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ASSESSING THE INFLUENCE OF LEADERSHIP ON THE IMPLEMENTATION OF GOOD GOVERNANCE IN A NEW AUTONOMOUS REGION

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Abstract

The analysis of any leader's tenure in the public sector is particularly useful for mapping past mistakes and making projections about the future. However, when the analysis is conducted on a leader's tenure in some democratic regions, it can be confusing. It is difficult to measure the performance of the leader due to the asymmetric programs and policies in this region – fully implementation of some programs and policies take longer than the tenure lasts. This study offers an assessment of the influence of leadership toward the implementation of good governance in a new autonomous region – Lamandau – so that any confusion can be avoided. By using a quantitative approach, this study intended to reveal the influence of leadership in the public sector toward good governance implementation in Lamandau city, Indonesia. It examined four independent variables from a leadership aspect: vision (X1), communication (X2), collective purposes (X3), and individual capacity of the leader (X4) toward four dependent variables from good governance: Transparency (Y1), accountability (Y2), independency (Y3), and justice (Y4). Results of a quantitative analysis from a series of empirical data (derived from various variables) have a significant value. The discussion of this study is limited to a historical context of public sector leadership and good governance in Indonesia generally and par-

ticularly in Lamandau City, combined with their theoretical foundation. Furthermore, it also offers the future projection of the Lamandau leader based on the analysis of this research. This study could have a significant impact, in particular regarding leadership and good governance in this new autonomous region of Indonesia.

Keywords: leadership; good governance; new autonomous region; Indonesia.

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Introduction

Whether it is acknowledged or not, public sector leadership is continuously becoming a particular consideration for the development of every region around the planet (Birney *et al.*, 2010). There are plenty extant literatures explaining this process through various ways such as the simple approach to maximize the particular skills of individual through leader and follower conception or the collective approach that may be applied to strengthening institutional performance (Sotarauta, 2007). The compilation of these studies discussing public sector leadership indicate its important role within government embodiment (Marshment, 2016). Around the literature of public sector leadership, one of fundamental problems aligning this discussion is how the relationship between a leader and the environment in which they find themselves is well-managed (Körösényi *et al.*, 2016; Hay, 2002). The relationship between the leader and the environment creates a particular space enabling them to affect and influence each other (Genovese, 1979; Rossiter, 1948). A great leader needs a critical situation to grow and make self progress, but the critical situation also needs a great leader to solve it (Tucker, 1968). It can be inferred that the challenging situation will become the perfect environment for a great leader to solved while gaining valuable experience for leader at the same time. However, a perilous impact may occur when the leader is incapable of making the environment well-managed, thus he fails to solve the problem (Hay, 2002).

Under this circumstance, an evaluation regarding the leadership quality during the leader's tenure is increasingly essential in order to make appropriate projections for development in the future (Bale, 2015). Recent studies conducted through the investigation of behavioral and cognitive traits have proven a strong correlation with leadership behavior including skill, style and other attributes of capability toward the leader's performance (Folley, 2008; Greenstein, 2009). Furthermore, Vondey (2012) and Rafflo (2013) explain that public sector leadership has become a determining factor toward the success of good governance implementation. Derived from these experiences, assessing the leadership influence would be more precise, particularly when conducted through a public sector leader and their ascendancy.

Some scholars might agree that assessing leadership in public sector is slightly more complex than doing similar in the private sphere. The first reason support-

ing this statement is that the public sector has multiple orientations. Several works express the orientation of private organizations to be profit, while public organizations are merely service oriented (Mitchell, 2002; Frederickson, Smith, Larimer & Licari, 2012). However, in taking a more detailed look, the orientation of a public organization may be separated into unrelated fragments such as maximizing public goods, fostering democratic society, maintaining equity or even looking for profit through their state owned enterprises (Steinberg, 2013). The second reason however is closely related to common asymmetric programs and a leader's performance occurring in the public sector.

In a democratic country many regions will apply certain time period to a leader's position in a governmental institution. Within the Indonesian context this period could be five to six years; this period is applied to the tenure of almost all politicians in both local and central government. Under this condition, the public sector leader who has been elected through the ballot system is authorized to carry out their policies for their five or six years tenure (Giyanto, 2012). In fact, some of their programs need even more time to be completely finished, such as gigantic infrastructure developments or any programs dependant on natural processes, such as massive reforestation. Consequently, the next leader as successor will find that those programs will finish under *his* tenure and he will quantitatively perform better than his predecessor, even though the programs originated through the ideas of his predecessor. Both of these reasons indicate the common difficulties faced by researchers when assessing the influence of leadership in public sector.

Lamandau city, as a case study in this inquiry, was expected to avoid both nuisances above since it is classified as a new autonomous region and has sufficient experience of one mayor who had been elected for two times. This paper tries to assess the influence of public sector leadership in this new autonomous region by using good governance as a yardstick. It concerns public opinion which is represented by the formal power of the leader in the public sector (Marshment, 2016). On this occasion, the leadership does not merely interact with the new autonomous region; its influence on good governance is also measured. Thus, any cohesion among them can be taken and paired with the new autonomous region as it refers to the leader's environment. Although discussions on leadership mainly relate to position, power or structure while good governance is closer to network or collaboration (Denhardt & Denhardt, 2007), this paper emphasizes the straight hypothesis. It explains that the influence of public sector leadership toward good governance would be examined directly without considering its structure and specific pattern.

Public Sector Leadership: Literature Review

This section addresses the shaping of the concept of public sector leadership undertaken by this study since there are numerous conflicts among scholars in terms of defining the concept of leadership in the public sphere. These conflicts arise due to the blurred distinctions between public and private organizations which have occurred in recent decades (Steinberg, 2013). In the classical view, pub-

lic administration, management and organization theory have clearly defined the difference between public and private organization in some circumstances, although the numerous resemblances among them seem difficult to neglect (Khan & Khandaker, 2016).

Looking back to the early stages, where leadership was in reference to some businessmen's groups in the United States, or before a set of popular books on leadership were published in 1912 (Gill, 2011), it was clearly stated that the soul of effectiveness brought by the conception of leadership originated from the private environment that enables firms to gain more profits (Stone & Patterson, 2005). The rapid changing of the economy in the United States provoked by the industrial revolution had become the main trigger of technological development and consequently it was followed by the increase in the capacity of human resources. In line with this development, the concept of hierarchy and bureaucracy became widely known by the leader as the main component (Morgan, 1997). Many scholars believe that the context of leadership in the private sector attracted more attention than in public sector because the goals and purposes of the private sector seemed to be clearer than in the public sector where these things are sometimes ambiguous (Steinberg, 2013). In some discussions, people may argue that the nature of leadership's conception belongs to the private sector, and that the context of leadership in the public sector is merely a fraction of that in the private sector (Wart, 2003). A few decades later the most prominent researchers of leadership such as (Ralph Stodgill, 1948; MacGregor, 1960; or Bennis & Nanus, 1985) underlined a leader's behavior and influence as the essential instrument rather than debating its scope.

In 1978 the topic of leadership was opening a new paradigm called transformational leadership. It emphasized the leader's capability to transform his follower, structure, or even stakeholder by his vision, style, influence, and charismatic quality (Wart, 2003). At this point, again, the discussion about the nature of leadership was continuing to increase. The debate about the public and private sectors regarding their differences and similarities adorns the topic in public administration, economics, and politics literature (Boyne, 2002). However, aside from these debates, many scholars in both sectors agreed that the leadership conception is related to something called the influence (Hersey, Blanchard, and Johnson, 1996; Lussies and Achua, 2007). Some scientist might call this an influence with other expressions such as persuasion (Gardener, 2010) or motivation (Burns, 2000) but still it refers to the intuitive role of person against people.

The trend in discussion about public sector leadership moves in a same direction as the development of technology. In addition, it seems difficult to neglect that the rapid change of technology has affecting society's behavior to be aware of a leader's behavior (Yankelovich, 1991). A study conducted by Faculty of Administrative Science University of Brawijaya (2012) in a less developed region proved that there is less demand for a society's satisfaction in a leader's performance there than in a developed territory. In the Indonesian context, the awareness of society toward their local leader can vary depending on technological development, local indigenous culture, resource balance or other external factors, although an effort to frame its border is still possible to do. Pramudji

(1985) in his article argues that the discussion on public sector leadership in Indonesia is limited by its structure including central government, provincial government, local government, district, as well as the village government. While Kaloh (2009) explains from another perspective; he conveys that the discussion of public sector leadership must be highly dependent on the Indonesian governmental structure comprised of executive, legislative, and judiciary. In addition he also divides the kind of public sector leadership according to its position, for instance, political leader, administrative or structural leader or functional leader. The position of a leader in every kind of public sector organization is closely related to its performance (Sotarauta, 2007). This statement is not a new perspective since many people in the past believed in the strong relationship between a leader's capacity and organization performance. It has also become the trigger for literature development about leadership in the public sector, which has consequently developed multiple theories from various angles.

Crossan (2017) offers 11 essential characters covering appropriate and effective leadership comprising courage, accountability, justice, temperance, integrity, humility, humanity, collaboration, drive, and transcendence. While other perspectives stayed with the simple approach, such as Rivani (2016) who describes five principles of leadership in relation with implementing good governance: vision, unifier, communication, emotion-ratio, and integrity. Siagian (2000) contributes by defining the quality of public sector leadership that should cover these aspects: vision, control of relationships within the organization, spirit of the organization, and information delivery. This paper uses the leadership attributes that are suitable for a good governance context at local government level in Indonesia. This means that the simple approaches such as Rivani (2016), Siagian (2000), and Bennis & Nanus (1985) will be more applicable than Crossan (2017) or Raffo (2013) which provide more complex analysis through multiple dimensions. The more complex analysis covers many aspects, some of which are difficult to identify in Lamandau city as it is still a relatively new autonomous region.

Good Governance from a local autonomous perspective in Indonesia

There is a long story about Indonesian experience regarding the implementation of decentralization and local autonomy. The first notion about decentralization in Indonesia was actually noted in Law No. 5 in 1974 which mentions the administration of local government in Indonesia (Hermawan, 2014). On this occasion, the discussion about decentralization was limited to administrative functions brought from central to local government. The position of local government however was merely an extension of central government, as there was no share authority nor autonomy until 1998 when Soeharto's regime met its downfall.

It has been nearly two decades since the end of Soeharto's regime (in 1998) and the start of decentralizing the authorities and functions of central government. The decentralization and local autonomy policy was outlined under Law No. 22/1999 about local government and Law No. 25/1999 concerning the fiscal

balance between central and local government. There are many arguments stating different reasons behind the creation of these laws, including the failure of central government to deal with the economic crisis in 1997, the huge demand of democracy against the absolute position of central government, and the massive corruption or other political issues that were becoming common headlines in the Indonesian media at that time (Beerkens, 2000). Beside all of these reasons, the national statistic agency of Indonesia (BPS) noted one important explanation underpinning this whole phenomenon was inequality from the central government who had over 203 million people living in millions of square kilometers (BPS, 2001). It seems difficult to neglect that the conception of decentralization is needed by a huge archipelago country like Indonesia.

The notion of a good governance concept in Indonesia invoked governmental discussion aligning the implementation of decentralization and local autonomy. Widodo (2001) argued that “in order to provide better service for society, the government needs to get closer to them”. This means that either decentralization or local autonomy has to open the gate for a good governance conception to penetrate the public environment in Indonesia. However, there are plenty of conversations about good governance patterns with different principles, indicators, focuses or even elements, for instance. Three main principles of good governance consisted of transparency, participation, and accountability (Bevir, 2002). The conference of human rights held by the UN conveyed five key components of good governance: transparency, responsibility, accountability, participation, and responsiveness. Furthermore, Wasistiono (2003) stated that the basic principles to measure good governance are accountability, responsibility, transparency and fairness. Consequently, the implementation of good governance in Indonesia was not clear for first-five years after the Soeharto regime’s downfall (Purnaweni, 2004). Law No. 33 in 2004 appeared to answer all of the problems associated with the implementation of good governance in Indonesia.

Law No. 33 provides set of explanations regarding assets, authority and limitation for autonomous regions in Indonesia (Batubara, 2012). It explains two main interests, comprised of central government interest and those of local government. The share of interest between central and local government will accelerate the regional development by maximizing local creativity (Mardiasmo, 2002). In addition, the local government interest should be allocated following three main principles including local accountability, political welfare, and local responsiveness (Agus, 2011). Moving from this conversation, this paper uses the basic principles of good governance as conveyed by Wasistiono (2003) as variables of good governance. This was chosen due to its suitability with the three principles from the allocation of local government interests, as noted in Law No. 33 in 2004. Furthermore, the Indonesian Institute of Corporate Governance (IICG) published similar indicators of good governance: 1) Transparency, 2) Accountability, 3) Independency, 4) Responsibility, and 5) Fairness. This study merges the transparency and accountability indicator into one variable of good governance since both can be combined into a single hypothesis. The other three indicators will therefore become the pure variables of good governance without any modifications.

Case study and methodology

Case study overview

Lamandau city was chosen for the case study due to its suitability in explaining the influence of leadership, which was due to two main reasons. First, Lamandau is a new autonomous region, positioned on the platform of the Indonesian decentralization concept since 4 August, 2002. In other words strong leadership skills were required to support good governance, particularly in the early years once Lamandau was declared as an autonomous region. Aside from this, the new autonomous region will enable researchers to avoid asymmetric programs and the leader's performance¹. The second reason is that most of governmental cabinet in Lamandau has plenty of experience in terms of their strategic position in local government in Lamandau. The local mayor of Lamandau, for example, has been elected twice in local elections. Although all of this does not guarantee that the best information is gathered in line with this research, it can be expected to increase the criteria of accuracy due to the better perception of Lamandau society toward their leader.

Lamandau is a new autonomous region located at latitude 1°9–3'36 South and longitude 110°25–112°50 East. It is one of the cities emerging from the bifurcation of Kotawaringin city in the West Kalimantan province of Indonesia. It serves eight administrative districts comprised of Bulik, Delang, Lamandau, East Bulik, Belantikan Raya, Mentohi Raya, Sematu Jaya, and Batangkawa. Each district consists of between nine and thirteen villages. Most of the inhabitants living in Lamandau are educated people: 10% graduated as bachelor or higher, 42% graduated or are currently in senior high school, 31% in Junior high school and 12% are at elementary school (Education Directory of Lamandau, 2015). It can be inferred that only 2% of them are not educated. In addition, it also describes the education quality of the survey sample². The preliminary study conducted in some communities as a sample indicated Lamandau society having a good knowledge of their government as leader. Only 2% of them failed to explain or recognize their government in so far as not recognizing their local mayor or other government officials.

Methodology

A quantitative approach was undertaken by this study to examine a set of hypothesis regarding the influence of leadership toward good governance in Lamandau city. In line with this quantitative approach, a set of questionnaires was prepared to collect the data and distributed around civilians in Lamandau selected through the process of stratified cluster sampling design. The size of the sample was determined by estimating the parameter of the population in Lamandau city. Table 1 shows the clear proportions of the population in Lamandau city according to each district, therefore the size of sample can also be measured through this table by using Slovin formula.

¹ Some leaders may find that a great program finishes during his tenure, although the program was originating through the ideas of his predecessor. It is sometimes confusing to measure the performance of a leader in public sector under this circumstance.

² It refers to the society's education in Lamandau ranging from elementary school to bachelor degree which is indirectly showing the capability of respondent to understand the question in the research.

Table 1

No	District	Population (N)	Percentage, %	Sampling size (n)
1	Bulik	24.381	34	135
2	Bulik Timur	9.663	13	52
3	Sematu Jaya	9.960	14	56
4	Menthobi Raya	7.171	11	43
5	Lamandau	5.838	9	36
6	Belantikan Raya	4.625	7	28
7	Delang	5.395	8	32
8	Batang Kawa	2.667	4	16
	Σ	69.700	100	398

The calculation of the Slovin formula as shown in following calculation indicates the minimum number of samples required to cover the survey in Lamandau city.

$$n = \frac{N}{1 + ne^2} = \frac{69\,700}{1 + 69\,700 \cdot (0,05)^2} = 398 \text{ Samples}$$

In order to get a clear measurement of leadership influence toward good governance, this research divides the variables following the attributes of both concepts – leadership as well as good governance. It comprised leadership with strong vision (X1), leadership with good communication skills (X2), public trust for collective purpose (X3), and leadership with good individual capacity (X4) toward Transparency (Y1), Accountability (Y2), Independency (Y3), and Justice (Y4).

