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The normativity of numbers in practice: technologies of counting, accounting and auditing in Malawi's civil service reform

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Abstract

Contemporary technologies of governing employed in international development rely on the normativity of numbers, and their use of numbers and collection, as conditions for financial support by the international financial institutions. This article examines how the normativity of numbers worked in practice during the implementation of civil service reform in Malawi. It reveals a contradiction between the lofty rhetoric of greater efficiency and transparency achieved through the introduction of new technologies and the messy realities of everyday bureaucratic practices, corruption and haphazard implementation.

Key words: neoliberalism, international development, governance, corruption, Africa, numbers

Introduction

In September 2013, the chance discovery of large amounts of cash in the house of a junior government accountant triggered an unprecedented corruption scandal, dubbed Cashgate because of the considerable sums of cash found in the possession of civil servants and other

This article is based on a presentation for the panel 'Governing by numbers: audit cultures, rankings and the New World (Re)order' organized by Cris Shore and Sue Wright at EASA's 13th biennial conference in Tallinn. I would like to thank them for doing a fantastic job as editors of this special issue. Their insightful comments were very helpful when turning the presentation into this article.

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suspects. Criminal investigations into the alleged theft of more than 70 million Euros from government accounts resulted in the arrest of over sixty suspects.

The scandal was linked to the manipulation of a financial management system, a technology introduced as part of a comprehensive civil service reform process since the 1990s. These reforms, implemented in Malawi and elsewhere in the Global South, were influenced by neoliberal economic thinking and management theories such as New Public Management aimed at increasing the efficiency and transparency of national bureaucracies and economies on a global scale (Shore and Wright 1997). The new transnational technologies of statecraft were promoted by the international financial institutions and development agencies and aimed at integrating the developing countries in sub-Saharan Africa and elsewhere into a global regime of governance (Abrahamsen 2000). They were part of the global rise of new accounting and auditing technologies aimed at rendering individuals and organisations more accountable and efficient (Power 1997; Strathern 2000).

Earlier anthropological studies of development interventions focused mainly on discourse analysis and tended to represent the neoliberal colonization of international development as all-encompassing and monolithic (Escobar 1995; Ferguson 1994; Mitchell 2002; Secher Marcussen and Arnfred 1998). Subsequent studies revealed the contradictions and frequent failures of these new technologies of governing in action (Harrison 2003; Mosse 2005, Murray Li 2007). Taking its cue from these studies, this article focuses on several technologies of neoliberal public management and their effects in the context of civil service reform in Malawi, a highly aid-dependant country in Southern Africa. In particular, it examines the introduction of systems of budget planning as part of the loan conditions for World Bank and IMF-funded policies, the dismissal of thousands of government employees, and the abuse of the computerized financial management system in the Cashgate scandal. The ethnographic evidence it draws on (15 months fieldwork in Lilongwe and Zomba between

1999 and 2013) tracks the contradictory and messy implementation of these technologies. It reveals the extent to which civil servants, especially in senior positions have been able to manipulate and subvert the technologies of management and surveillance promoted by the World Bank and the International Monetary Fund (IMF).

The imperfect reality of policy implementation is exemplified by the Cashgate scandal, where one of the key instruments of accounting for government expenditure was easily manipulated to siphon off millions of Euros into the private bank accounts of politicians and civil servants. This seesaw between the lofty rhetoric of greater efficiency and transparency that is to be achieved through the introduction of new technologies and the messy realities of everyday bureaucratic practices, corruption and haphazard implementation runs like a thread through the implementation of civil service reform in Malawi. The reform process started with a civil service census and the dismissal of thousands of junior government employees during the mid-1990s. It continued with a wide range of indicators covering virtually all aspects of the economy and society in a growing number of conditions set out in loan agreements signed by the government of Malawi and international financial institutions. In 2005, the government introduced the financial management system that was compromised in the Cashgate corruption scandal.

