.

The commitment of Jordan's highest leadership levels to reform programs represents an excellent case study. His Late Majesty King Hussein spoke out on many occasions about the need and importance of reform, and he always supported reform initiatives. For example, it is believed that one of the reasons for changing the government in 1997 was HM's dissatisfaction with the performance of the social development agencies at that time. HM constantly called for better civil service performance.

Another clear indication of the commitment of Jordan's top leadership to reform is HRH Prince Hassan's continuous efforts to modernize the civil service through his participation in several administrative reform conferences and seminars and his chairing a number of civil service reform committees to reform the civil service in the country (refer page 18).

### ***12. Private/Public Sector Cooperation***

Despite its complaints against the public services, the private sector considers the public sector as an agent of change that is to facilitate and support private endeavors. From a customer point of view; the private sector is the recipient of the public services. Therefore, it demands more involvement in setting up public sector policies and programs.

Traditional public-private sector relationships used to be characterized by separation, and one major impact of this segregation is mutual distrust. It is believed that more cooperation and interactions between the two sectors would increase the level of confidence of the private sector, and would allow the public sector to achieve a broader perspective in its services, and improve their level of customer satisfaction.

In recent years, the traditional relationship between the two sectors in Jordan has improved vastly. On the macro level, a number of investors and businessmen have been given Ministerial positions. The main motive behind this was the government's desire to acquaint itself with the needs and expectations of the private sector. On the micro level, cooperation between the two sectors has been increasing.

Most, if not all, public agencies have more than one member representing the private sector in their committees, councils and board of directors. The two sectors cooperate and coordinate their positions in all national and international conferences and seminars. For example, In 1996, the MAD and JIPA in cooperation with the World Bank and the private sector in Jordan organized a regional Ministerial and Private Sector Seminar on "Good Governance for Private Sector Development and Investment in the Middle East and North Africa". The aim of the conference was to narrow the gap between the two sectors and provide a pillar for more cooperation and partnership. The most obvious example of cooperation between the sectors was during the Middle East and North Africa Conference which was held in Jordan in 1996, where the private sector was involved in all the preparation and planning phases of the conference.

JIPA provides the World Economic Forum with all the necessary information about Jordan to be included in the World Competitiveness Report. This is done through continued cooperation with the private sector.

The study team contacted representatives of both sectors and enquired about the extent of cooperation between them. Following is a summary of the participation of the private sector in investment policies and decisions. According to the respondents:

1. The promotion of Investment Committee consists of five members, including a representative of the private sector.
2. The Investment Promotion Corporation's Board of Directors, which supervises its activities, consists of seven members, three of them represent the private sector.
3. The Higher Council for the Promotion of Investment consists of thirteen members; five of them represent the private sector. The Higher Council is presided by His Excellency the Prime Minister.
4. The Corporation has conducted a number of Focus Group Meetings with groups of investors from the private sector to identify their problems and cooperate to solve them.
5. The Corporation intimately cooperates with the private sector in conducting seminars and conferences that aim at promoting investment in Jordan. For example, a conference for Jordanian expatriate businessmen was held last year in cooperation with the Association of Jordanian Businessmen.
6. The Private sector participates in the corporation's decision making processes by enlisting their views and remarks on the investment process as a whole, particularly the part concerned with investment procedures and investment services. For example, the corporation has completed an investment Road Map and the input of the private sector concerning many of its issues was highly regarded.
7. Exchange of information and data with the private sector concerning investment activities and the general economic situation. This type of exchange is very strong with the Amman Chamber of Industry, the Union of Chambers of Trade, The Association of Jordanian Businessmen, the Association of Jordanian Exporters, and the Association of Sahab City Investors.

The private sector is also actively involved in Jordan's international trade as indicated in the following remarks.

1. The Ministry of Industry and Trade consults and coordinates with the private sector concerning the modernization, amendment or development of legislation that refers to them. In addition, the Ministry presents them with drafts of proposed Law and Bylaws.
2. The private sector takes part in drafting proposals of industrial and commercial agreements and protocols.
3. The private sector is represented in the special committee that follows up Jordan's negotiations to join the World Trade Organization.
4. The Ministry constantly coordinates and consults with the private sector concerning maintaining a strategic reserve of basic commodities and guaranteeing their availability to citizens.
5. Participation of the private sector in conducting studies of exempting industrial inputs from customs duties.
6. The Ministry follows up all complaints and petitions of the private sector and tries its best to solve them within applicable Law and Bylaws.
7. Holding periodic meetings for consultation and discussion with the chair persons and members of economic associations.