This research uses the deferential Thurstone scale due to its compatibility with parametric analysis (Kotari, 2004). This scale measures the interval ranging from 1 to 7 that is incorporated into the questionnaire design. It explains that 1 is the minimum while 7 is the maximum point of leadership attributes' influence toward good governance variables. All of the data from this inquiry is processed through SPSS and take the Pearson product movement correlation to measure every single item and variable on this inquiry and decide its validity.

Findings

This section elaborates on the result of the inquiry undertaken during field research in Lamandau city, central Kalimantan province, Indonesia. In this research we found clear evidence of society's exposure related to a leadership aspect in the Lamandau government. Most of the samples living in Lamandau city were able to describe the main characteristics of Lamandau government, especially the mayor who has been elected twice in local elections. Therefore, the researchers

had no particular difficulties in collecting any of the information in order to fulfill the relevant question regarding research variables, sub-variables and research indicator. Overall, the findings of this inquiry indicate a positive influence between leadership variables toward good governance variables. The findings show there are strong influences between a leader's vision on good governance in terms of transparency ($X1 \rightarrow Y1$). Through some further questions, most of the respondents argue that "people put their trust in the Lamandau government because of their visions and the way we see it shows how transparent the government is". The p-value indicates 0,002 which is smaller than the alpha ($\alpha = 0,05$) and prove that both of these variables have an influence.

Moving on to other variables, the communication indicates a similar result to the previous response when examined toward accountability ($X2 \rightarrow Y2$) by the p-value of $0,0001 < \alpha = 0,05$. It measures society's perspective related to government capability to communicate policy execution with society. In his book, Bevir (2007) noted "the communication is one essential aspect needed to deliver policy execution, especially in accountability". At this point, the communication does not merely refer to the way the government communicates literally, but rather emphasizes how the government implements effective communication, so that they can maximize coordination among public institutions and accountability for society at the same time. In the Lamandau context, most of the samples describe well society's understanding toward the vision, programs, and future plans of the government. Furthermore, some of the samples indicated their active participation within the Lamandau government forum. Perhaps this is one effective way of finding a viable solution for any problem associated with policy implementation.

The next variables reveal collective purposes toward independency ($X3 \rightarrow Y3$) resulting in p-value of $0,028 < \alpha = 0,05$. It explains the public trust of Lamandau society toward in their local government in terms of policy, programs, and decisions. Although the extended questions reveal some doubts when dealing with the decision on independence. In chronological order the answers of respondents resulted in a conical shape, which means there are a wide range of answers to the early questions but pointed in same direction at the end. Most of the respondents give various interpretations to express their trust of the local government. However at the end they were mostly in agreement that the, policy, programs and decisions will be aimed towards development. These extended questions contributed to shaping the accuracy of the answers since most of the respondents had limited knowledge of either the collective purposes of government or the independency aspect.

The last variables also indicates the positive influence between the individual capacity of a leader toward good governance in terms of justice ($X4 \rightarrow Y4$) for Lamandau society with a p-value of $0,001 < \alpha = 0,05$. It is true that if we are pairing the individual capacity of a leader toward the justice for society without any rationales, it will consequently lead to a blurred interpretation since the context of justice can be observed from multiple perspectives. One notable case portraying this assertion is the US immigration reform case of 2008, brought in by Barack Obama, which expressed an inverted correlation between leadership capacity and

justice for society (Middleton, 2014). Therefore, this research pairs the individual capacity with justice as one good governance attribute. It explains the context of this variable which is closer to the principle of equity or social justice. Beside the good governance attributes, one of the most important considerations to involve this variable is its relevance with PANCASILA as the philosophical foundation of the Indonesian governing system.

According to the result of this inquiry, all of the variables aligned positive coefficient with various values, as seen in Table 2 below.

Table 2

No	Line	Coefficient	t-value	p-value
1	X1 → Y1	0,164	3,141	0,002
2	X2 → Y2	0,217	4,070	<0,001
3	X3 → Y3	0,142	3,255	0,028
4	X4 → Y4	0,222	4,436	<0,001

Source: Output IBM SPSS AMOS 22 (2017).

The positive coefficients explain linear correlation among examined variables.

Discussion

Assessing the leadership influence toward implementing good governance in a new autonomous region.

This discussion will be bordered by the grounded theory of leadership and good governance as well as the context of a new autonomous region without neglecting some reviews in an Indonesian context. We argue that it is impossible to take all of the three theoretical concepts above without considering the interference of the political environment such as the local government context, Indonesian law and regulations as well as local culture. According to all the findings of this research, it has been proven that there is an influence of leadership toward implementing good governance in a new autonomous region. However, the analysis process in this study shows different values, indicating various degrees of influence among variables. The following discussion is aimed at peeling back the deeply correlated historical context of these attributes as well as the legal basis of local government in Indonesia.

In assessing the leadership influence toward good governance in an autonomous region, it is difficult to separate it from the historical context of the local government's existence in Indonesia because the change in the legal basis of such as decrees or laws will significantly affect the local government performance in some ways (Irawan, 2017). Additionally, the legal basis also becomes a determinant factor sustaining both public sector leadership and good governance implementation. Figure 1, below, describes the chronological order of the local government leadership influence, the structural change, and the legal basis supporting the implementation in Indonesia. It also explains the correlation be-

tween the evolution of those concepts' implementation with the variables examined in this inquiry.

The main information described by Figure 1 is on public sector leadership or good governance implementation of Indonesia, both of which have changed over more than a half century. This alteration was guided by democratic principles rooted in the Indonesian constitution and at the same time it was released from the strong domination of an authoritarian scheme which was widely implemented during the colonization era (Hermawan, 2014).

The hundreds of years of colonization in Indonesia has cultivated a patron client³ relationship within Indonesian governmental structure especially for the leader and his subordinates (Hermawan, 2014); the relationship between central and local government is no exception. Under these circumstances, the discussion about vision and purposes in local government no longer exists because the central government has dominant control toward local government, as noted in Indonesian Constitution of 1945 (Irawan, 2017). The control of central government creates a settled trajectory for the local government to deliver the national policy at a local level. Thus, the capacity and communication of local government developed better than the vision and collective purposes because the latter two attributes belong to central government.

Figure 1

Evolution of local government leadership, structural change and legal basis of decentralization in Indonesia

Denotes to leadership influence in local government perspective (Variable X1-X4)	Administrative Function ▶ Communication ▶ Capacity	Administrative function ▶ Communication ▶ Capacity	Semi-Political Function ▶ Communication ▶ Vision ▶ Capacity	Political function ▶ Communication ▶ Vision ▶ Capacity ▶ Collective purposes	Political function ▶ Communication ▶ Vision ▶ Capacity ▶ Collective purposes
Structural change to implement good governance (Variable Y1-Y4)	Centralization ▶ -	Administrative decentralization (Decentralization) ▶ -	Decentralization and Financial balance ▶ Transparency ▶ Accountability	Decentralization and Local Autonomy (Devolution) ▶ Accountability ▶ Transparency ▶ Independency	Decentralization and Local Autonomy (Devolution) ▶ Accountability ▶ Transparency ▶ Independency ▶ Justice
Legal Basis	Constitution 1945	Decree No. 5/1974	Decree No. 22/1999 Decree No. 25/1999	Decree No. 32/2004 Decree No. 33/2004	Decree No. 23/2014

Source: Author made.

³ Patron client refers to the relationship between the authority, status, and influence of a small group of people toward a less powerful community. It shows the dominance of a small group against the larger so the control and dominance are possibly applied (Hall, 2008).

A few decades later the shift in regime from the old order⁴ to the new order⁵ saw the emergence of significant change within the public sector in Indonesia (Hadi & Kusuma, 2006). Law No. 5 in 1974 was initiated as the first law sustaining the transfer of administrative matters from central to local government, also known as administrative decentralization (Yuliani, 2004). At this point, the implementation of good governance was limited to the construction of rule and law. In addition, the main orientation of local government was not the public services but attempting to implement the command and order of central government. The top-down approach was strictly implemented by Soeharto's regime and consequently any good governance attributes are difficult to identify since the local government is merely the extension of central's hand. The chaotic situation caused by economic crises (1998) forced the Soeharto regime to its downfall and demanded good governance implementation. The emergence of Law No. 22 in 1999 about local government and Law No. 25 in 1999 about the fiscal balance between central and local government provided a viable solution for the overwhelming problems at that time.

The birth in 1999 of Law No. 22 in 1999 and Law No. 25 provided particular space for enabling the vision of local government leader to be developed. Both of these laws deal with two important issues of local government. On the one hand, Law No. 22 shared the authority of policymaking that previously belonged to central, and on the other hand, Law No. 25 shared similar authority in terms of budget. Therefore these laws are the first foundations of the political decentralization of local government leadership in Indonesia. Then it was possible for the local government leader to have such a vision for developing their own territory.

The transfer of some political authority from central to local enabled the local government to implement or at least adopt some good governance principles for public services. The notion of good governance principles such as participation was largely voiced through the media while both transparency and accountability were considered as good governance indicators although these were not the main course of good governance implementation at this time as the country underwent a period of resilience after the crises in order to restore economic, social and political stability. In 2004 the cabinets of the house of representative announced their discussion about local autonomy at local level and renewing Law No. 25 of 1999 to sustain this idea. The main reason why the local autonomous notion become increasingly voiced was because the administrative decentralization brought in by Law No. 22 of 1999 could not accommodate the effective decision making in some remote areas which were far away from the capital city where the central government exist. Therefore local autonomy was considered as one way to solve this problem. It can be inferred that the existence of Law No. 22 is no longer compatible with sustaining decentralization in Indonesia and ceased to function in the middle of 2004. The central government legitimized two laws – Law No. 32 in 2004 about local autonomy and Law No. 33 in 2004 which was about providing more appropriate finance for the implementation of local autonomous regions.

⁴ The old order refers to the regimes of President Soekarno (1945–1967).

⁵ The old order refers to the regimes of President Soeharto (1967–1998).

The implementation period for Law No. 32 and Law No. 33 was 10 years. Many adjustments occurred in this period, especially on the leadership aspect and good governance implementation. On the leadership side, the local autonomous framework has strengthened the relationship among local institutions including legislative and non-structural institutions at local level. It also explains that the local government may act independently in some circumstances⁶ through the collective decision making and consensus among these local actors. Good governance implementation under both Law No. 32 and Law No. 33 introduced a stable guidance to act independently from central government interference. The implementation of both Law No. 23 and Law No. 33 has successfully tightened society's behavior in getting used to the notion of good governance.

It is true that the implementation of Law No. 32 together with No. 33 has sustained positive implementation within all sectors of Institution in Indonesia but this does not mean that there are no critics at all. One critique aligning the implementation of Law No. 32 comes from the justice aspect, in so far as its real implementation is still questionable. The main reason as to why Law No. 32 seems to have difficulty covering the justice attributes is because it mainly talks about the general conception of local autonomy and administrative decentralization. In other words, the justice aspect has represented the normative value only rather than the actual context of implementation. Therefore, Law No. 23 of 2014 was legitimized in order to provide a backup to Law No. 32 of 2004.

Law No. 23 of 2014 is about a clear position, structure, relationship, authority, responsibility and guidelines for most institutions at local level. On this occasion, it is possible to identify the justice principle where the role of every actor is well decided. Law No. 23 brought in a stronger impact of justice regarding policy implementation at local level (Maturbongs, 2015). Thus, it can be concluded that the assessment of the influence of leadership toward the implementation of good governance has changed over time and the existence of supporting factors such as law, decree, and regulation is highly contributory to deciding whether it has a strong or weak influence. This also supports the statement by Raffo (2013) which examined the influence of effective leadership toward good governance implementation.

Future projection of Lamandau's leader

It is not an exaggeration if this paper uses the findings above and puts them together with the recent performance of Lamandau's local government, such as those noted in sets of policies or programs. Thus complete assessment can be illustrated in a more accurate way rather than relying on just the study result. This also enables the illustration of Lamandau's leader in the future.

In the early years since it was separated from Kota Waringin city, Lamandau city underwent a rapid transition in order to implement good governance and

⁶ The local government may set any policies and programs without intervention of central government, unless the program is included on one of these categories (education, military, religion, foreign relationship, health and sovereignty)

perform the public sector leadership by following the local autonomous framework noted in Laws No. 32 and No. 33 of 2004. In line with its implementation, the local government of Lamandau created a strategic plan to transform the local vision toward the actual policy implementation by using a mid-term development plan called RPJMD (*Rencana Pembangunan Jangka Menengah Daerah*) and a long-term development plan called RPJPD (*Rencana Pembangunan Jangka Panjang Daerah*). Both of these strategic plans correlated with each other as the RPJMD is also part of the RPJPD that is implemented on the different timeframe. The RPJMD of Lamandau is about the mid-term development plan of Lamandau city in the 5 years ahead, while the RPJPD is mainly about the long term roadmap to achieving the long term goals of Lamandau city in the next 15 years and is mostly focused on clearing the path for RPJMD implementation. The contribution of the roadmap is represented by the leader's performance in the past, and the future plan of policy implementation. In addition, these will be aligned with the findings of the inquiry, so that some highlighted information such as 1) the changing of political environment, 2) the trend of public sector leadership, 3) the spectrum within the future projection of leadership, and 4) the future challenges can be illustrated.

In order to describe the future projection of leadership from Lamandau, it is firstly important to recognize the political environment of Lamandau that has changed over the time. The previous section has illustrated the change of political environment which tends to emphasize the concept of open government, which at the same time was bringing a democratic trend flowing through the framework of law, decree, and government regulation. The future leader will be asked to implement or at least adapt to these notions. Furthermore, the planned program of Lamandau as noted in RPJMD and RPJPD also has a similar orientation. Therefore, the future leader of Lamandau will be required to strengthen his vision and collective purposes since both of these attributes have gained less influence when compared to accountability and individual capacity.

The spectrum of leadership projection for Lamandau in the future is bordering on the criteria of leader that is needed by Lamandau city in the future. It is identified by using a combination of past experience including the major challenge of Lamandau associated with the rest of the program noted in RPJPD. So far, the result of this inquiry found that the major problem of Lamandau city is the lack of infrastructure development. It has to be admitted that the future leader of Lamandau should make this matter a priority, plus he is also required to have such a good capacity in social, environmental and economic calculations which are able to accommodate the infrastructure development since it is still the major challenge preventing better public service delivery. In a more detailed look, the future leader of Lamandau should be equipped with the appropriate capacity in terms of communication and coordination among implementing agencies in order to reduce the impact of these barriers. Completing this idea, the implementation of good governance should be strengthened and not limited to just local government bodies but also maximized in other bodies including the private sector and NGOs as the collaboration among them will return significant benefits in the future.

Conclusion

The findings have proven that the influence of public sector leadership on the implementation of good governance can be interpreted by various degrees as a result of statistical analysis. Based on this study, it is expressed that the dominant influences of public sector leadership toward good governance in terms of communication toward accountability ($X2 \rightarrow Y2$) and the influence of individual capacity toward justice ($X4 \rightarrow Y4$) result in a similar value of 0,001. The leader's vision toward transparency ($X1 \rightarrow Y1$) comes out at 0,002 and is followed by collective purposes toward independency ($X3 \rightarrow Y3$) at 0,028. It can be inferred that the Lamandau local government has applied better performance to maintaining accountability and justice by maximizing communication and individual capacity. The rest of the variables reflect positive values, although less significant than the former, such as the influence of vision toward transparency as well as collective purposes toward independency. Although both of the latter variables come out with less significant values compared to the two former variables, they still indicate a positive influence. Some further questions conducted toward similar respondents regarding these values even still result in positive responses such as "people put their trust in Lamandau government because of their visions and the way we see describes how transparent the government is". Therefore, the researcher argues that there is particular tendency for respondents to fill the average value in the questionnaire, therefore the data of these variables indicates less significance.