These reforms were characterized by a distinct normativity of numbers; that is, the use of numbers as norms for measuring a developing country's progress in implementing policy reforms and introducing systems to collect and process numbers in a standardized fashion (Anders 2008). This article tracks how civil servants have been affected by the normativity of numbers in practice and how they tried to subvert and manipulate its effects in the context of the civil service reform in Malawi. It complements other anthropological studies of technologies of government relying on numbers ranging from the census as colonial imaginary in India (Appadurai 1993) to indicators in the global human rights movement

(Merry 2011). First, I examine how numbers are transformed into conditions of the loan agreements signed by the government of Malawi to get financial support for policy reforms provided by the World Bank and the IMF. Then I analyse how the normativity of numbers works in practice in two specific instances; firstly in the dismissal of thousands of junior government employees during the mid 1990s, and secondly in the introduction of a new financial management system in 2005 and the corruption scandal that revealed its abuse in 2013. The census and the audit are at the heart of the normativity of numbers, both are parts of a complex regulatory apparatus that depends on the production of numbers.

Conditionality and country ownership

The dissemination of the new management and auditing technologies has been driven by powerful interests in the US and Western Europe where neoliberal thinking was seen as key in transforming bloated and inefficient bureaucracies into cost-efficient service-providers (Du Gay 2000; Shore and Wright 1997). In the field of international development, international financial institutions, the World Bank and the IMF, led the expansion of neoliberal thinking. Because of their articles of agreement and the principle of national sovereignty, these international financial institutions could merely provide technical advice to governments that were supposed to own the reforms. According to the World Bank, “conditionality links the Bank’s financial support to implementation of a program of reforms critical for the country’s economic and social development [...]. [C]ommitment to reform is essential, and conditions usually reinforce the level of country ownership needed to ensure the implementation of reforms supported under adjustment loans” (World Bank 2003). ‘Conditionality’ was the principal technology employed to ensure that the recommendations of World Bank and IMF advisors were heeded by borrowing governments.

Since the 1980s, when the concept of conditionality was introduced, the World Bank and the IMF have developed a whole range of different conditions, tailored to the perceived needs of the borrowing governments. Both organisations have harmonized their policies to avoid overlaps and conflicts between their respective conditions, and to complement each other's arrangements with borrowing countries (IMF and WB 2001). They have developed four types of conditionality: prior actions, performance criteria, structural benchmarks, and programme reviews. As the IMF explains

Prior actions are measures that a country agrees to take before the Fund's Executive Board approves a loan and before the initial disbursement takes place. [...]

Performance criteria (PCs) are specific conditions that have to be met for the agreed amount of credit to be disbursed. There are two types of PCs: quantitative and structural.

- *Quantitative PCs* typically refer to macroeconomic policy variables....

- In arrangements where structural reforms are an essential part of the economic program, *structural PCs* are also used. These vary widely across programs but could, for example, include specific measures to restructure key sectors ...

Structural benchmarks are similar to structural PCs, except that individual benchmarks are less critical for meeting the program's objectives. Thus, benchmarks may help the Board assess a country's progress on structural reforms, but failure to achieve them would not necessarily interrupt Fund funding.

Another important monitoring tool is the *program review*, which serves as an opportunity for a broad-based assessment [...]. Reviews are used to discuss policies and introduce changes to the program that may be necessary in light of new developments (IMF 2002a).

Prior actions and performance criteria are hard conditions for the disbursement of credit. Structural benchmarks, by contrast, are considered soft conditions because they only affect disbursement under exceptional circumstances (for example, massive and inexplicable failure to implement structural benchmarks). According to the international financial institutions,

structural benchmarks merely serve as points of reference for assessing and monitoring a country's progress in implementing a reform programme (IMF 2001a: 3-20).

Since the late 1990s hard conditionality in the form of performance criteria has increasingly been seen as inflexible and inconsistent with the principle of country ownership (IMF 2001b; IMF and World Bank 2001). By emphasizing the flexibility of soft structural benchmarks, the World Bank and IMF have tried to avoid the impression that they punish governments for failing to implement certain policies. Soft conditionality has been presented as more responsive to the needs of the borrowing governments because it gives them more leeway in adapting to changed circumstances.

In the 1990s, the world Bank and IMF's expansion beyond financial-economic issues resulted in the growth of conditionality. This is reflected in the Poverty Reduction Strategy policies (PRSP) that were introduced at the turn of the 21st century. They covered all aspects of the national economy, from measures designed to increase agricultural production to policies aimed at improving education and governance (cf. GoM 2002). PRSPs are characterized by a complex mixture of hard and soft conditionality, ranging from quantitative performance criteria to structural requirements, such as the establishment of a system to prioritize expenditure management.