Private sector participation in fiscal and monetary policies is less impressive. There is still a considerable possibility for more cooperation between the public sector and the civil voluntary associations such as the Exporters Association, the Association of Businessmen, and the Chambers of Industry and Commerce. Areas of possible cooperation include:

1. Agreements between Jordan and the World Trade Organization, the European/Mediterranean Partnership and the European Union.
2. There is a need for more coordination between the public sector and the Jordanian Businessmen Associations in the financial and monetary policies and their impact.
3. The civil sector and its group lack a "single referee", and its associations need to coordinate their professional energies and abilities in order to make it an effective partner with the public sector.
4. The public sector, specifically the Ministry of Industry and Trade, should provide the civil sector with incentives and a single visible referee.

5. The present private sector associations should establish voluntary funds for its members that can contribute to the social security package and employment in the economy, particularly in the less fortunate regions.

The Minister of Finance however thinks that the level of private sector participation is adequate. He states the following:

"The Government considers the private sector very essential, and it participates in the management of public authorities and companies through its representatives in the boards of directors of such institutions as the Central Bank and the Promotion of Investment Corporation. The objective behind this active participation of the private sector is to increase cooperation and interaction between the two sectors for serving the national economy. Several public committees include representatives from the private sector.

Interaction between the two sectors is expected to increase, given the current trend of privatizing several public authorities and companies. The expected sale of government share in several companies will definitely increase interaction of the two sectors and will encourage the private sector to play an important role in economic development."

The above views on the extent of cooperation between the two sectors represent the government's side. For a more balanced view, following is a summary of representatives of the business community concerning the same issue of cooperation, particularly the role of the private sector.

According to one prominent private sector leader:

1.

1. The private sector is represented in Governmental and official councils, such as the Economic and Consultative Council, the Committee of Investment, the Boards of Directors of the Central Bank and the Industrial Bank.

1.

1. The Government consults with the private sector before the enactment of Law and Bylaws, through inviting business organizations such as the Chambers of Industry and Trade, the Association of Jordanian Businessmen and the Association of Exporters to express their views.

1.

1. The private sector is a member in bilateral Arab-Jordanian committees such as the Higher Jordanian-Yemeni Committee, the Jordanian-Tunisian Committee and the Egyptian-Jordanian Committee.

Another private sector leader describes cooperation between the two sectors as follows:

1. Cooperation between the public and private sectors:

Cooperation exists between the two sectors, although there is a general feeling that it is less than what is desired and that it can be strengthened. The most important aspect of cooperation is the participation of the private sector in the discussions of the Consultative Economic Council, which is headed by the Prime Minister, although the Council's meetings are sporadic.

2. Interaction:

The private sector participates in several common councils such as the Industrial Development Bank, Authority of Industrial Cities, Exports Promotion and Commercial Centers Authority, Central Bank, Board of Directors, Social Security, Vocational Training Establishments, Greater Amman Municipal Council, Promotion of Investments Establishment, Standards and Meteorology Department, Committee of Public Safety and Public Health, and Committee of Minimum Wage.

3. Partnership:

- Partnership between the two sectors is represented by their joint equal representation in Arab and International Labor Conferences.
- Conducting joint feasibility studies of economic and financial projects.
- The private sector exercises its right of addressing parliamentary committees when they discuss proposed legislation.
- Representation of the private sector in economic and social delegations, inside as well as outside Jordan.
- The private sector is free to address all ministries and public authorities, including their top management.
- The private sector demands more administrative facilities in order to process its transactions in the shortest possible time.

It also demands more participation in the formulation of economic policies and economic decision making in its various dimensions particularly strategic decision.

The private sector feels that overstaffing of the public sector has caused low pay scales, which in turn resulted in low levels of performance.

The private sector is distressed for lack of proper understanding of its problems by the public sector. Such adequate understanding would enable the public sector to resolve problems more quickly.