These variables reflect an inverted correlation with the implementation on a legal basis in Indonesia. It has previously been mentioned that the implementation of good governance and public sector leadership was sustained by Law No. 5 in 1974; No. 22 and 25 in 1999; No. 32 and 33 in 2004; and No. 23 in 2014. The implementation of those laws allowed the development of both public sector leadership and good governance in Indonesia. In short, the variable of vision, capacity and communication has been implemented together with transparency and accountability which was supported by Law No. 22 and No. 25 in 1999. Then, followed by Independency and collective purposes five years later through Law No. 32 and 33 in 2004. Hence, justice became the last variable to be implemented, through Law No. 23 in 2014. However, the data from this study shows a contrary correlation because justice gives a more significant influence although implemented in a shorter period of time than the other variables which had been implemented over a longer period. Therefore, derived from this evaluation, the future leader of Lamandau needs to strengthen his vision and collective purposes in order to maintain transparency and independency.

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THE EFFECT OF PAY AND ADMINISTRATIVE CONTROL ON ETHICAL BEHAVIOUR IN THE NIGERIAN PUBLIC SERVICE

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Abstract

This study investigates the effects of pay vis-à-vis elements of the ethics infrastructure that contribute to effective administrative control; and to unethical practices in the Nigerian public service. Based on critical analysis of primary official and secondary data, the study reveals that corruption and financial impropriety are far more common and intense among higher public officials who, incidentally, are better remunerated, than among the lower cadre officials, who are poorly remunerated. The study shows that despite the emphasis on the compliance or sanction approach to administrative ethics rather than the virtue approach, there is still wide incongruence between the ethical approach adopted and the expected results. This is because of the existence of a weak political and administrative control system at the higher administrative functions. The study suggests that reducing unethical practices should aim at improving openness and transparency at the high level through more citizen involvement and civil society action, reviewing the criminal justice system to ensure severe punishment that can serve the purpose of deterrence and prevention, speedy dispatch of corruption cases and strengthening of oversight linkages between the public institutions and ethics coordinating institutions.

Keywords: Administrative ethics, pay; administrative control; ethics infrastructure; Nigerian public service.

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Introduction

Employees' remuneration, or pay, is a major variable for evaluating their organizational behaviour. Since the time of Frederick Taylor and the scientific managers, the consideration of pay as a motivation for employee performance has generally attracted support in the literature. Financial rewards have the capacity to maintain and motivate individuals towards higher performance (Dobre, 2013). On the other hand, it can also fail to boost productivity and improve performance significantly (Whitley, 2002). These dual characteristics of pay as a motivator can also be extended to the examination of issues of unethical financial practices such as fraud, bribe taking and other self-enriching practices of public officials. The question can be asked as to whether employee pay or remuneration determines the level of unethical financial practices in a public service system. Scholars like Rose-Ackerman (1999) have posited that if public sector pay is very low, corruption tends to be a survival strategy. Van Rijckeghem and Weder (1997) show that relative high wages of public servants are associated with lower corruption. Similarly, Dmochowski, Jurczuk and Szczepankowski (n.d.) aver that public service conditions, may be more or less conducive to ethical behavior by public servants. Thus, low pay in the public sector may be blamed for the prevalence of corruption and other unethical practices especially in low-income countries. Adedokun (2016) avers that any country intent on seriously fighting corruption must pay public servants fair and realistic wages benchmarked to private sector earnings.

While the above observations cannot be ignored, it appears, however that this cannot be a unilateral and one dimensional relationship as in the case of pay and motivation. Low pay does not constitute a necessary and sufficient condition for unethical financial behaviour of public officials. A number of other components have been found to equally determine the ethical behaviour of workers. The Organization for Economic Cooperation and Development (OECD) has, since 1996, evolved the notion of ethics infrastructure. The ethics infrastructure is a range of tools and processes to regulate undesirable behaviour and to provide incentives for good conduct among workers. Following surveys and analyses of approaches adopted by member countries on how public servants can be given support in observing the highest standards of integrity and ethics in the public sector environment, the OECD Public Management Committee (PUMA) underscored eight vital elements that constitute a holistic and comprehensive strategy in determining factors influencing ethical behaviour in the public service of OECD countries. A cursory look at the components of the OECD ethics infrastructure reveals that these are also measures applied by other countries in an effort to deal with issues of ethics and corruption. They include: political commitment, effective legal framework, efficient accountability mechanisms and workable codes of conduct, professional socialization mechanisms (including training), supportive public service conditions, existence of a central ethics coordinating body and an active civil society able to act as a watchdog over the actions of officials.

The divergence in the ethical statuses of countries apparently depends on the degree of efficiency and effectiveness in institutionalizing the ethics infrastructure. The OECD survey (1996) also reveals that countries embark on some permutations

in establishing the ethics infrastructure. Invariably, countries pay more attention to some of the elements in relation to their ethics climate (Stare & Klun, 2016). It is in this vein that this study seeks to evaluate the relative importance of the elements in determining the level of ethical success or failure in the Nigerian public service system. The questions that the research seeks to answer include: what factors promote unethical practices in the Nigerian public service? How does the component of pay contrast with administrative control measures in relation to the low and high level public officials in this challenge? Specifically, the study investigates and compares the level of pay among the higher and lower cadre public officials as well as the effectiveness and comprehensiveness of administrative control at the two levels. Findings show that poor administrative control plays a more significant role in supporting unethical behaviour in the Nigerian public service than pay. The study therefore suggests that reducing unethical practices should aim at ensuring that the topmost layers of the public organisations are effectively checked and controlled.

The Nature of Administrative Ethics

The importance of ethical consideration in politics or as a social phenomenon dates back to the time of Greek philosophers who were concerned with life in the polis – the Greek city states. Some of the notable Greek Philosophers like Plato and Aristotle regarded ethics as a part of politics, the main function of which was to provide the conditions under which the members of the human community, the polity, would be able to achieve lasting happiness (Makrydemetres, 2002). The central discussion about politics was the question of virtue or vice, goodness or badness, and rightness or wrongness of human actions. Primarily, ethics is a branch of philosophy that tries to logically establish the basis or standard for human action, whether as applicable to oneself or to the society. Thus, ethics can basically be distinguished into personal and social ethics; personal ethics being applicable to the individual person while *social ethics* concerns itself with groups (Lynch & Lynch, 2006). The intrinsic connection between the two aspects lies in the fact that social actions are carried out by individuals. Thus, no matter how we perceive countries, societies, groups or their organisations and institutions as legal personalities, their actions are ultimately reducible to that of individuals or at least a collection of individuals. This therefore raises the question of fiduciary and moral responsibility on the individual, about how his actions should benefit or disadvantage the society. This of course has not obfuscated the fact that ethics is also about the good life of the individual, which may or may not synchronize with the ‘social’ goal. Life is personal and the good life could be evaluated using different and often contradicting standards. Hence, ethics as a concept is “open to conflicting interpretations” (Martinez, 2008, p. 15). While it may be objectively determined using some agreed universally valued standards such as “honesty, respect for others, trustworthiness” (Denhardt, n.d.), for some, it could as well be subjective and relative.

The challenge of setting a framework for ethical standard is less complicated for social ethics to which administrative ethics could be classified, because it is usual to assume certain common goals of a social group than it is to define what the good life is for individuals. In other words, for group or social ethics such as

administrative ethics, it is easier to define standards in terms of law, codes, customs and traditions or even guides, rules and regulations. Social ethics embraces a set of norms, assessments and opinions, which are characteristic of a group of people. It points to society, citizens, groups of people as creators of norms and standards of behavior (Dmochowski, Jurczuk & Szczepankowski, n.d.). This is why Martinez (2008, p. 15) sees law as a concept developed by governments to ensure that citizens engage in 'right conduct'. For him, "the western legal system is grounded on public rules, known and knowable beforehand, governing the manner in which persons within a regime act in conducting public transactions."

It is not just the western legal system but legalisms in every form (natural, social, organizational) which have the objective of determining the basis for right conduct of a group. For this reason, we find that the ethical standards that apply to social positions (e.g. public officials, doctors, lawyers, military personnel, and clergy) reflect the roles and relationships common to that position (Denhardt, n.d.). As a social concern therefore, ethics can be considered as a disposition to act right or wrongly in line with the wishes and benefits of a society. It is in this sense that one can talk of standards of professional conduct or standards of religious conduct, standards of medical practice, standards of the scholarship professional practices, standards of administrative practice, and standards of Christian or Muslim behaviour (Asobie, 2001). Social ethics demands that subscribing to membership of a group or accessing a position necessitates that one should subject oneself to the ethical codes of such group, in spite of his or her own personal ethical standards. This does not justify the adequacy or correctness of social ethical standards understood in terms of law in comparison to individual moral standards. But social, group or organizational life demands compromises of values one holds dear. Social ethical standard requires one to "work within the system as far as basic decency will allow" (Rohr, 1989, p. 11). Where the basic decency is not allowed, the individual reserves that moral right of resignation in protest or resignation on grounds of conscience (Weisband & Frank, 1975) rather than violate the law.

The point here is that there are two broad conceptual traditions in administrative ethics – the moralist and the instrumentalist traditions. The moralist school tends toward institutional reform, through law and other regulatory mechanisms, while the instrumentalist is more likely to focus on design and enhancement of problem-solving capacities (O'Kelly & Dubnik, 2012). UNDP (2007) describes the approaches required by these traditions to maintain ethical public service as compliance-based and integrity-based ethics management approaches. Anello (2006, p. 3) sees them as strategies towards effective ethics administration in the public service. Using unethical behaviour of corruption as example, he avers:

Efforts to address the issue of corruption in the public sector have focused on the application of two basic strategies. One strategy has been a legislative reform approach, which establishes laws against corruption with appropriate punitive consequences for violations. This approach is often referred to as the "discipline approach", which attempts to deter corrupt practices through the fear of punishment. The second strategy, often termed the "values approach", attempts to increase institutional integrity by promoting moral values and ethical principles as a way of motivating public servants to behave ethically.

The discipline approach is compliance-based and focuses on strict compliance with descriptive administrative procedures, control mechanisms and detailed rules which define what public servants should avoid, what they should do, and how they should do it. The value approach, which is discussed also as the virtue ethics in literature (Frankena, 1973; Cooper, 1987), on the other hand entails promoting moral values and ethical principles and making the public officials imbibe them as personal ethical values. It is integrity-based and “encourages good behaviour rather than policing and punishing errors and wrongdoing” (OECD, 2000, p. 25). According to Cooper (1987, p. 321), it concerns “predispositions’ or ‘inclinations,’ traditionally called virtues, which move an administrator to act upon principle, even in the face of anticipated resistance or punishment.” Unlike the discipline approach, the virtue approach lacks clear definition of what should be standard behaviour. It involves cognitive activity.

An important issue about the two aspects of administrative ethics discussed above is whether countries should pay more attention to either. Debate on the pre-eminence of both is not very pronounced in literature. However, a number of scholars, for example, Anello, (2006), UNDP (2007) and Demmke and Moilanen, (2011) have implicitly accorded relative importance to the virtue approach. Anello (2006) agrees that the two approaches cannot be used in isolation. He therefore gives equal importance to the two strategies and argues that neither is sufficient if used alone, but coordinated use of both or a mixed approach is required to have a significant impact on establishing ethical practices within an institution. Underscoring the importance of the two strategies also, Demmke and Moilanen (2011, p. 7) consider that the virtue approach is more comprehensive in covering all areas of human actions, arguing that:

Ethical laws, principles and standards do not cover all areas of human actions, nor do they always help in dealing with ethical dilemmas and personal conflicts. This also suggests that ethically good or acceptable behaviour can be defined not only by focusing on obedience to rules but encompasses also such issues like justice and fairness, leadership, ethical culture and the broader social context of behaviour.

Cooper (1987, p. 323) supports this position by positing that virtuous conduct does not amount to merely conditioned reflect behaviour as would law; it is not just unthinking habitual response to stimuli; even though the term ‘habit’ is sometimes used to characterize virtues, one might say that reason is employed in addressing particular situations, but with a certain pre-established attitude and a conditioned will (Cooper, 1987, p. 323). Rohr (1989) tends to support this view, since for him, administrative discretion is the foundation of administrative ethics. Hence, an official requires a habitual sense of justice and virtue to interpret the mind of law. Nevertheless, Rohr also believes that a government employee should ‘work within the system’ (obey the law) even at occasional risk to his soul. He therefore believes that the most important ethical infrastructure for the public official or the bureaucrat on whom his work is restrictively focused is the formal, legal or institutional controls. But to the extent that these “are either non-existent or ineffective, bureaucrats have the ethical obligation to respond to the values of the people in whose name they govern. The values in question are not popular whims of the moment, but rather constitutional or regime values. This is because the bureaucrat has taken an oath to uphold the Constitution” (Rohr, 1989, pp. 4–5). Rohr perceives that “all forms of

organizational life demand compromises of values one holds dear. The person who is unwilling to 'risk his soul occasionally like the rest of us' cannot contribute constructively to any organization" (Rohr, 1989, p. 10).

For some scholars, it is the ethical environment or climate that should determine which of the approaches should command more importance. The compliance-based approach seems more appropriate to situations in which unethical behaviour is rampant and will be difficult to change, while the integrity-based approach appears more appropriate to situations in which there is a strong shared sense of values, and a higher degree of homogeneity (UNDP, 2007). Ethical climate can be defined as the perception of what constitutes right behaviour and thus becomes a psychological mechanism through which ethical issues are managed (Martin & Cullen 2006, p. 177). In a weak ethical environment such as Nigeria, stealing government resources for instance appears to be heroic. People only aspire to government positions to get rich and indeed one will be considered foolish and stupid by his people to remain poor after holding an exalted public office. In this kind of environment, it is obvious that the political will and even the psychological disposition of officials to do what is universally acceptable as ethical may not be achieved through the value approach or poor attitude to formal, legal or institutional controls. In such an environment where unethical behaviour has reached a crisis, where people tend to retain positions despite obvious ethical scandals, and where corrupt individuals are celebrated and honoured, there is little doubt that finding ways to strengthen the disciplinary approach to administrative ethics will be the way to go. Working to change such a permissive ethical climate will likely be more successful by enacting and enforcing codes of ethics, policies, and directives that specify, discourage, monitor, and correct unethical behavior. In this vein, the disciplinary approach should not be seen only in the mere establishment of what constitutes administrative ethics (law, rules and regulations, codes), but in the manner of enforcement of sanctions against bad conduct. It entails effective administrative control, transparency and accountability in governance. Laws and ethical codes without committed enforcement 'lacks teeth' (Geuras & Garofalo, 2011, p. 5) as a measure to fight unethical behaviour.

The Nature of Ethics Infrastructure

Scholars and institutions concerned with administrative ethics have expanded the two strategies to administrative ethics to showcase specific elements usually referred to as ethics infrastructure, which countries have employed to pursue ethics in their public service. The Public Management Committee (PUMA) of the Organization for Economic Cooperation and Development (OECD, 2000) has, through a 1999 survey, identified important elements that OECD countries generally use to promote integrity and prevent unethical conduct in the public service. The elements constitute a framework that has popularly been referred to as ethics infrastructure. While the framework was specifically used by PUMA to provide comparative information about OECD countries, there is a close-fit of the framework to what other countries use in their concern to maintain well-functioning institutions and systems for promoting ethics in their public service. These elements are encapsulated in the table below.