In Malawi's case, however, the Poverty Reduction Strategy process, with its more complex conditions, has not resulted in more leeway for the government. On the contrary, in 2002 the IMF blocked the disbursement of \$45 million for balance-of-payment support because of government overspending and corruption allegations against several Cabinet ministers – despite the fact that these were structural benchmarks. Since 2000 it has become common for donor agencies to stop financial support because of misuse of funds or corruption allegations. Most recently, several donors suspended aid because of the Cashgate corruption scandal. These and other interventions reflect the country's aid dependency and the far-reaching

influence exercised by Malawi's foreign donors, in particular the international financial institutions. One important feature of these interventions and the policies implemented at the donors' behest is the normativity of numbers as I will show in the next section.

The normativity of numbers

'Getting the numbers right' is at the core of what staff and consultants at the World Bank and the IMF do. The sheer amount of data collected by the international financial institutions is staggering. A World Bank or IMF policy document would be incomplete without extensive statistics and tables on every aspect of a country's economy, from data on Gross Domestic Product to social indicators, such as school enrolment. These numbers enable policy planners to determine the state of the national economy and predict future development (Jerven 2013). It should be noted that numbers are an ubiquitous feature of modern statecraft. This article is concerned with tracking how they acquire normativity in the context of the implementation of several key reforms aimed at rendering the civil service in Malawi more transparent and efficient. By drawing on ethnographic evidence it will further show these measures met resistance and were manipulated by the very people that were supposed to implement them.

By being incorporated into the conditions of the loan documents numbers develop a particular normative character. They may acquire normativity in two ways. First, the number itself can transform into a norm when it is part of the conditions attached to the loan and second, the collection of specific numbers, using standardized methods, can constitute a condition. Examples of the former include targets for economic growth, inflation, and public expenditure. The second type of normativity of numbers exemplifies the neo-liberal trend toward systems of self-control. The new systems of management and control depend on collecting reliable and standardized data. For example, the installation of computerized personnel and payroll management, expenditure planning, and accounting systems is a

prerequisite of the civil service reform programme. These systems are supposed to function as instruments of self-control that are operated by the government or private consultants, without any direct intervention from the World Bank or the IMF.

Collecting quantitative data is crucial for policy planning and implementation. Contemporary management and auditing systems depend on quantitative data (cf. Porter 1995; Rose 1999; Strathern 2000). Numbers are only useful if they are collected according to standardized methods; otherwise they cannot be used to assess the country's progress in relation to a specific standard. To this end, the World Bank and the IMF provide borrower countries with the necessary technology to collect the required numbers.

One such technology is the so-called Medium Term Expenditure Framework (MTEF). MTEF was developed by the World Bank in the 1990s to enable governments to plan and prioritize expenditure in line with available financial resources over a three to five year period. MTEF was supposed to enable governments to prioritize expenditure in a time frame that transcended the traditional yearly budget planning. This means that ministries have to identify their priority activities. High-priority activities will receive available funding, while low priority activities receive less funding or no funding if they cannot be sustained. Low-priority activities were usually earmarked for privatization. MTEF was at the heart of the measures to control government expenditure and constituted a structural performance criterion. It is a technology that was supposed to balance the tasks of a ministry, its expenditure and the available funding. According to the conditions of the second phase of the civil reform process (World Bank 1998), the aim of MTEF was:

to correct deviations from the budget and adjust expenditures to changes in resource availability. To enable control over salary payments, expenditure monitoring will also include a monthly comparison and the reconciliation of payroll and personnel, based on the ongoing audit of civil servants.

MTEF was not supposed to operate in isolation: it was part of an encompassing system of interlocking tools serving specific purposes. It was connected to the computerized payroll and personnel management system, which, in turn, relied on data collected during the civil service census. MTEF was introduced, together with other instruments, ‘to assist line agencies in defining their mission, goals and programme objectives, and Activity-Based Budgets (ABB) to enhance programme costing and classification in budget representation’ (World Bank 1998: 1). A system of monthly cash allocations, the so-called cash budget, and a Credit Ceiling Authority (CCA) were also introduced to check overspending, which was endemic in Malawi’s ministries during the 1990s.

The government established several specialized government agencies to implement these systems including the Public Sector Change Management Unit (PSCMU). This conducted functional reviews of all ministries, evaluating how the ministries performed, and earmarked functions for outsourcing to the private sector. Furthermore, the government established the Finance and Audit Committee of Principal Secretaries and the Special Cabinet Committee on Budgetary Measures to monitor expenditure and check overspending. The Ministry of Finance was responsible for the prioritization of expenditure and in each ministry so-called MTEF Committees were formed to ensure the application of MTEF in their respective ministries (World Bank 1998).