4. The Embassies of Jordan in foreign countries coordinate with Jordanian private sector organizations concerning holding conferences and managing economic relations of Jordan with foreign countries.

5. The establishment of joint private/public sector companies.
6. The Government also seeks the views of the private sector when conducting bilateral economic and commercial negotiations with some countries.
7. The Government intends to sell part of its investment portfolio at the Jordanian Investment Corporation to local private investors.

Following is a more objective view because the respondent was previously a former Minister and is currently a prominent private sector leader. According to him:

1. There is an outstanding level of cooperation and interaction between the public and private sector as follows:

- Various industrial, commercial and professional establishment, clubs, and associations represent the interests of the private sector.

- The above establishments, clubs and associations are governed by boards of directors that are freely and directly elected without any government Intervention.

- The private sector is represented in the boards of directors of many public agencies and enterprises such as the Central Bank, Social Security, and the Vocational Training Corporation.

- The private sector is represented in various public committees and councils such as the Consultative Economic Council, the Council of Promotion of Investment, and the Committees of the Consecutive Economic and Social Plans.

- The Government of Jordan refers proposed economic Bylaws to the private sector in order to express their views concerning them.

- The private sector is represented in official economic delegations and important negotiations such as those conducted with the European Union and the World Trade Organization.

2. Despite the above, Cooperation and interaction between the two sectors has not yet reached the desired level. Partnership between them can be strengthened through the following:

- The meetings of some of the councils, such as the Consultative Economic Council and the Committee of Promotion of Investments, should be held periodically and in a more organized fashion.

- Increasing the participation of the private sector in economic negotiations with foreign countries and in the enactment of economic Law and Bylaws.

- The input of the private sector in enhancing the performance of some key agencies and in reforming their management is still limited, particularly in the cases of the Income Tax and the Customs Departments.

### ***13. Partnership between International Community and Host Country***

Civil service reform in most developing countries has been initiated by donor agencies. Usually, most financial assistance or loans by donor countries and funding agencies were accompanied by demands for civil service reform. Civil service reform, in many cases, requires financial and professional assistance, and donor agencies have been providing assistance to most developing countries.

The civil service in Jordan has benefited from the assistance of a number of donor agencies. In fact the first initiatives to reform the Jordanian civil service came from donor agencies. UNDP and the World Bank are accredited for establishing the CSB and JIPA. In past years, donor agencies, particularly the World Bank, UNDP, GTZ, CIDA and others established many projects and initiatives. As indicated earlier, it is clear that donor agencies have been involved very intensively in Jordan's efforts to reform its public sector (refer to page 15).

## **Appendix 1**

### **List of Interviewees**



1. Dr. Hashim al-Sabaqh, Secretary General of the Ministry of Interior.
2. Dr. Hammad al-Kassabeh, Director General of Cities and Villages Development Bank.
3. Dr. Nabeil Ammari, Minister of Planning.
4. Dr. Jawad al-Anani, chief of the Hashemite Royal Court, and a former Economist and Consultant.
5. Dr. Taisir Abdel Jaber, Former Minister of Labor and Currently Chairman of the Jordanian Consultants Center.
6. Mr. Adel al-Qudah, President of the Executive Privatization Unit.
7. Mr. Osama Jaradat, Director of Research and Studies at the MAD.
8. Mr. Khaldoun Abu-Hassan, Chairman of Amman Chamber of Industry.
9. Hamdi Al-Taba'a, Chairman of the Jordanian Businessmen Association.
10. Mr. Thabet Al-Taher, CEO of the National Petroleum Company.
11. Eng. Abdel mun'em Samarah, Director General of the Department of Land and Surveys.
12. Abdel Rahman Al-Ajlouni, Director General of the Budget Department.
13. Mr. Khaldoun Abu Hassan, Chairman of Amman Chamber of Industry.
14. Dr. Mohammed Al-Qaryouti, Dean of Prince Bassmeh College.
15. Dr. Muntaser al-Okeleh, Director General of the Investment Promotion Corporation.
16. Mr. Mohammed al-Hourani, Minister of Industry and Trade.
17. Dr. Bassam al-Saket, President of the Financial Portfolio former Minister of Finance.
18. Dr. Michael Marto, Minister of Finance.

## **Appendix 2**

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### **Appendix 3**

#### **Footnote**