OECD Ethics Infrastructure

Political commitment:	Governmental policies and programmes that do not receive support from the highest political and administrative levels will likely fail. In the absence of sustained political commitment to ethical behaviour in the administration, efforts to encourage such behaviour will be in vain
Workable codes of conduct:	Codes of conduct play a vital role in stating the expected standards of behaviour
Professional socialisation mechanisms:	Socialisation mechanisms are the processes by which public servants learn and adopt ethical norms, standards of conduct, and public service values. Training (induction and ongoing) is an essential element to raise ethics awareness and develop skills capable of solving ethical dilemmas; good role models (especially managers) also serve this purpose. The content of the codes of conduct or even legal provisions remains simply words on paper, if it is not adequately communicated and inculcated
Ethics coordinating body:	These take various forms – parliamentary committees, central agencies, or specially created bodies – and assume various functions: “general promoter” of public sector ethics. The existence of a coordinating body should not be construed as absolving departments and managers of the responsibility for ensuring ethical conduct within their jurisdictions
Supportive public service conditions:	The high standards of ethical conduct expected of public officials are one side of the coin. The other side is a “package” which provides decent working and living conditions for the “servants of the public”. This “package” consists of such basic elements as sufficient job security, opportunities for promotion and career development, fair remuneration or social appreciation. Fair and impartial human resources management policies can ensure that selection and promotion processes in the public sector are based on general professional requirements and non-discrimination, and that other factors, such as, for example, political considerations, are minimised. If public servants are feeling underpaid, over-worked and insecure, then they are less likely to embrace initiatives to improve performance including in the ethical domain
Effective legal framework:	The legal framework is the “teeth” of the overall ethics infrastructure. Laws and regulations define the basic standards of behaviour for public servants and enforce them through systems of investigation and prosecution. In reviewing its legal framework, a country must check that existing criminal codes and civil service laws, conflict of interest statutes and other regulations which apply to public servants are clear and consistent
Efficient accountability mechanisms:	Accountability mechanisms should encourage ethical behaviour by making unethical activities hard to commit and easy to detect. Accountability mechanisms set guidelines for government activities, for checking that results have been achieved, and for checking that due process has been observed. They include internal administrative procedures (requirements that activities or requests be recorded in writing), comprehensive processes such as audits and evaluations of an agency’s performance, or new forms of procedures such as whistle-blowing (which can encourage public servants to expose wrongdoing committed by others or to say no when asked to do something inappropriate). They might also be external to the public service: for example, oversight mechanisms such as legislative or parliamentary committees
Active civil society:	Ethics is everybody’s responsibility, including that of an assertive media, which through its probing reporting helps citizens to act as watchdog over the actions of public officials. Freedom of information laws guarantee citizen access to public information from the late 1960s and they can institutionalize and support public awareness and responsiveness

Source: Adapted from OECD (2000, pp. 24–25).

It is not generally agreed how to classify these elements in relation to the discipline and virtue approaches. Anello (2006) provides a slightly different ethics infrastructure whose components are:

- A framework of moral values and ethical principles
- A code of conduct
- A programme for the socialization of an ethical framework and code of conduct
- Established anti-corruption legislation
- Established administrative procedures
- Mechanisms for whistle-blowing (ombudsman)
- Sanctions on reprehensible acts
- Mechanisms for collaboration between existing anti-corruption agencies
- Management, coordination and evaluation of an ethical infrastructure

These find corresponding elements in the OECD ethics infrastructure above. Anello (2006) classifies the first three components of his ethics infrastructure as based on the values approach and the remaining six on the disciplinary approach.

In our inclination to argue that the disciplinary approach should be more effective in a permissive ethical environment, coupled with the factor that Nigeria attempts to legislate every possible features of the infrastructure as we shall see briefly, we consider seven of the OECD ethics infrastructure as relevant for the disciplinary strategy. Only the element of *supportive public service conditions* is used here as the virtue approach whereby good pay for public officials is perceived as helping to reduce moral culpability. This element is explained in (OECD, 2000, pp. 24–25) thus:

The high standards of ethical conduct expected of public officials are one side of the coin. The other side is a “package” which provides decent working and living conditions for the “servants of the public”. This “package” consists of such basic elements as sufficient job security, opportunities for promotion and career development, fair remuneration or social appreciation. Fair and impartial human resources management policies can ensure that selection and promotion processes in the public sector are based on general professional requirements and non-discrimination, and that other factors, such as, for example, political considerations, are minimised. If public servants are feeling underpaid, over-worked and insecure, then they are less likely to embrace initiatives to improve performance including the ethical domain.

In this study, all the features of this element are operationalized in terms of relative pay of the higher and lower officials. For further clarification, higher public officials are understood here as political officials that oversee the public institutions and the higher career officials of the directorate rank. These are officials that head units, sections, departments or an entire Ministry, Department or Agency (MDA). The rest of the rank and file in public organizations are considered lower officials.

The OECD (2000) makes another classification of the ethics infrastructure that is also very apt. It employs a three functional classification of Guidance,

Management and Control to underscore the expected role of each element of the ethics infrastructure in promoting administrative ethics. This classification not only takes care of the legalistic/sanction and value/incentive roles suggested by Anello (2006), but additionally underscores the critical relevance of organizational roles such as leadership and management in providing the necessary coordination required for ethics in public service. Guidance is provided by strong commitment from political leadership; statements of values such as codes of conduct; and professional socialisation activities such as education and training. Management can be realised through co-ordination by a special body or an existing central management agency, and through public service conditions, management policies and practices. Control is assured primarily through a legal framework enabling independent investigation and prosecution; effective accountability and control mechanisms; transparency, public involvement and scrutiny (OECD, 2000, p. 23).

Apparently, where leadership and management are morally weak, control will obviously be weak as well. Provision of incentives and sanctions in themselves are not sufficient to engender ethical behaviour without efforts to guide, lead and control public officials. Control is not just the issue of having laws and sanctions, codes of behaviour and so on, but the commitment to enforce these in the interest of the public trust. It is argued that no amount of sanctions existing in a public service system can ensure effective ethical behaviour where the drive does not originate from the leadership. This is why a former Chief Justice of the Massachusetts Supreme Judicial Court, Edward Hennessey, declared that ethics must begin at the top of an organisation. It is a leadership issue and the chief executive must set an example (Butts and Rich, 2008). Indeed, leadership unites the two aspects of administrative ethics since it is the leader that should be responsible for the enforcement of sanctions and compliance-based ethical systems as well as motivate subordinates to ethical behaviour through values approach. Butts and Rich (2008, pp. 141–142) aver that:

Substantively, leaders can use their power in a positive way to influence people through role modeling... thus using a virtue ethics approach.... Structurally, ethical leadership involves a strategic planning process so that policies, decision-making processes, consultation, accountability and ethical standards, and ongoing assessment and monitoring are in place to ensure ethical practice by the leader and followers. Ethical leadership has a structural component and a substantive character component.

In all, administrative ethics are effective through a process of laws and sanctions, as well as incentive and support system that improve the moral will and rationality of employees to act rightly in the face of an ethical dilemma. The challenge to administrative ethics in most countries including Nigeria is therefore not in the absence of sanctions or incentives but in the commitment and subjection of leadership and management to administrative control, enforcement of sanctions and role modeling. The clear divergence in ethical status of countries is determined by the attention paid to the components of existing ethics infrastructure rather than how beautifully the codes sound.

Ethical Role of Pay Structure in the Nigerian Public Service

There exists wide salary disparity between the political and career officials in the Nigerian public service in favour of the political officials. The remuneration of political officials in Nigeria has always been couched in secrecy. Indeed, at some point, political leaders unilaterally fixed their salaries themselves. For instance, after the birth of the Second Republic in 1979, the first duty performed by the National Assembly was to fix their salary and allowances which was so high that it irked the Nigerian Labour Congress to demand a salary increase (Adejokun, n.d.). Though the 1999 constitution has assigned the duty of fixing the remuneration of public officials to the Revenue Mobilization Allocation and Fiscal Commission (RMAFC), nothing seems to have changed about the arbitrariness and impunity with which this is done. RMAFC believes in fixing reasonable packages for political officials in a bid to discourage stealing and minimize incidences of corruption in public offices (Ibid.). But it is surprising why this principle does not also count regarding fixing the salaries of career employees.

What is baffling is that Nigerian political officials are known to be among the highest paid in the world in spite of the fact that the country is one of the poorest in the world. In his analysis of the Nigerian Export-Import Bank Economic Confidential Report, Adejokun (n.d.) observes that political office holders in the executive and legislature, including judicial officers totaling 1,268 with the federal government earn a combined pay of NGN173.6 billion. While 4,418 individuals functioning in the same category in the 36 states earned a combined NGN360.091 billion, and 11,788 officers in the 774 local governments earned NGN592.8 billion. The above figures add up to NGN1.126 trillion as pay for 17,474 political office holders in country of 175 million people with a total budget of about NGN5 trillion. As a matter of fact, the Remuneration Act of 2008 pegs the annual salary of a Senator at NGN8.2 million, and a Member of the House of Representatives at NGN4.2 million. This is generally believed not to be exclusive. Other allowances have been estimated to be tenfold of the salary. Allowances and the perks of office usually account far more than the salary (Daily Trust, 2015).

In the face of this gross abuse, the minimum wage for an average Nigerian civil servant is NGN18,000 for the federal civil servant, and significantly less for the states and local government employees. Efforts to improve the remuneration of public servants over the years usually face enormous challenges including inflation and low financial capacity of the government. In a pay reform carried out by the administration under President Olusegun Obasanjo in 2004, the Salaries, Wages and Emolument Relativity Panel (Prof. E. C. Edozien Panel 2004–2006), and the Presidential Committee on the Consolidation of Emoluments in the Public Sector (Chief Ernest Shonekan Panel, 2006) recommendations led to the introduction of the monetization policy. The policy had sought to establish some coherence in the wide disparity in salaries and allowances among various groups in the public service. Through the reforms, a total of thirteen categories of salary

structures were recognised through the various stages of implementation of the monetization policy. The table below shows the minimum and maximum emoluments and their compression ratios for various cadres of consolidated salary structures in the federal service.

Table 2

Consolidated Salary Structure of the Nigerian Federal Civil Service

S/No.	Salary Structure	Lowest Pay (Per Annum), NGN	Highest Pay (Per Annum), NGN	Compression Ratio
1	CONPSS	226,800	5,452,136	1:24
2	CONTISS II	303,850	5,316,520	1:17.5
3	CONUASS II	1,274,177	6,030,963	1:4.73
4	CONRAISS	303,850	5,316,520	1:17.5
5	CONPCASS	1,084,017	5,407,503	1:5
6	CONTEDISS	303,850	5,316,520	1: 17.5
7	CONMESS	1,316,488	5,139,000	1:3.9
8	CONHESS	267,870	5,139,000	1:19.18
9	CONPASS	517,020	6,647,581	1: 12.86
10	CONPOSS	517,020	6,647,581	1:12.86
11	CONAFSS	592,953	8,134,745	1:13.72
12	CONICSS	603,917	8,825,764	1:14.61
13	CONTOPSAL	5,265,701	13,880,666	1:2.64

Source: Egbule (2015, p. 11).

From the above table, it can be observed that enormous pay disparity still exists not only among the lowest and highest paid officials, but also among the various consolidated pay categories in the service. Nevertheless, one clear fact is that the salary of those who are supposed to oversee and control the administrative hierarchy (high administrative officials) are in good standing to discourage what Van Rijckeghem and Weder (1997) regard as temptation for corruption. The Consolidated Public Service Salary Structure (CONPSS), that is, the structure for the career core civil service, constitutional bodies, National Assembly Staff, Judiciary Staff and some Parastatals, shows that the annual emolument for the lowest employee is NGN226, 800 and the highest paid civil servant is NGN5, 452,136. The compression ratio is 1:24, implying that the highest paid civil servant earns twenty four times more than the lowest paid officials. In others words, the lowest paid staff earns a mere 4.12 per cent of the salary of the highest paid official. With this scenario, if pay determines ethical behaviour, it is expected that unethical financial practices should be higher among the lower paid officials than among political and high administrative public officials.

Factors that Enhance Unethical Financial Behaviour in the Nigerian Public Service

Nigeria is undoubtedly ranked as one of the most corrupt countries in the world. She is ranked 136 out of the 175 countries in the 2016 Transparency International Corruption Perception Index (CPI). The Nigerian media are daily awash with reported cases of corruption among public officials. David Cameron, the previous British Prime Minister, described Nigeria as fantastically corrupt. Indeed by his own estimate, Nigeria and Afghanistan could be the two most corrupt countries in the world (Vanguard, 2016). Cameron could not have been speaking from mere imagination as his position as the British Prime Minister, and the negotiation of the two countries about repatriation of stolen funds stashed by Nigerian politicians in British banks should equip him with reasonable information concerning the value of money laundered by Nigerian public officials to foreign banks.

Of course, the reality of high level corruption is irrespective of the various efforts made to prevent it. The country would usually be among the first to subscribe to international conventions and treaties about corruption fighting and ethics in public administration, or locally initiated programmes in this regard. The Udoji Public Service Reform Committee in 1974 (Ikeanyibe, 2010) recommended the introduction of the code of conduct for public officials. This was eventually recognised in the 1979 constitution. Since then, the Code of Conduct Bureau (CCB) has maintained a permanence in subsequent constitutions including the present 1999 constitution (as amended). The Code of Conduct for Public Officers listed in the Fifth Schedule of the 1999 Constitution as amended, Part 1, paragraphs 1 to 14 provides some important ethical codes that could help promote ethical behaviour if judiciously enforced. Provisions include:

- Conflict of Interest: A public officer shall not put himself in a position where his personal interest conflicts with his duties and responsibilities.
- Prohibition of Foreign Accounts: The President, Vice President, Governor, Deputy Governor, Ministers of the Government of the federation and Commissioners of the Governments of the States, members of the National Assembly and the Houses of Assembly of the States, and such other public officers or persons as the National Assembly may by law prescribe shall not maintain or operate a bank account in any country outside Nigeria.
- Prohibition against accepting any gifts or benefits – (1) a public officer shall not ask for or accept property or benefits of any kind for himself or any other person on account of anything done or omitted to be done by him in the discharge of his duties. (2) For the purposes of sub-paragraph (1) of this paragraph, the receipt by a public officer of any gifts or benefits from commercial firms, business enterprises or persons who have contracts with government shall be presumed to have been received in contravention of the said sub-paragraph unless the contrary is proved.
- Restriction on Loans, Gifts or Benefits to certain Public Officers – The President or Vice-President, Governor or Deputy Governor, Minister of the Government of the Federation or Commissioner of the Government of the State, or any other public officer who holds the office of a Permanent Secretary or

head of any public corporation, university, or other parastatal organization shall not accept: (a) a loan, except from government or its agencies, a bank, building society, mortgage institution or other financial institutions recognized by law, and (b) any benefit of whatever nature from any company, contractor; or businessman, or the nominee or agent of such person; provided that the head of a public corporation or of a university or other parastatal organization may, subject to the rules and regulations of the body, accept a loan from such body.

- Declaration of Assets – Subject to the provisions of this Constitution, every public officer shall within three months after the coming into force of this Code of Conduct or immediately after taking office and thereafter (a) at the end of every four years; and (b) at the end of the term of office; submit to the Code of Conduct Bureau a written declaration of all his properties, assets and liabilities and those of his unmarried children under the age of 18 years. Any statement in such declaration that is found to be false by any authority or person authorized in that behalf to verify it shall be deemed to be a breach of this Code. Any property or assets acquired by a public officer after any declaration required under this Constitution and which is not fairly attributable to income, gift or loan approved by this Code shall be deemed to have been acquired in breach of this Code unless the contrary is proved.
- Agents and Nominees – A public officer who does any act prohibited by this Code through a nominee, trustee or other agent shall be deemed ipso facto to have committed a breach of this Code.

The 1988 public service reforms encapsulated in the Civil Service Reorganization Decree No 43 of 1988 had long introduced the audit alarm and other preventive ethical principles including whistle-blowing in the public service and new procedures for the processing of funds. There have been frequent administrative reforms since colonial times, making one change or another to ensure effective, transparent and accountable public service (Olaopa, 2008; Ikeanyibe, 2010; Anazodo, Okoye & Chukwuemeka, 2012).