Systems like MTEF were part of sophisticated assemblage aimed at improving the performance of the civil service. MTEF and other instruments including computerised payroll systems needed data on the exact number of government employees. However, when the first World Bank mission for governance reform visited Malawi in 1993, it was surprised to find that the number of civil service employees was unknown. The Bank therefore financed a civil service census – ‘a critical first step in the development of a Personnel Management Information System (PMIS)’ (World Bank 1994: 19). The importance of a census in the civil

service reform process highlights its crucial role as one of the principal instruments of statecraft both in the metropolitan centres and the colonies (Appadurai 1993; Rose 1999: 215-222). The civil service census was conducted in October 1995 (GoM 1996a) and constituted an important step in reducing the number of government employees, and transforming the civil service into a more cost-effective service-provider.

Right-sizing the civil service

According to World Bank and IMF experts, a smaller, leaner and more efficient civil service is a necessary pre-condition for good governance. In March 2000, the representative of the World Bank in Malawi told me that the Bank's objective was not so much the downsizing but the "right-sizing" of the civil service, since the lower ranks were overstaffed and senior positions often remained vacant for years. The dismissal of redundant employees was deemed necessary to correct the skewed staff composition and to render the civil service more cost-efficient. In 1996, the government of Malawi adopted a plan to outsource and privatize non-core functions, reduce 'overlap and duplication in the machinery of government', improve performance and efficiency, and 'design and implement a retrenchment programme which will assist in the move to an affordable and sustainable civil service' (GoM 1996b: 2). Many civil servants perceived civil service reform as threat to the status quo and attempted to manipulate, co-opt and appropriate it. The implementation of the retrenchment exercise met the silent resistance of many in the civil service since it affected the long-standing practice of hiring large numbers of employees with little education or training to perform menial tasks.

The World Bank conducted two studies in 1991 and 1993 to assess problems in the civil service and make recommendations for reform (World Bank 1993; 1994a). These studies recommended reducing the number of support staff like watchmen, cleaners, workmen, messengers etc. occupying the lowest grades in the civil service, the Industrial Class (IC) and

the Subordinate Class (SC). The former were employed on a temporary basis and were, therefore, not part of the civil service establishment. The term ‘civil service establishment’ denotes the established positions specified in the pay roll and controlled by the Public Service Commission, the body ultimately in charge of appointments and dismissals of civil servants. The SC, in turn, was part of the civil service establishment.

Prior to the reform the civil service provided employment and social security for thousands of manual labourers, gardeners, security guards, receptionists and messengers and each year more people found employment in the civil service. The earlier expansion of staff was not the result of actual need but rather stemmed from a logic of allocating the state’s resources, a well-documented characteristic of African bureaucracies (Bayart 1993; Mbembe 2001: 45). By 1995 more than 35 percent of all civil servants held lower ranks and had little or no formal education. Only five percent of the civil servants occupied management and professional posts and many of these posts were vacant due to the lack of suitable candidates (GoM 1996a: 27-31).

Although the IC posts were officially only temporary, these employees had never threatened with dismissal. Prior to the 1990s, government employment was a secure life-long position that entitled its holder to a regular - albeit small – salary and a whole range of benefits including paid sick leave and terminal benefits upon retirement. The number of IC and other subordinate staff grew because the superior officers in the ministries provided clients and kin with government jobs without effective control from the ministerial top or controlling agencies. The World Bank experts were the first who challenged this *modus vivendi* in the early 1990s. They argued for the IC to be abolished and staff numbers in the lower grades to be reduced while top positions were to be upgraded and salaries for senior management and professional functions increased in order to control the civil service wage bill and improve performance (World Bank 1994a).

Employment of IC employees fell within the discretion of the individual departments compared to established posts, which had to be approved centrally by the Public Service Commission and the Department of Human Resource Management and Development. The World Bank missions had identified this practice as one of the main causes for the uncontrolled growth of the IC (World Bank 1994a). It was a well-known secret that most heads of departments and other high-ranking civil servants in the departments exploited their authority to employ IC and provide clients and kin with jobs and social security. Often they also hired people on the instigation of politicians who used their influence to provide their clients with employment. This authority to employ IC workers without interference from the Public Service Commission or the Department of Human Resource Management was also used to employ fictive employees, so-called ghost-workers. The salaries paid for the ghost-workers were pocketed by senior civil servants in the departments and accounting sections. Consequently, the World Bank recommended abolishing the IC and making former IC employees redundant. Many tasks formerly performed by support staff such as gardening, manual labour and security were earmarked for privatisation. The remaining IC employees were supposed to be integrated in the establishment of the civil service (World Bank 1994a).

The actual implementation of this plan was much messier than the documents signed between the World Bank and the government suggested. Targets were not met, deadlines were not kept, and implementation was often subject to *ad hoc* decision-making, particularistic interests and unanticipated events. Nevertheless, the World Bank and the IMF maintained just enough pressure to keep the government from reverting to the former practice of hiring large numbers of support staff who enjoyed the support of patrons in the higher echelons of the civil service or politicians.

The government of Malawi calculated that the IC had to be reduced to 16,000 employees. These 16,000 employees were supposed to be incorporated into the civil service

establishment. According to estimates the civil service had employed about 50,000 IC employees in 1994. This is a rough estimate since no reliable data on the IC existed prior to the 1995 civil service census (World Bank 1994a: 18). According to the prior conditions for the disbursement of a US\$ 106.4 million loan for the first phase of civil service reform, between February and September 1995 government laid off about 20,000 civil servants, mainly lower-ranking support staff of the IC. This meant that 14,000 more civil servants had to be laid off to reach the target of 16,000 posts. The next wave of dismissals occurred between 1997 and 1998. Thousands of government employees holding junior positions were dismissed. By 2000 the dismissal of staff made redundant was by and large concluded according to senior officials.¹

While conducting fieldwork in Lilongwe and Zomba, in late 1999 and early 2000, I met many who had been dismissed from the civil service. Whereas some had returned to their villages to farm, as my interlocutors told me, many lingered on in the hope to find a new job. One of them was Mr. Kangame, a former security guard. During one of our interviews he carefully unfolded a crumbled piece of paper, his letter of notification:

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

¹ The official numbers of retrenched civil servants should be treated with caution. There was no reliable data on the number of IC employees in 1994 and the number of 20,000 dismissed employees was not verifiable either. Considering that the government had an interest to report a high number of dismissed civil servants in the conditions for financial support for the civil service reform programme since staff reduction constituted one of the conditions of the agreement with the World Bank it is at least possible that the government reported a high number of civil servants laid off prior to the disbursement of the credit to have a more favourable starting position for the civil service reform.

The letter was delivered on 19 January 1998. Between March 1993 and January 1998, he had worked as a security guard for the Veterinary Department in Zomba. As security guard he belonged to the IC and was paid on hourly or daily basis. Since Mr. Kangame had been employed for less than five years, the notice period was only two weeks. This meant he had received a payment of about US\$10 in lieu of notice, not more than a handout, with prices soaring due to inflation rates of around 30 percent.

Mr. Kangame was one of those who were laid off in the second retrenchment exercise between 1997 and 1998. Security services for government departments were earmarked for outsourcing to the private sector at that time and, as a security guard, there was no need for him any longer. The contracts to guard government buildings were awarded to Securicor, a British security company. Many of the former government security guards were able to find employment with these private companies but a considerable number was less lucky and faced social decline, such as Mr. Kangame, who had only enjoyed a few years of primary school and was not qualified enough to compete for the scarce jobs that were available.

Others had more luck than Mr. Kangame. I often met people who had been dismissed months ago but who still hung around offices in hope of getting their jobs back. By staying close to their former offices, they hoped to apply some pressure on their former superiors by reminding them of their social obligation as patron. Many a superior officer proved to be receptive to this subtle pressure and re-employed their clients as soon as the budgetary pressure eased. They were creative in finding ways to re-employ their clients and dependants. Although they could no longer employ support staff without the approval of the Public Service Commission, they retained the authority to employ project staff, which they used to re-employ their clients.

In 1997, the government established a specialized agency, the Public Sector Change Management Agency (PSCMA), with the task to conduct functional reviews of each ministry.