More recently, Nigeria was among the first countries in Africa to introduce public procurement and fiscal responsibility reforms, from 2003 to 2007, in accordance with the agreement of the New Partnership for Africa's Development (NEPAD) and the Group of 8 richest countries of the world, to work to enthrone good governance in Africa. The country has various institutions (the police included) that fight corruption. The Independent Corrupt Practices and Other Related Offences Commission (ICPC) was inaugurated in 2000 to receive complaints, investigate and prosecute offenders, review and modify the systems and procedures of public bodies as well as to educate the public and foster their support in combating corruption. The Economic and Financial Crimes Commission (EFCC) was established in 2004 through the Economic and Financial Crimes Establishment Act (2004). The Act empowers the EFCC to prevent, investigate, prosecute and penalize economic and financial crimes.

In the drive towards these accountability and transparency measures and anti-corruption reform efforts, the country in 2003 voluntarily signed the global Extractive Industries Transparency Initiative (EITI) as part of the National

Economic Empowerment and Development Strategy (NEEDS) comprehensive socio-economic reforms. The country began the process of legal enactment to back the domiciliation of the initiative, and in 2007, a specific law (the Nigeria Extractive Industries Transparency Initiative, NEITI) was enacted making Nigeria the first country in the global EITI to support implementation with legislation (NEITI, 2016). Again, the Nigeria National Assembly passed the Freedom of Information Act in 2011 to make public records and information more freely available, provide for public access to public records and information, protect public records and information to the extent consistent with the public interest and the protection of personal privacy, and to protect serving public officers from adverse consequences of disclosing certain kinds of official information without authorization and establish procedures for the achievement of those purposes and for related matters. A key objective of the act is to enhance public scrutiny of public sector operations. For instance, Section 2 (3) of the act makes provision for what every governmental institution should publish. These include materials containing information relating to any grant or contract made by or between the institution and another public institution or private organization, a description of the organization and responsibilities of the institution including details of the programmes and functions of each division, branch and department of the institution, and information relating to the receipt or expenditure of public or other funds of the institution.

In spite of the long institutionalisation and legislation of these codes, establishment of multiple corruption fighting agencies and other control measures, the rising rate or persistent high level corruption and fraud in the public sector shows that these efforts have had little impact in the prevention, detection and prosecution of corrupt public officials. Contract inflation is a permanent feature of the Nigerian public sector. Ownership of foreign bank accounts is common among officials. The on-going investigation of some of the high profile officials in the former President Goodluck Jonathan's administration reveals the rot in high political offices.

Yet ethical codes are legislated, and the fight against corruption is always claimed by every successive government. The administration of President Obasanjo (1999–2007) and that the current president, Buhari have had the disposition to probe some of the activities of past governments. Former President Obasanjo's administration had probed the late General Sani Abacha's regime, while President Buhari is currently investigating some activities of former President Goodluck Jonathan's administration. However, to limit the probe of past governments to only these two bespeaks of vindictiveness and vengeance, which supports the view that the anti-corruption fight is merely political and only directed against enemies and opponents. This is because there were clear issues of highly corrupt practices that took place in other administrations such as that of General Ibrahim Badamasi Babangida (1985 to 1993), General Abdulsalami Abubakar (1998 to 1999) and former President Olusegun Obasanjo (1999 to 2007) that are not being called to question. For instance, Nigerians had, since the Gulf War of 1991, asked questions about the oil windfall of USD12.4 billion that was not accounted for during General Babangida's administration (Oladimeji, 2016a). During the former President

Obasanjo's administration, Nigeria's Corruption Perception Index (CPI) reached an all-time high (152 of 159) in 2005 (Transparency International, 2016). It was during his administration that the popular exchange of money through 'Ghana must go' (a common fibre-made sack) bags to get the wishes of the President including the infamous third term bid rubber-stamped by the legislature was rife. It was the era of election and campaign financing through the budgets allocated to certain Ministries like the Ministry of Works. It is therefore justified when fighting corruption is perceived as either sectional or selective of acclaimed political enemies rather than any genuine political will to deal with the monster.

High profile corruption in Nigeria is strongly influenced by the nature and ineffectiveness of the country's political and administrative control measures and the criminal justice system. There is indeed a poor connection between the reports of internal and external audits of public organizations with the activities of anti-corruption agencies. Thus, the agencies often have to rely on petitions and whistle-blowing. While this is helpful, there is also the need for official linkage to ensure effective monitoring and investigation of infractions through the internal and external audit reports of organizations. Again, the criminal justice system in the country has been found to be a significant draw-back in the fight against corruption, even by high standing political officials themselves (Lagos State Government, 2017; Channels Television, 2017). Delays in the administration of Justice, light punishment for offenders, corruption in the judiciary and outdated court administration procedures that pay much attention to court processes rather than the substance of cases are all issues in this direction.

As a matter of fact, many high profile corruption cases being prosecuted by the anti-corruption agencies have been stalled by mere legal procedures, injunctions and interlocutory appeals. In 2015, the ICPC chairman, Ekpo Nta, remarked that over 400 corruption-related cases were being prosecuted by the agency and blamed the judiciary for the draw-backs experienced in the prosecution. For EFCC, at least forty three high profile corruption cases have been stalled between 2007 and 2015 by judicial processes (Alli, 2016). Cases involving former governors of the states alone constitute 37 per cent and include: Danjuma Goje (Gombe State), Jolly Nyame (Taraba State), Joshua Dariye (Plateau State), Orji Uzor Kalu (Abia state), Saminu Turaki (Jigawa), the late Audu Abubakar (Kogi), Timipr-eye Sylva (Bayelsa), Murtala Nyako (Adamawa), Sule Lamido (Jigawa), Adebayo Alao-Akala (Oyo), Rashidi Ladoja (Oyo), Chimaroke Nnamani (Enugu), Gbenga Daniel (Ogun), Aliyu Akwe Doma (Nasarawa), Attahiru Bafarawa (Sokoto), and Abdullahi Adamu (Nasarawa). Other high-profile cases involving political and administrative heads of government agencies or their non-official accomplices constitute about 21 per cent and include those of ex-Minister Babalola Borishade, a former Head of the Civil Service of the Federation, Steve Oronsaye, Sani Teidi Shuaibu and other pension scam suspects, Esai Dangabar and seven others over police pension fraud, Mamman Tukur and others on NGN1.2 billion oil subsidy scandal, Walter Wagbatsoma in connection with oil subsidy, Abdullahi Alao and others (NGN2.6 billion oil subsidy scam), NASAMAN Oil Services Limited for NGN4billion oil subsidy case, Chidi Adabanya (NGN2 billion obtained from Shell Petroleum Development Company) and others (Alli, 2016).

In the face of the legal frustrations arising from the poor judicial administrative system such as unrestricted preliminary objections, trial within trial; interlocutory appeals that often reach the Supreme Court before re-commencing at the lower court depending on the outcome, re-assigning of trial judges, abuse of court process, illness of defendants, absconding of accused persons, filing of fresh charges, and jumping of court bail among others, the anti-graft agencies often resort to plea bargaining deals to settled corruption cases. A plea bargain is “a negotiated agreement between a prosecutor and a criminal defendant [who] pleads guilty to lesser offence or to one or more multiple charges in exchange for some concession by the prosecutor, usually a more lenient sentence or a dismissal of the other charges” (Garner, 2004, p. 1189). Often the anti-corruption agencies do not have sufficient funds to prosecute these cases while the accused usually deploy their enormous stolen financial resources to truncate the course of justice.

The ICPC boss revealed that over 90 per cent of the agency’s budget is used for prosecution instead of the ideal situation where at least 60 percent should be used on prevention strategies (Daniel & Umoru, 2015). In the face of such constraints, the anti-graft agencies have had to strike a plea bargain with corrupt individuals to return part of their loot for their release. Some typical cases settled in this manner include: a one-time Chief of Air Staff arraigned with 10 others by EFCC on 26 count charges bordering on conspiracy, stealing, fraud and money laundering of a total of NGN22.8 billion (Anaba, 2016); former Acting Director General of Nigeria Maritime Administration and Safety Agency, Haruna Jauro for an alleged fraud of NGN304.1million (Ships and Ports, 2016); a former governor of Edo State, Lucky Igbinedion for various fraud and unethical financial crimes amounting to 191 count charges (Ikhide, 2008); a former Inspector General of Police, Tafa Balogun accused of NGN17 billion in 2005; and a former governor of Enugu State, Chief Chimaroke Nnamani accused of NGN5billion fraud and embezzlement of the state’s fund (Oladimeji, 2016b). Invariably, once an accused public official feels he could return part of his loot to be free from punishment, he negotiated that option, otherwise spanners were effortlessly thrown into the works of the prosecution to delay or evade justice. Criminal cases bordering on huge financial crimes by public officials that should receive maximum punishment to discourage potential offenders have been reduced to civil cases that could be settled out of court through plea bargain, while allowing looters to seek and occupy other political positions shamelessly.

While we allow the legal experts to debate the usefulness of the plea bargain, it is not difficult to see that the system does not support a strict sanction or disciplinary approach to administrative ethics and will not likely prevent unethical behaviour since potential looters are given a benign option in corruption cases. Similarly, the judicial system that makes it difficult to convict offenders or mete out light punishment for weighty offences does not support an effective control and preventive approach. The failure of the Nigerian criminal justice system to effectively and severely punish the erring rich and mighty is infamous (Oladimeji, 2016b), and therefore does not show much political commitment to deal with unethical practices among the high public officials. A major incentive to corruption in Nigeria is the sacred cow treatment given to the high profile looters of public funds.

Even in the present administration (of President Buhari) that claims that the fight against corruption is a priority, most Nigerians are not impressed with the way allegations against some members of the cabinet are being handled. For instance, the Nigerian Senate called for the removal and prosecution of the Secretary to the Federal Government (SGF), Babachir Lawal, who was alleged to have breached the country's contract award law. His company, Global Vision Ltd., was one of the companies indicted for allegedly benefiting from inflated and phantom contracts – or ones not executed at all. The contracts were awarded by the Presidential Initiative on the North East (Adebayo & Tukur, 2016). Similarly, the appointment of the present Chairman of EFCC was not confirmed by the Senate based on an unfavourable report regarding sound ethical status by the Department of State Services (DSS), (Umoru & Erunke, 2016). President Buhari had written back to the Senate alleging an unfair hearing and procedural error in the Senate report. While it is not fair that an individual should be punished for an offence he or she has not committed, it is more supportive of transparency and public trust in a government that suspected or accused individuals should resign or be relieved of their public office until they prove themselves otherwise. This is more crucial in a system where corruption has become a way of life and the public trust in the commitment of political leaders to deal with it is wavering.

Despite the fact that the country has emphasized the legislative approach by legislating every relevant ethical code, she has not shown a strong sanction approach in dealing with her ethical challenge. Thus, the multiple laws against unethical financial practices fail to serve the purpose securing compliance. This is because political and administrative controls are loose and the reality is that the country treats unethical behaviour with kid gloves, especially among the high political officials. Effective political and administrative control should support corruption prevention efforts by monitoring the management of public resources, detecting and signaling individual deficiencies and systemic weaknesses (OECD, 2000). As it is, the anti-graft war in Nigeria is rather reactive and cosmetic than preventive and sanction driven.

Concluding Remarks

Being consistently ranked by Transparency International among the most corrupt nations in the world, it is clear that the Nigerian ethical climate is very conducive to corruption. It therefore requires more of the compliance-based ethical system. The compliance-based approach is more appropriate to situations in which unethical behaviour is rampant and will be difficult to change, while the integrity-based approach appears more appropriate to situations in which there is a strong shared sense of values, and a higher degree of homogeneity (UNDP, 2007). Apparently, Nigeria gives the impression of using the disciplinary or sanctions approach. While efforts are made to establish laws criminalizing direct and indirect actions that lead to corruption, and sign international conventions to fight corrupt practices, the study shows that the criminal justice system treats corruption with kid gloves and provides support for high public officials to be senselessly corrupt rather than work to prevent it. Special attention has not been paid to officials in

positions that are particularly susceptible to corruption. Creating a disciplinary ethical climate cannot be complete without strong enforcement and consequential outcomes that are sufficient to discourage potential offenders.

Thus, as far as the punishment for corrupt conducts is light and ample loopholes exist for suspects to manipulate the judicial system, citizens will continue to be attracted to government positions to get rich and indeed, as is usually the case, one will be considered foolish and stupid by his people to remain poor after holding an exalted public office. In this kind of ethical environment, it is obvious that the political will and even the psychological disposition of officials to do what is universally acceptable or to rely more on the value approach to do what is right may not produce significant results. This is the reason why better pay for the higher political and career officials has not been significant in reducing unethical conduct among them. The divergence in the level of corruption observed among the high profile public officials and the low ones lies in the effectiveness of political and administrative control measures. The low level employees are subjected to a series of administrative controls exercised by the hierarchy of their institutions; but the high level political and administrative officials have little control resulting from lack of transparency and openness in government, weak civil society actions and ineffective political leadership and will.

Subjecting politicians and high level career administrators to greater societal pressures through more open and transparent measures including the use of open bidding approaches for government contracts, exploiting and strengthening the whistle-blowing policy recently introduced by the Federal Ministry of Finance, could help to strengthen the control system. There is also need to consider enacting a law that could establish a separate system of courts to handle corruption cases, recognize lifelines in handling and dispensing the cases and significantly reviewing the punishments, including death sentences for corrupt acts involving some benchmark monetary value. It is perhaps thanks to the severity of punishment and a very strict attitude towards corruption and the Chinese criminal justice system that that country and many others in Asia as well have been doing a very good job in preventing and punishing corruption (Yunhai, 2005).

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LEAN TEAM MEMBERS' SELECTION FOR PUBLIC ADMINISTRATION ORGANISATIONS

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Abstract

Public administration organisations in some countries, while focusing on project implementation through innovative approaches, are starting to apply an organisational matrix structure. This approach involves the adaptation of Lean in public administration by creating a model for rational project team members' selection in public administration organisations. To examine this relatively new tool for public administration organisations, the authors base their research on the public administration organizations of Latvia and Russia and their employees by reporting the results of several studies.

This interest in the Lean concept and its application in public administration, particularly in the sphere of human resource management activities, has been supported by the analysis of data retrieved from studies by the authors (primary quantitative and qualitative data analysis) and other researchers (secondary quantitative and qualitative data analysis) on public administration employees' competences and personal preferences in Latvia and Russia. The article includes a comparison of personal preference identification concepts by various researchers (monographic research). Finally, the authors demonstrate the developed *model*, providing a detailed description and application *guidelines*. The authors conclude that the model's application should be supported by its integration into a public administration employees' performance assessment (by competences) system such as *NEVIS* which is used in Latvia.

Public administration organisations can implement the proposed model, which is an example of the rational project team selection approach. The model considers both the competences and personal preferences of the potential project team members. The project team members' selection process model also includes a mathematical decision-making model for solving optimisation tasks based on linear programming.

Keywords: Public Administration, Occupational Competencies, Personal Preferences, Human Resource Recruitment and Selection, Lean.

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Introduction

Human Resource Management (HRM) or a relevant course (e.g. Personnel Management) as well as Project Management courses are a popular part of Public Administration (PA) study programs by various European tertiary education institutions (Voronchuk, and Starineca, 2014).

Project team management as well as project team creation and development is sometimes a topic of an HRM course. Students are often curious about the applicable approaches of rational project team members' selection during HRM courses. There are various approaches that can be applied by public administration practitioners, however, the authors of this paper would like to focus on those which are focused on a competence-based approach (Starineca & Voronchuk, 2015), because PA practitioners develop a competence model as a tool for the implementation of various HRM activities (Ministerstvo truda i..., 2013; Ministru kabinets, 2012).