Establishment of the PSCMA was one of the conditions for the disbursement of the credit to finance the civil service reform programme. The functional reviews had to make recommendations for improving performance, the internal command structure, the 'elimination of overlap and duplication' and the reduction of staff 'to cut the wage bill'. Most PSCMA staff were young technocrats with university degrees in economics or human resource management who often met stiff resistance by senior managers in ministries such as Health and Agriculture. There was only little enthusiasm for the civil service reform that threatened to reduce their discretionary powers and PSCMA staff complained that senior officers of the line ministries engaged in delaying tactics and other subversive forms of non-compliance such as not keeping dead-lines and appointments or simply not following orders concerning the reorganisation of their departments.

By 2004 the functional reviews had been concluded and according to official figures all IC employees were either dismissed or incorporated into the civil service establishment on SC positions. Services such as security or gardening had been outsourced to private companies. Some 16,000 employees were eventually incorporated into the civil service establishment. For example, the retrenchment exercise did not affect temporary staff working for externally funded projects executed by government departments and evidence collected during fieldwork in Lilongwe, Blantyre and Zomba between December 1999 and March 2002 suggests that many people succeed to filter back into the civil service through these projects that fall outside the scope of the Department of Human Resource Management and the Public Service Commission. Due to the absence of statistics on this phenomenon it was impossible to establish how many dismissed civil servants actually succeeded in filtering back into the civil service but based on ethnographic evidence gathered during the author's fieldwork between December 1999 and March 2002, it is a fair guess that it could be up to several thousand.

The account of the retrenchment exercise aimed at reducing the number of government employees shows that the normativity of numbers in practice, in this instance the reduction of government employees by a certain number, did not achieve the far-reaching restructuring of the civil service suggested by the loan documents. By contrast, the actual implementation was much more haphazard and messy, with unintended consequences and attempts at subverting the reform. This was by no means unusual. In general, the implementation of the civil service reform did not succeed in preventing manipulation and abuse. The next section will show how corrupt civil servants, politicians and businesspeople were able to manipulate the sophisticated system for financial planning and accounting that was introduced in 2005.

The financial management system and Cashgate

The census and the dismissal of government employees were supposed to constitute the first steps towards the creation of a transparent and efficient civil service based on the ideas of neoliberal statecraft. Another crucial component of the restructuring of the civil service was the introduction of a financial management information system. The World Bank urged the government to implement the new computer-based system as soon as possible to replace the manual system dating back to colonial times. In 1995, a first pilot trial covered several key ministries but was soon abandoned due to problems with suppliers, technical expertise, coordination and implementation. After another failed attempt in 2003 the government finally introduced the Integrated Financial Management Information System (IFMIS) in 2005 to support budget planning, accounting and auditing.

Introduced with the aim to improve financial management and prevent corruption and misallocation of government funds, IFMIS turned out to have been the principal instrument used by a racket of corrupt civil servants to siphon off millions of Euros from government funds. Cashgate as it was soon dubbed by local media owed its discovery to the chance arrest

of a young accounts assistant who was found in the possession of more than 217,000 Euros in different currencies. A few days later the newly appointed Budget Director in the Ministry of Finance, was shot but survived and was flown to South Africa for medical treatment. After the shooting, more revelations followed in quick succession. During September and October 2013, the scale of the scandal was gradually revealed as more money was found and more arrests were made.

As the scale of Cashgate became clearer the donor community took action. In October Norway and the United Kingdom suspended payments to the government. Unanimously, the donor representatives criticized the apparent lack of effective control and demanded a full investigation into the fraud. The government in conjunction with the British Department for International Development commissioned the British accounting firm Baker Tilly to conduct a forensic audit. The investigation revealed that the financial management information system had been misused to make fraudulent transfers of public funds (Baker Tilly 2014). The report covers a six-month period between 1 April and 30 September 2013 and is based on the analysis of payments made from government bank accounts. It concludes that ‘funds have been stolen from Government of Malawi’ (Baker Tilly 2014: 4). The theft included the deletion of fraudulent transactions from IFMIS and ‘systemic money laundering activities through commercial organizations’ (Baker Tilly 2014: 4). Based on the evidence the accountants concluded that several companies had opened new bank accounts only ‘two or three months prior to the receipt of government cheques’ whilst other bank accounts ‘were either dormant prior to payment or showed limited transaction activity’ (Baker Tilly 2014: 4). Their report confirms almost 11 million Euros of government funds had been stolen (Baker Tilly 2014: 5). In addition, more than 6.4 million Euros had been ‘spent inappropriately or at worst, being stolen’ by transferring the money to two newly formed companies and another 7.3 million Euros had been transferred to the same two companies without any supporting

evidence. In total, the report suggests that more than 25 million Euros had been misappropriated (Baker Tilly 2014: 5).