The aim of the research is to develop a rational approach to project team member selection, considering the tendencies of PA organisations to apply Lean to managerial processes, and use a competence model and matrix organisational structure (to be able to succeed in project-oriented activities). The objective of the research is to develop a project team members' selection model for PA organisations. The developed model should be a tool that can be proposed to PA practitioners who are dealing with project team creation. The authors of the present paper set several research tasks:

1. Literature review on new public management and Lean in public administration (Chapter 3) to identify the tendencies in public administration HRM and collect information on the actual concepts which should be considered when developing the model.
2. Literature review on public administration employees' personal preferences and competences (Chapters 4 and 5) to collect information about these two criteria for employees' selection for a job.
3. Summarise and interpret analysis of primary and secondary data on public administration employees' personal preferences and competences using research results in the case of Russia and Latvia (chapter 4 and 5) to support the idea that both are modern criteria used by practitioners selecting employees for a job.
4. Develop and describe a project team members' selection model for public administration organisations (chapter 6).

The authors will highlight applicability and limitations of the developed model.

Methodology

The authors applied a literature review and used the data from several surveys in the case of Russia and Latvia to find empirical evidence for the topicality of the approaches used to develop the project team members' selection model.

Table 1 presents a summary of the survey data used for the research. Four surveys were used. Three of them were conducted by the authors of the present

paper, one was conducted by the Foundation “Baltic Institute of Social Sciences” and “O.D.A.” Ltd (Baltic Institute of..., 2015). The data about Russia were used in Chapter 4, while the data about Latvia were used in Chapter 5.

Table 1

Summary of the survey data used for the research

Survey Data on the survey	1. Survey on personal preferences of PA employees in Russia	2. Survey of youth studying in Latvian universities (Baltic Institute of..., 2015)	3. Survey on PA employees' competences in Latvia (Starineca & Voronchuk, 2016)	4. Survey of PA study programs students of Latvia (Starineca, 2017)
Period of data collection	September 2016	February 3–19, 2015	January – March 2016	October 10, 2015 January – February 2016 May 15, 2016
Type of survey	Self-completed questionnaires at study-room and on-line survey	Self-completed questionnaires at study-room and on-line survey, using e-mails of university students and graduates	On-line survey, using e-mails of the respondents	Self-completed questionnaires at study-room
Sample characteristics	PA employees, who were the participants of professional development programs in Russia	Youth aged from 18 to 30 years, who are studying and/or working in parallel to the studies or have finished their studies during the last two years and started working; from 13 tertiary education institutions of Latvia	Human resource/ personnel department/unit managers of the ministries of the Republic of Latvia	PA or relevant study program postgraduate students from three universities of Latvia
Achieved sample size	276	1685	12	29
Data used for the research	Primary data	Secondary data	Primary data	Primary data

The authors used all of the summarised theoretical information and empirical data to develop a model that is based on the Lean approach and combines both personal preferences of public administration employees and their competences. Using empirical data, the authors checked the relevance of the model development (Survey 2 and Survey 4) as well as defined the basic components of the model connecting basic groups of criteria (personal preferences and competences – Survey 1 and Survey 3) for PA employees' selection with the Lean approach in public administration organisations.

The authors use *public administration (PA) employee* as a general term that in some cases might mean *civil/public servants, public officials*.

New Public Management and Lean in Public Administration

Presented in the 1970s, the New Public Management (NPM) approach in public administration is still topical and applicable (Diefenbach, 2009) despite other levels of public administration organisations functioning principle proposed – New Governance (Urmonienė & Žukovskis, 2013). The essence of NPM is business culture/practices borrowing to organize public administration organisations functioning and make it more efficient and effective, optimizing resources i.e. “NPM is a set of assumptions and value statements about how public-sector organizations should be designed, organized, managed” (Diefenbach, 2009, p. 893). Diefenbach (2009) highlights the core idea of NPM – to make public sector organizations and their employees much more ‘market-oriented’ i.e. performance-, cost-, efficiency- and audit-oriented like private sector organisations. The opinions about NPM are controversial (Diefenbach, 2009), however, the authors of the present paper would like to avoid any evaluation of the advantages and disadvantages of the model and focus on the conceptual principles of it.

Public administration organisations, which use NPM, deliver services to their clients (customers) focusing on the result and measure the success by the outcome (Urmonienė & Žukovskis, 2013). Productivity is important for the organisations in this case, and the organisations like to optimize the work of the employees. On the way towards goal-meeting, the organisations need to realize that some improvements in the working environment might take place and the implementation of new management technologies is usually a necessity. The authors of the present paper outline the connection between NPM and the Lean approach/thinking (Womack & Jones, 2003).

The Lean approach seeks to “create more value for customers with fewer resources” (Lean Enterprise Institute, 2000–2017) and focus organisations’ attention to *purpose*, *process* and *people* (Womack & Jones, 2003). “Lean implementation is not a neutral and value-free activity; it is fluid and open for multiple interpretations, interests, and logics” (Pedersen & Huniche, 2011). Lean developed basically for production is applicable also for services (Lean Enterprise Institute, 2000–2017). The authors were curious about the article by Kjærgaard et al. (n.d.) on Lean in public administration, which has a holistic view on the approach’s application in PA organisations including human resource management aspects.

Pedersen & Huniche (2011) concluded that “the processes and outcomes of Lean depend not only on the technology itself, but also the negotiation context in which the planning and implementation of lean projects take place”. The balance between customers and employees service should take place implementing Lean. Employees as proficient public service deliverers require more comfortable working conditions to be able to fulfil their duties in NPM and Lean implication conditions. “They would also be more likely to experience higher psychological well-being and job satisfaction” (Pick & Teo, 2017) especially working on change that is a typical characteristic of the NPM (Urmonienė & Žukovskis, 2013). Hence, for further study, the authors of the present paper consider both necessary for a job – public administration employees’ competences and their personal preferences.

Public Administration Employees' Personal Preferences

Nowadays, the practice of using the methods and principles of activity optimization in the private sector is more often applied also in public sector. The concept "Lean production (manufacturing)" is already in use for solving state problems but is more commonly known as "Lean Government". Within this paper, the authors define Lean as a new way of solving operational tasks and at the same time as an innovative approach for realising the employees' potential for engagement, creativity and continuous improvement in many public organisations (Christiansen et al, 2006). In adapting these approaches to the study specifics of the administrative process management, it is necessary to rethink the behaviour of PA employees.

In the middle of the last century, Paul Henson Appleby (1952), governance theorist in democratic states, noted that despite the diversity of subjective approaches to the definition of morality, the influence of a state system on moral norms is more important than the opposite. Based on this statement Stephen K. Bailey (1964) considered that officials in the public service cannot be fully determined without consideration of a system of mental attitudes and moral qualities. The necessity of moral judgment in public administration was also described by Hendrik Wagenaar (1999) who pointed out that issues of personal morality are problem-oriented, i.e. help public servants in dealing with problems of national importance and serve as a tool of perception of facts and events of distinction in the face of uncertainty. Consequently, the allocation of PA employees' types of ethical behaviour is a requirement for Lean implementation by creating a better working environment in an operational culture.

As later noted by Christoph Demmke (2005), Professor of the European Public Service Institute, despite the numerous publications by scientists and multiple reforms of the state apparatus, there is a lack of knowledge about the relationship between organizational structure and official behaviour. Hence, the authors of the present paper discuss the theoretical arguments linking the concepts of public service motivations (PSM) and public service values (PSV). Specifically, the authors analyse the theories which can explain this connection: motivation (focus on prospects of career advancement and the opportunity to receive remuneration for work) and values (the orientation on very official activity in government as a job in the organization and display of creative expression and personal qualities).

The concept of PSM was used in 1982 to describe the motivation in the public service. Early research sought to identify PSM as an individual person's predisposition to respond to motives of their behaviour, mainly in public institutions and organizations (Perry & Wise, 1990). Brewer & Selden (1998, p. 417) later described PSM as "the motivational force that induces individuals to perform meaningful public service". In other words, PSM is the motivational force that encourages individuals to do something meaningful in the public service. Afterwards, H. Rainey & P. Shtaynbauer (1999) understood PSM as a common altruistic motivation of public servants [PA employees] who are ready to serve the interests of society, the state, nation or humanity.

In addition to motivation as an external factor that influences the effectiveness of the PA employees' professional work; we should also take into consideration the personal qualities of managers. Research papers devoted to governance are tradi-

tionally focused on the concept of value (Kaufman & Herbert, 1956). Researchers (Gilman et al., 1996) in this area identified the main types of values that were common to all cultures. They include ethical, democratic and professional values. M. Van Wart (1996) indicated five main value sources for public administration managers: personal, professional, organizational, legal and social interests. At the same time, the value of the “public interest” is the most important of the five listed.

Even though PA employees’ values have not been determined, Ugur Omurgonulsen and M. Kemal Oktem (2009) pointed out the increasing role of the values of PA employees in public administration. This growth of recent trends in studying the integration of values into public administration has provoked considerable interest among PA scholars (Overeem & Verhoef, 2014).

Per these two concepts, the aspects related to the organizational performance of public administration underlie the New Public Management paradigm, based on a new orientation towards the motivation and values of PA employees. In this respect, NPM involves creativity and innovation; from this perspective, the future application of Lean principles facilitates achieving performance in public administration.

In the transition to the new management model, the main provisions of which have been put forward and described in the second half of the last century (Osborn & Gaebler, 1992), changes in the public administration should be aimed at optimizing the management of technology. NPM, a model that promotes new management values, is a new approach that significantly changes the development of activity in PA institutions and focuses on the new management coordinates, respectively objectives, results and responsibility. The flexibility in the performance of public tasks, provided in this model, suggests a need for the construction of a public administration system using Lean technologies. Consequently, it is very interesting to examine how the Lean process can reduce and eliminate losses in a continuous workflow within the organization (Wee & Wu, 2009).

In determining the importance of public administration values, the values of the PA employees must be wider represented to understand the diversity of preferences, decision-making methods and behaviours of employees. Among the most known and used techniques to the study of individual values, it is necessary to highlight the research of Schwartz (1992), who developed the Schwartz Value Survey (SVS) and Portrait Values Questionnaire (PVQ), by testing just that. He singled out ten sets of personal values: hedonism, stimulation, autonomy, universalism, kindness, conformity, tradition, security, power and achievement. Then Schwartz (2012) added to the basic list nine other values having developed the Portrait Values Questionnaire-Revised (PVQ-R).

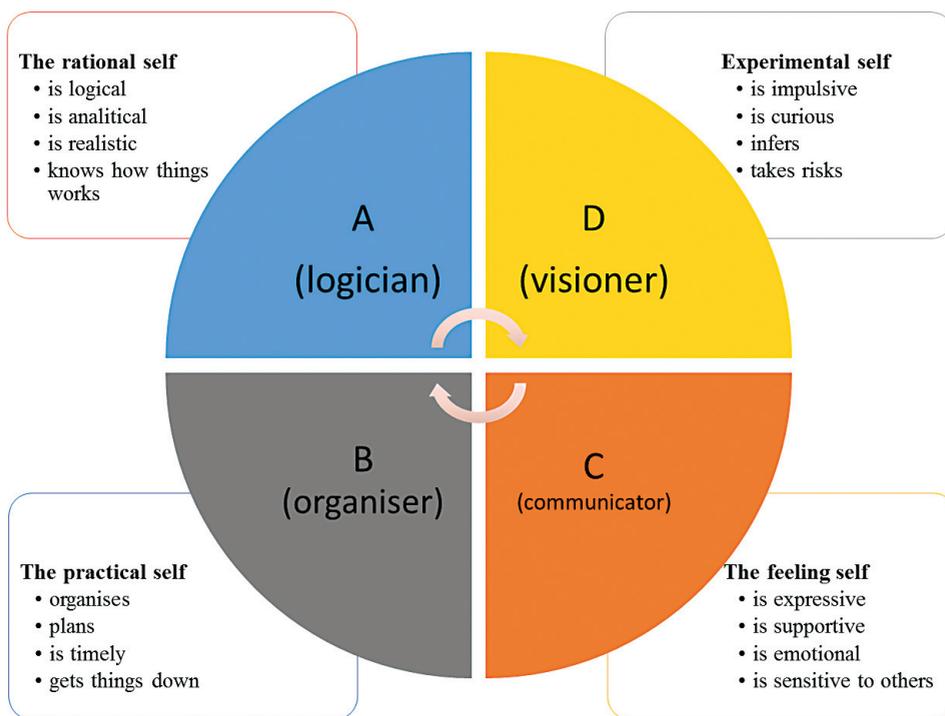
However, while Schwartz’s individual values successfully describe the preferences of individuals, they may not accurately capture public administration values. Meanwhile, in addition to Schwartz’ value theory, Rainey and Bozeman (1998) suggested that it is necessary to pay attention to both institutional relations and individual characteristics to determine the preferences of government officials. Thus, the authors comparing a bureaucratic model of personality and model of bureaucratic organization concluded that the choice of the sector of activities for employees in PA as bureaucratic personalities is a result of self-determination that is based on personal preferences.

One of the most effective self-assessment tools that enable individuals to understand their own preferred type of thinking is the Herrmann Brain Dominance Instrument (HBDI) developed in the 1970s by Ned Herrmann. It emerged as a metaphor of validated the brain structures and includes four distinct thinking styles: analytical, organizational, strategic and interpersonal skills. The Four Quadrant Model, also known as Herrmann's Whole Brain Model, shows that the dominant thinking in one of four types of thinking leads to the development of thinking preferences. The findings of this model are summarized in Figure.

The Herrmann instrument considers how these preferences in thinking shape our interests and contribute to the development of competencies and influence career choices and, ultimately, performance functions. For this reason, it is necessary to classify target preferences in accordance with the system of PA employees' priorities. In this regard, a priority system can be expected to be consistent with the matrix management model, which is characterized by flexibility, innovation and the development of horizontal links between levels of government. Using the concept of priority in relation to the field of public administration assumes that the employees have certain personality traits and group characteristics explained by their behaviours both in choosing the profession and in the implementation of official duties.

Figure

The Whole Brain Model



Adapted from: Hermann, 1996, 1996a; Kjærgaard et al., n.d, p. 9.

Perhaps, one of the most important factors in the analysis of a PA employee's personal orientation is to study the motives for choosing his work. This sign, although it refers to the psychological factors, still helps to understand, based on from what personal motives the employee chooses a professional environment.

Table 2 provides the data that were collected via the survey of state and municipal employees from different Russian regions. All of the respondents participated in professional development programs in Russia. They were asked to think about their decision to pursue a career in PA and rank the survey questions, concerning the reasons (stability, PSM, salary, creativity, prestige), from 1 (low rank) to 5 (high rank). The survey was designed to identify personal preferences that allowed us to create profile of each PA employee. However, the indicator of prestige should be excluded from the analysis of personal preferences, because it cannot be an internal formed factor that motivates state and municipal employees to serve the public good.

The achieved survey sample consists of 276 respondents predominantly from regional authorities (52%), federal body (33%) and local government (15%). In all, the average age of respondents is in the range of 25 to 34 years, and the average level of education is at the level of higher education. The gender distribution of the respondents was uniform; however, women are slightly dominated.

As expected, the results indicate that the distribution of factors that affect the value and motivational aspects of PA employee personality have some tendentiousness, which can be noticed by drawing attention to the data summarized in Table 2. Most of the public administration employees work in the public sector, because of the stability of a social position within the public service. In this regard, the participants in the survey singled out stability as their main incentive, that is indeed the determining factor in choosing a place of work during the crisis time both for women and for men. Further, in the opinion of government body employees, motivation also plays a big role, especially for middle-aged professionals. Creativity is a less significant factor, and the lowest ranked in attractiveness for public administration employees is remuneration of labour.

These four most obvious values and motivational characteristics in the sphere of public administration should be identified as the main types of PA employees' priorities. Within the framework of the value-motivational approach to personal qualities, we outlined the following priority groups, which also correspond with the four preferences profiles in Herrmann's Whole Brain Model (Herrmann, 1996, 1996a; Herrmann & Herrmann-Nehdi, 2015):

- Organizational priorities (the practical self-priorities related to the duties of PA employees, who are mainly willing to receive material incentives for their implementation);
- Official priorities (the rational self-priorities appeared in the process of working in the state, region or municipal authority as in the organization characterized by stability);
- Promotion priorities (the feeling self-priorities allocated based on motivational theory, where material and moral incentives are in the form of incen-

- tives that motivate public administration employees to work effectively and make correct decisions);
- Initiative priorities (the experimental self-priorities based on the internal motivation of a public servant to demonstrate his personal creativity skills to be more practical oriented).

Table 2

Social and demographic characteristics and personal preferences of the respondents

Social and demographic characteristics				Preferences				
Gender	Age	Education	Position	Stability	PSM	Salary	Creativity	Prestige
Female	18–24 years	higher education	Specialist	4.40	1.20	2.20	2.20	3.80
	25–34 years	graduate school	Advisor	3.00	4.00	1.00	2.00	5.00
		higher education	Manager	4.82	2.27	2.18	1.82	3.91
			Specialist	4.48	2.26	2.15	1.96	4.15
		more than one higher education	Manager	5.00	3.00	4.00	1.00	2.00
			Specialist	4.75	1.88	2.75	3.13	2.50
	35–44 years	graduate school	Manager	1.00	5.00	3.00	4.00	2.00
		higher education	Advisor	3.00	5.00	2.00	4.00	1.00
			Manager	3.67	3.22	1.44	3.33	3.33
			Specialist	4.25	2.00	2.75	2.00	3.75
		more than one higher education	Specialist	4.00	3.00	1.00	2.00	5.00
	45–54 years	graduate school	Advisor	5.00	2.00	4.00	3.00	1.00
		higher education	Manager	4.27	2.00	3.27	2.82	2.64
			Specialist	4.70	3.70	2.20	2.00	2.40
	55 or older	higher education	Specialist	4.00	4.00	2.00	2.00	3.00
Total results (female respondents)				4.02	2.97	2.40	2.48	3.03
Male	18–24 years	higher education	Specialist	4.50	2.50	3.25	1.25	3.50
	25–34 years	graduate school	Manager	4.00	2.00	5.00	3.00	1.00

Social and demographic characteristics				Preferences				
Gender	Age	Education	Position	Stability	PSM	Salary	Creativity	Prestige
		higher education	Advisor	1.00	3.00	2.00	5.00	4.00
			Assistant	5.00	1.00	2.00	3.00	4.00
			Manager	3.08	3.15	2.08	3.77	2.92
			Specialist	3.20	3.13	1.67	2.87	2.13
		more than one higher education	Manager	3.00	4.75	1.75	4.25	1.25
			Specialist	4.00	5.00	2.00	1.00	3.00
	35–44 years	graduate school	Manager	5.00	3.50	2.50	2.25	1.75
			Specialist	1.50	5.00	0.50	2.00	1.00
		higher education	Manager	2.82	2.00	0.73	2.73	2.64
			Specialist	3.00	2.70	2.10	1.60	3.20
		more than one higher education	Manager	1.20	2.40	0.60	3.00	1.80
			Specialist	5.00	4.00	1.00	3.00	2.00
	45–54 years	graduate school	Manager	5.00	4.00	3.00	1.00	2.00
		higher education	Manager	3.00	5.00	2.00	4.00	1.00
			Specialist	4.00	3.00	1.00	5.00	2.00
		more than one higher education	Manager	2.00	5.00	1.00	4.00	3.00
			Specialist	5.00	3.00	4.00	2.00	1.00
	55 or older	graduate school	Manager	2.00	5.00	4.00	3.00	1.00
		higher education	Manager	5.00	2.63	2.75	1.00	3.63
			Specialist	3.29	3.29	1.71	1.29	0.86
		more than one higher education	Manager	3.00	5.00	1.00	4.00	2.00
			Specialist	5.00	0.00	3.00	2.00	4.00
Total results (male respondents)				3.48	3.34	2.11	2.75	2.28
Total Results				3.83	2.92	2.20	2.53	2.82

The overall findings from the survey support the authors' initial hypotheses predicting that officials' priorities are formed in the awareness of PA employees of their professional performance in the public service. The most valuable for all employees were official priorities, and therefore the main factors that determined their entry into service were internal values and motives regarding the importance of work stability in the state, region or municipal authority.

Based on some of the approaches (mentioned above) in the field of state and municipal services it should be concluded that the development of such a social body as a public administration requires a reassessment of the role of factors that influence the expression of the personality and create behaviour.

The authors of the present paper studied various classifications of personal preferences that could be used for selecting employees for the job. According to Lean thinking, project team members need to represent all preferences to be more successful. However, personal preferences cannot be the employees' only selection criteria, because the basic criteria are employees' competences.

Public administration employees' competences

Besides personal preferences, it is important to consider the competences of public administration employees during the process of selection, performance appraisal, motivation etc. PA practitioners use a competence-based approach (Spenser & Spenser, 1993) in human resource management processes. The authors, considered previous research on PA employees' competences (Stariņeca & Voronchuk, 2015; Stariņeca & Voronchuk, 2016) and the example of a competence-based approach in the cases of both Latvia (Ministru kabinets, 2012) and Russia (Ministerstvo truda i..., 2013).

Competences might be grouped, and competences models might be developed specifically for different levels of PA employees or even for a certain PA organisation project group/team. There are various dimensions of competences (Cheetham & Chivers, 1996, 1998; Delamare Le Deist & Winterton, 2005):

- Cognitive;
- Functional;
- Personal (behavioural);
- Ethical;
- Meta-competencies.

PA organisations need to define which competence is important for a certain position and define a level of competence to compare it with the level of competence that a job candidate or employee has. Definitions of the competences can vary as well as their groups. In the case of the Latvian PA, employees' competences groups are (Ministru kabinets, 2012):

1. Communication and collaboration;
2. Thinking and problem solving;
3. Personal contribution;
4. Task and process management;
5. Heads competence;
6. Authority's values understanding.

In the case of Russia, the groups of competences are (Ministerstvo truda i..., 2013):

1. General professional;
2. Applied professional;
3. Managerial.

Each competence from the group is combined with other group competences for the certain level of position in PA and the combination might be different for each position. The specific level of competence necessary to fulfil the certain tasks also differs. For example, the ICB framework offers access to the technical, behavioural and contextual competence elements of project management' that is called *the eye of competence* (International Project Management..., 2006). This model has been developed for a project manager.

In the case of Latvia, the human resource department heads of the ministries who participated in the survey highlighted as important competences for ministry employees such competences from the list of the Tuning – PA project (2014) as (Starineca & Voronchuk, 2016):

- Analyse and solve problems from the perspective of third parties, particularly politicians, professionals, citizens and representatives of civil organisations;
- Be familiar with research development in the respective policy field;
- Communicating and interacting in an intercultural context;
- Communication with politicians, experts, citizens, and representatives of civil organisations;
- Compare and evaluate different PA systems;
- Conduct applied research with regards to a given problem;
- Consideration of problems from different disciplinary perspectives;
- Cooperating in multidisciplinary teams;
- Evidence-based decision making, interpreting and applying policy agendas, anticipating future trends in public service, and adapting activities to suit specific public services contexts;
- Formulation advice to important stakeholders;
- Handle problems with regards to the economic, political, legal and socio-logic reality;
- Incorporate public service ethics and public values;
- Make use of the theoretical knowledge of the PA-related disciplines to analyse and solve problems in the public domain;
- Negotiation with politicians, experts, citizens, and representatives of civil organisations;
- Networking and cooperation with other organisations;
- Policy implementation;
- Select and apply appropriate methods, techniques and tools to analyse and solve a problem;
- Understand the disciplines dealing with public administration;
- Understanding social, political and economic development;
- Use methods and techniques of socio-scientific research, including statistics;
- Use the results of research for decision-making or policy proposals.

PA employees' competences need to be developed based on their level evaluation. In the case of Latvia, a special system called NEVIS exists that allows for the evaluation

of the competences of current employees, so each employee has a profile with a list of competences necessary for the job (Ministru kabinets, 2012; Baltic Institute of..., 2015).

In selecting a project team member, a list of necessary competences might include different types of competences that are relevant in both project implementation and work for a PA organisation at a certain level.

The competence-based approach is topical and relevant for various HRM process implementation in public administration organisations as well as in private ones. However, both the personal preferences of the employees and their relevance to the job competences need to be considered when developing a productive, efficient working environment. This statement is also supported by the survey data that is based on the replies of the potential current and future employees of the public administration organisations. It is important to evaluate current and potential future employees' requirements of the workplace, the conditions, and the employer. The possibility to use and develop competences also depends on the opportunity given by the employer, including working conditions and satisfaction of personnel preferences of the employees. For example, the rather important and very important characteristics of work content highlighted by the students and recent graduates of Latvia who participated in the survey by the "Baltic Institute of Social Sciences" Foundation and "O.D.A." Ltd. are (Baltic Institute of..., 2015):

1. Interesting work;
2. Work in which an employee feels that (s)he can achieve something;
3. Work that matches the abilities of the employee;
4. Explicit work tasks;
5. Work where an employee can learn new skills etc.

According to the survey, work where employees are free to plan their working hours and their day is important in just 38% of the cases, however, these characteristics are quite important for the respondents.

One more survey considered by the authors reflects employers requirements of Latvian PA study programs students. Advancement opportunities and working environment are at the top of the list of important elements that influence employers' decisions regarding applications for job offers (Stariņeca, 2017).

The importance of a complex approach to the selection of human resources including project team members, and to ensure the successful fulfilment of a task or the successful implementation of a project, has been supported in Chapter 3 and the empirical data reflected in Chapters 4 and 5. This evidence was a base for development of the model for project team members' selection.

A Model for Project Team Members' Selection

When selecting project team members, it is useful to have a matrix organisational structure, especially in the case of regular project activity within the organisation. A public administration organisation that implements Lean needs to consider the specific approach to optimise resources and ensure successful project fulfilment that is influenced by a project team. The authors of the paper propose a model for project team members' selection considering both the competences and personal preferences of employees (Appendix).

1. When a team for a project needs to be staffed, the first task that needs to be fulfilled is definition of the number of employees (E , $1 \leq E \leq r$, $E = 1, 2, \dots, r$) needed and this can then be allocated by the organisation departments for the project implementation. Thus, a document with the allocated employees and their profiles will be created. The profiles can be retrieved from the HR/ personnel database of the organisation. The profiles need to include data on the employees' competences and their levels as well as their personal preferences (Hermann, 1996; Kjærgaard et al., n.d., pp. 8–9). The database can be connected to the employees' assessment system (e.g. such as NEVIS (Ministru kabinets, 2012) in Latvia that is used to assess public administration organisations employees' performance). Employees' profiles need to have numerical competences assessment results. The system also needs to have personal preferences test(s) results emphasizing the main (one out of four) personal preference of the employee. As preferences and levels of competences might change, the test(s) and competences assessment need to be implemented periodically.

2. The project team recruiters need to be aware of the necessary team members' roles and tasks, therefore they would be able to define the competences necessary to implement the project. This is the second step of the selection process (preparation for the selection activities). Besides the necessary competences, other selection criteria might also be defined e.g. age of experience working with certain tasks or in a certain field, level of a certain language knowledge and other abilities that are not directly included in the set list of the competences that might usually be assessed via e.g. the employees' performance assessment system. An important detail that needs to be highlighted is the necessity for other criteria evaluation using the same numerical evaluation scale i.e. if the competences are assessed using a 5-point scale, other criteria need to be assessed using a 5-point scale too.

3. The third step would be the comparison of all competences and criteria by importance level necessary for the project implementation. The level of importance needs to be split between all criteria and competences proportionally. A pair-wise comparison can be implemented to fulfil this task using, for example, Saaty's 9-point linear scale (Coyle, 2004).

4. When the evaluation criteria and the candidates (allocated employees) profiles with necessary data are prepared, the evaluation can be started. The fourth step presumes the certain calculation using equation (1).

$$\sum_{j=1}^n a_{ij} b_j \quad (1)$$

where

- 1) i – an employee/ candidate number (code), $1 \leq i \leq m$ ($i=1, 2, \dots, m$)
- 2) j – a competence number (code), $1 \leq j \leq n$ ($j=1, 2, \dots, n$)
- 3) b_j – a proportion of a competence j by importance level, $0 \leq b_j \leq 1$; the sum of proportion of each competence should be equal to 1 (2)
- 4) a_{ij} – numerical level of a competence j of an employee/ candidate i , $k \leq a_{ij} \leq l$, where k and l are determined by organisation or a normative act, which regulates the competences numerical assessment scale's range.

$$\sum_{j=1}^n b_j = 1 \quad (2)$$

5. The fifth step includes the sorting of the employees/ candidates by the score got based on the calculations fulfilled in step four. The recruiters can create a list/ rating of the employees/ candidates with the highest score. Inclusion of the employees/ candidates can be based on the number of the employees needed (E) that is more suitable in case, when a number of the employees/ candidates allocated or applied for the competition (if internal recruitment and application is acceptable and possible; usually it is possible in the larger structured organisations) e ($1 \leq e \leq u$, $e = 1, 2, \dots, u$) is more than E (i.e. $e > E$) or based on the minimal acceptable score defined (d , $k < d < l$, because it is doubtful that a minimal score to be included in the rating could be k (the minimal possible) or l (the maximal possible)). In the first case, the top E with the highest score is selected. In the second case, employees/ candidates are selected, if they meet the criterion (3).

$$\sum_{j=1}^n a_{ij} b_j \geq d \quad (3)$$

5.1. If number of the preselected employees is less than the number of the employees needed (E), it is necessary to outsource candidates (have an external recruitment).

5.2. Having outsourced applicants (candidates), it is necessary to test them, assessing their competences and abilities (if applicable) that are needed to work on the project and define their personal preferences. Having a list with the outsourced candidates and their profiles, the selection process can then be continued from step four.

6. If number of the preselected employees is greater than needed for the project (E), the final selection step can be made. It is selection of the number of the employees needed (E) with the highest rating score having at least one representative from each personal preference group present. It is time to split employees/ candidates to four groups by their personal preference. It might happen that there are employees/ candidates, who represent only a few out of the four groups by personal preferences. The task is to have the maximally diverse team possible with the maximal summed score (calculated applying mathematical approach (linear programming) to solve optimisation problem (4).

$$\sum_{j=1}^n a_{ij} b_j = A_i \quad (4)$$

$$\sum_{z=1}^4 A_{iz} x_{iz} \rightarrow \max ,$$

where

- 1) A_i is a rating score of an employee/ candidate i preselected;
- 2) A_{iz} is a rating score of an employee/ candidate i preselected, who has a personal preference z ($z = 1, 2, 3, 4$);

3) x_{iz} is an indicator that shows, if an employee/ candidate i preselected, who has a personal preference z , is selected as a project team member, $0 \leq x_{iz} \leq 1$, so x_{iz} is binomial and integer (5); if $x_{iz} = 0$, it means that the employee/ candidate i preselected, who has a personal preference z , is not selected as a project team member, if $x_{iz} = 1$, the employee/ candidate i is selected as a project team member.

Satisfying an objective function (4), some limitations should be considered. First, it is necessary to identify z . Each out of four personal preferences z is coded by a number from 1 to 4. If there is no employee/ candidate preselected that has any of the preferences z , this preference z is excluded from the further calculations, i.e. if there are employees/ candidates with only three out of four preferences, $1 \leq z \leq 3$ ($z = 1, 2, 3$). Secondly, limitations (5) need to be considered.

$$\left\{ \begin{array}{l} \sum_{i=1}^m x_{iz} \geq 1 \\ \sum_{z=1}^4 x_{iz} = E \end{array} \right. \quad 0 \leq x_{iz} \leq 1, x_{iz} = bin, x_{iz} = int, \quad (5)$$

where

E is number of employees needed for the project implementation $1 \leq E \leq r$, $E = 1, 2, \dots, r$.

7. The final step is a check of the selected employees/ candidates by personal preferences.

8. If $1 \leq z < 4$, it is necessary to define possible risks and challenges that might appear because of the lack of team members with the certain professional preference(s) to be ready to overcome these challenges (Stariņeca, 2016).