According to the evidence presented in the forensic audit report, the racket operated in a fairly unsophisticated manner. Several conspirators simply logged in to the IFMIS using system administrator passwords. They then used the system to transfer money from the Malawi government development account to the accounts of four ministries, namely Irrigation and Water Development, Office of the President and Cabinet, Local Government, and Tourism, Culture and Wildlife (Baker Tilly 2014: 24). Once the money was transferred, they created payment vouchers and issued Reserve Bank of Malawi cheques based on these payment vouchers by using collaborators at the Accountant General's Department. After the transfer the transaction was deleted in IFMIS.

It appears that a small group formed the inner circle running the corruption racket. The forensic auditors traced the fraudulent transactions to the 'username IDs of four individuals' (Baker Tilly 2014: 25). After the money had been transferred to the companies' accounts 'withdrawals commenced with immediate effect' (Baker Tilly 2014: 27). The report delivers a damning verdict on financial management and audit. It criticizes especially the Accountant General's Department for 'significant failures in the control environment' (Baker Tilly 2014: 12). It suggests that the Accountant General and the Assistant Accountant General 'could be considered to have failed in their public duties' (Baker Tilly 2014: 13). The weaknesses in overseeing financial transactions were known for some time but not much had been done to address them. A 2009 government report on the implementation of IFMIS concluded that

The IFMIS infrastructure does not have any intrusion prevention and detective system or mechanism to easily gain visibility and monitor any potential security threats considering that the access is mainly by

user ID and password which can easily be accessed.²

Although the fraudulent transactions had been deleted from IFMIS the accountants were able to trace the audit trails and cross-check the extracted data with available documentation (Baker Tilly 2014: 3). This lends support to the German ambassador to Malawi who had stated in October 2013 that ‘thanks to the IT-system used – IFMIS – we seem to be able to trace who and where people took money’.³

This remark highlights the ambivalent nature of IFMIS. On the one hand, it appears to have made the theft easier by simply logging in with administrators’ access and transferring large sums of money to private accounts but, on the other hand, it also enabled the auditors to trace the deleted transactions. It seems the system was only as good as the civil servants operating it. The accountants and senior managers had no difficulty in circumventing the controls and stealing government funds on a massive scale. This conclusion undermines the claims to efficiency made by the international financial institutions. It also lends support to anthropological studies of development focusing on actual practices, contradictions and contested implementation rather than taking documents and other forms of self-representation of the World Bank, IMF and other international organisations at face value.

Conclusion

² Government of Malawi, ‘Quick assessment of the Integrated Financial Management Information System’ (Office of the President and Cabinet, 18 November 2009), p. 13. Even the introduction of the IFMIS was tainted by the practice of overvaluing transactions. The report observed that ‘IFMIS contractual costs are too high than anticipated (sic.) (almost UD\$1.7 million) more particularly on the user licenses, consultancy, training services and travel which accounted for almost 91% of the total cost’ (p. 9).

³ *The Maravi Post*, ‘“Don’t blame a computer for Cash-gate scandal”, Germany tells Malawi’, 8 October 2013 <<http://www.maravipost.com/national/society/4698-don-t-blame-a-computer-for-cash-gate-scandal--germany-tells-malawi.html>> (19 March 2014).

In spite of being ideologically fundamentally opposed both proponents and critics of neoliberal ideas and their instantiations tend to represent neoliberalism as monolithic and all-encompassing, efficaciously transforming subjectivities and organisations. The evidence presented in this article suggests much more contradictory and contested processes of operationalising a set of connected management and auditing technologies. It should also be noted that even though they are connected and framed as inter-locking system they do not necessarily function without friction or contradiction (Collier 2012).

My analysis of the implementation of various technologies of governing by numbers in Malawi since the 1990s shows that in practice the new systems of counting, accounting and auditing have often failed to exercise effective control over the civil servants who had the task of implementing these measures or constituted the target population of attempts to create a more efficient and transparent bureaucracy. The haphazard implementation of the loan conditions, the recycling of redundant staff into positions on projects and the Cashgate scandal bear testimony to the ability of human operators to manipulate and subvert these systems. Whilst the theft of millions of government funds undeniably has harmful effects it also highlights the limitations of the neoliberal reforms promoted to increase efficiency and transparency.

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