The project team is staffed and analysed by strength and weaknesses. During the project implementation team members could support each other by being mentors of each other in the certain field that will help them to be involved in a lifelong learning process and develop their competences.

The model is applicable in cases when an organisation selects project team members separately by roles. In this case, E_p is the number of employees needed for the certain role p , but e_p is the number of employees allocated for the certain role p or who have applied for it (if internal recruitment and application is acceptable and possible; usually it is possible in the larger structure organisations). Thus, each other defined value a , b and d will be defined for the certain role p .

Sometimes outsourcing is difficult to implement or impossible for a PA organisation, therefore it is necessary to consider that $E \leq e$. If this imparity is not true from the beginning, the recruiters need to optimize project work and split project team roles and responsibilities between the maximally available number of employees and change E value, so it is $E \leq e$ to start the selection process. It is necessary to do this even if outsourcing is possible because E is the number of employees that are needed and could be potentially allocated.

When teaching a Human Resource Management course to Public Administration program students, the proposed model can be demonstrated as an example of the rational project team selection approach for a Public Administration organisation implementing Lean (Stariņeca, 2017).

Conclusion

The development of such a social body as a public administration requires a reassessment of the role of the factors that influence the expression of the personality and create behaviour. The possibility to use and develop competences also depends on the opportunity given by the employer including working conditions and satisfaction of personnel preferences of the employees. For a project's successful implementation, it is important to consider a complex approach to the selection of project team members.

The developed tool is more suitable for large organisations that may afford to assign different department members to work on certain ongoing internal projects. Each company needs to evaluate if it can afford to apply human resource outsourcing in cases where a lack of competent employees are allocated for work on a project. The tool helps to increase the efficiency of a project team by selecting the most competent employees from the pool and creating a balanced team by their personal preferences as much as possible. It can be a base for a software or a function integrated into existing software that connects an organisation's human resource management system. The system should have information on employees' professional profiles i.e. a database with a list of competences and personal preferences of each employee. The level of the competences needs to be periodically assessed (performance appraisal) and updated in the database.

The model has not been tested yet. Testing and evaluation of the examination may be a base for further studies.

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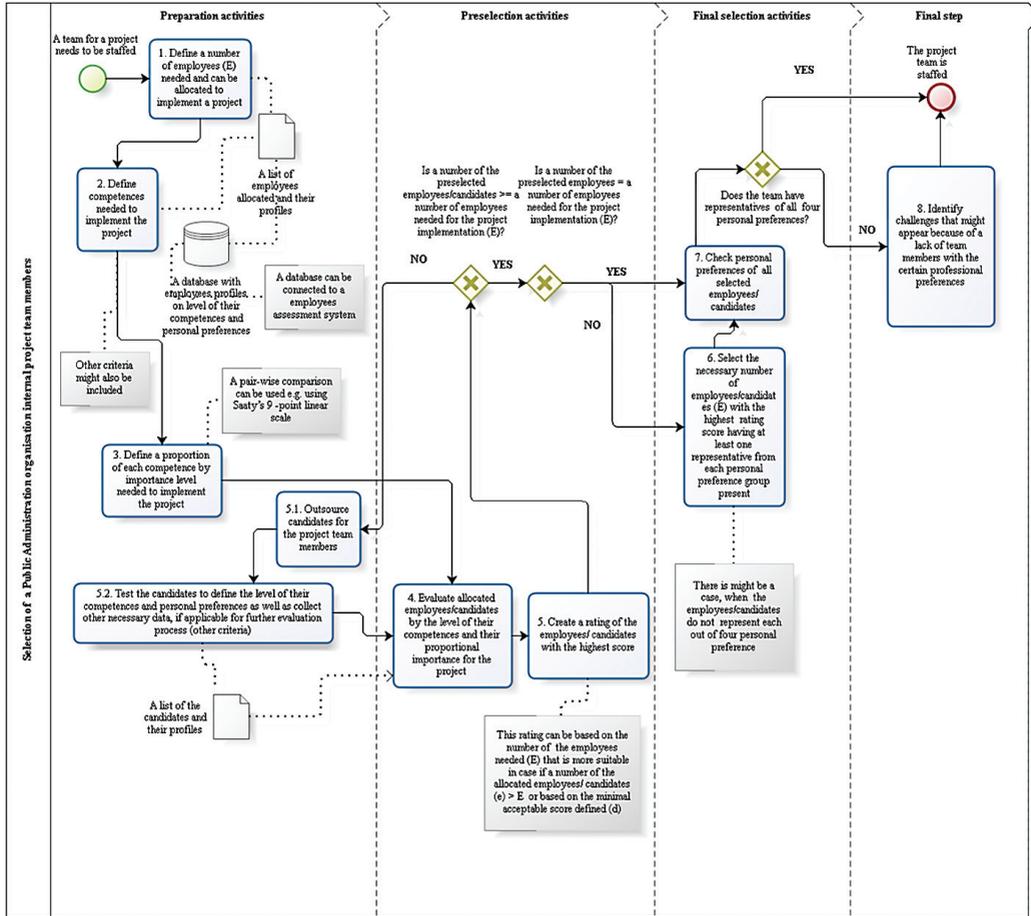
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APPENDIX

A proposed model of a Public Administration organisation project team members' selection process implementing Lean



Adapted from Stariņeca, 2017.

SMART CITY NARRATIVE IN INDONESIA: COMPARING POLICY DOCUMENTS IN FOUR CITIES

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Abstract

This paper aims to investigate the narrative of smart city policy in four Indonesian cities. Yogyakarta City, Surabaya City, Magelang City, and Madiun City were chosen as the locus of this study since these cities were winners of the Indonesian Smart City Index 2015.

The author compares their medium-term development planning documents using analysis of policy narrative approach which reconstructs the stories that actors tell about policy issues written in the official policy document. This study endeavours to analyse how these cities engage with smart city policy and initiative from a comparative-based study.

Based on the content analysis as a research method, it can be concluded that these cities conceptualise the smart city program in different ways since there is no specific regulation guiding smart city policy in Indonesia. The result of this study also maps the main themes of smart city as stated in their medium-term development planning document. Theoretically, it contributes the discourse of smart city policy studies in a developing country context. Practically, this study suggests a policy implication that cities need to consider as a specific grand design on how local government implement smart city initiative.

Keywords: cities; urban studies; urban affairs; urban policy; smart city; smart city policy; policy narrative; analysis of policy narrative; content analysis; comparative study; Indonesia.

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Introduction

Asian cities are at the centre of urban flux causing complexities in their urban affairs (Menon, 2017). In line with the development of technology, smart city is regarded as one of the solutions addressing various urban problems. The smart city diffusion has grown rapidly and become a trending word across the globe. Numerous cities in South East Asia including Indonesia have become keen on 'smart' recognition and immediately jumped on the bandwagon to apply this fashion of urban policy. Practitioners, politicians, and public managers eagerly shout smart cities as a jargon in their day-to-day administration.

Studies on smart city in Indonesia have mushroomed in the last five years as have efforts to address complexities in managing urban affairs. Recent literature in Indonesian smart city research are highly focused on techno-managerial venues with a special emphasis on sustainability issues. Numerous studies have tried to uncover the technology features in the implementation of a smart city program such as Suakanto et al. (2013); Sutanta, Aditya, and Astrini (2016); Sasono et al. (2016); Susanti et al. (2016); Wiseli, Tanusetiawan, and Purnomo (2017). Other studies focused on smart environment and sustainability (Rahmat, Syadiah & Subur, 2016; Rusadi *et al.*, 2016; Rachmawati, 2017) and co-creation and smart city governance (Mayangsari & Novani, 2015). Also in the disability and human right discourse Suryotrisongko, Kusuma and Ginardi (2017) investigated how smart city design deals with disability issues.

Even though they offer a wide range of explanations in the Indonesian context, limited studies have been done to address smart city policy-related issues. None of the studies emphasizes how policymakers understand and conceptualise smart city in their official policy documents. The trajectory on policy-related research on Indonesian smart city is needed to enrich the Indonesian smart city discourse. In the other facade, understanding issues, topics, themes, and problems are fundamental parts in the public policy process (Parsons, 1995; Howlett, 2011). Deeper understanding can be attained by defining the issues in the most appropriate context. Thus, well-defined policy agenda in the policy process is very beneficial to obtain quality decision making. Understanding urban development strategic policy and agenda which is narrated in the regional development planning document will provide valuable insights on how city governments engage with smart city initiative.

This study will close the knowledge gap on smart city research by focusing on smart city strategic policy as a platform of urban development. The purpose of this study is to investigate the definition and conceptualisation of smart city from the policy narrative perspective. Therefore, this article will tackle the following two questions: 1) How do the winners of the smart city contest in Indonesia conceptualise the smart city concept in their policy documents? 2) What smart city themes have frequently emerged in their policy documents? These research questions are very important because they allow us to understand the conceptualisation of smart city from a policy-maker perspective.

This article starts with a theoretical review of the smart city concept and smart city research in Indonesia. Then, an investigation into smart city's definition

and conceptualisation, based on their strategic policy documents, is conducted. Further, I discuss a comparison analysis to understand how these cities engage with the smart city program. In the last section, the author concludes and comes up with policy implications based on the findings and discussion.

Smart City: Understanding the Concept

The smart city concept originated from the word smart growth which was mainly used in urban planning activities (Harrison & Donnelly, 2011). Then, it was widely used by Information Technology Corporations such as Siemens (2004), CISCO (2005), IBM (2009), and Alcatel (2012) in relation to building information systems supporting urban infrastructures. These forms can be telecommunication, transportation, energy and waste management, and other public service provisions. This smart city concept further develops into an ideal city that uses technology to improve the quality of life and satisfy citizens' needs.

In practice, smart city may be mentioned in many terminologies such as digital city (Rezende *et al.*, 2014), intelligent city (Komninou, 2006; Mulay *et al.*, 2011), city information (Piro *et al.*, 2014), and ubiquitous city (Anthopoulos & Fitsilis, 2010). These variations are parts of different meanings by which cities interpret smart city policies. The simple way to interpret the smart city concept is by chopping the phrase into single words. Smart city contains two words: smart and city. The practical terms of city can be understood as a place where people live but more modern than a village or town, and with more complicated problems as well. From the residential point of view, the city is not just a place to work but is a liveable place. While smart, can be defined as clever, competent, ingenious, resourceful and proficient according to the Indonesian Dictionary. Generally-speaking, smart city is a liveable urban place that offers smart and competent services to its inhabitants.

Being aware that smart city is a complicated concept and comes from many fields (Albino, Berardi & Dangelico, 2015), a common definition is hard to achieved (Nam & Pardo, 2011; Gil-Garcia, Pardo & Nam, 2015). Either in academic scenes or practical venues, there is no consensus to define what is meant by smart city and how it should be implemented (Gil-Garcia, Pardo & Nam, 2015), albeit the phrase 'smart city' has been widely used in urban governance (Chourabi *et al.*, 2011; Nam & Pardo, 2011; Alejandro *et al.*, 2014; Neirotti *et al.*, 2014). As an emerging-multidiscipline concept, smart city is still in progress and applied in different nomenclatures and contexts. Being "smart" means that multiple stakeholders aim for sustainable solutions adopting digitalization (Öberg, Graham & Hennelly, 2017, p. 470). The use of digitalization means applying technology advancement which supports smart city implementation. This concept is in the same boat with Caragliu, Del Bo and Nijkamp (2011) who argued that smart city deals with investments in social capital, economic growth and a high quality of life. A weight of foundation on technological dimension is also claimed by other scholars. Kim, Ramos and Mohammed (2017) related the smart city implementation with the internet of things (IoT) which refers to the use of technology of IoT in smart city development. The use of IoT corroborates with Paroutis, Bennett and Heracleous

(2014) who exposed the strategic views on smart city technology in the case of IBM smart city.

Other disciplines see different views on smart city definitions, for instance, in the area of urban and regional planning study, Angelidou (2014) argues that smart cities are urban settlements that seek to utilize strategic information technology landscapes to achieve the prosperity, effectiveness and competition levels of cities. She pinpoints the key themes of agglomeration of urban development along with an urban development model based on the utilization of human, collective, and technology. This perspective focuses smart city on landscape and settlement issues for city habitants.

A different point of view comes from the public administration perspective which argues that the notion of society, efficiency, and governance should be integrated into smart city implementation. Anthopoulos and Reddick (2016) noted smart city as the ability of cities to integrate public sector innovations not always, although mostly, from information technology to improve living standards in the context of society, economics, mobility and governance. In this sense, public-sector innovation is in the lead to improve quality of life. The smart city implementation should be complemented by collaboration which involves many actors and stakeholders in urban life. Snow, Håkonsson and Obel (2016, p. 92) state that “A (a) smart city can be understood as a community in which citizens, business firms, knowledge institutions, and municipal agencies collaborate with one another to achieve systems integration and efficiency, citizen engagement, and a continually improving quality of life”. This definition underlines the important aspect of collaboration among smart city actors to achieve the quality of life in the urban area. Similarly, Öberg, Graham and Hennelly (2017) have also noted that smart city is a new way of organizing characterized by shifting production and consumption from global to local, manufacturing from competitive to collaborative, and changing business processes from a shareholder to a multiple-stakeholder perspective.

From the various concepts and definitions above, we can draw some key issues and principles shaping smart city concepts such as the use of information technology, physical infrastructure, social capital, business world, and the governance aspect to go to a habitable city in an innovative way. The core concept can be clustered into three main features. First, the use of technology especially information and communication technology. Second, the availability of infrastructure and network as well as management in supporting the smart city program. Third, the smart city initiative is intended to provide quality public services and address societal problems in the urban area. In the practical setting, Giffinger (2007) offers a multidimensional component of smart city consisting of smart economy, smart people, smart governance, smart mobility, smart environment, and smart living.

Situating Smart City Research in Indonesia

The smart city concept has stolen high attention from both academics and practitioners in Indonesia. Several studies have already been conducted from various angles. Some of the most notable studies were conducted in the ma-

major cities in Indonesia that are perceived as smart cities. These studies can be grouped into three streams and have shaped the body of literature in Indonesian smart city research.

The first stream is called smart technology research, which mainly focused on the technological issues and a sensor-based application. Suakanto et al. (2013) proposed monitoring the application to help summarize the current condition of Bandung city. Using a dashboard as a prototype, it provides more accurate information about what happened in the entire city. In the same way, Susanti et al. (2016) developed an indicator for residential density in Indonesia to support decision making on smart population. The sensor-based application has also been developed by Sutanta, Aditya, and Astrini (2016) who employ Geographical Information System (GIS) to provide topographic maps and land parcel maps. In the public transportation issue, Sasono et al. (2016) studied the necessity of a smart subway system to tackle the congestion problem based on smart technology.

The second stream pays strong attention to sustainability issues. Thus, this kind of research is called smart environment. Some of the studies were conducted in relation to the Sustainable Development Goals. Rachmawati (2017) studied qualitative research, especially comparative analysis between Bandung city and other smart cities best practices from abroad as the benchmark. She argues that a smart city initiative should consider a smart environment program since it implies positive transformation of the urban development. Other studies also highlight the importance of an environmental perspective on implementing smart city such as Rahmat, Syadiah, and Subur (2016) who scrutinize pollution load in coastal areas as well as the modelling of dynamics in water areas as a source of information and data to enhance public awareness on water pollution. Further, Rusadi et al. (2016) stressed the point that the local authorities should have a commitment to provide green open space if they want to implement smart city.

The last research stream has centred its discussion on the governance and human aspect. Mayangsari and Novani (2015) researched the academic development of multi-stakeholder co-creation analysis in smart city management based on the perspective of service science. Using a literature review as their research method, they argue that the smart city initiative cannot be well-implemented without co-creation from various stakeholders. In line with this argument, the smart city initiative should consider the involvement of the community at large as well as inter-governmental coordination and cooperation (Tarigan *et al.*, 2016). Other studies have tried to understand the smart city implementation through games. Wiseli, Tanusetiawan, and Purnomo (2017) conducted an experiment on gamification on smart city and claim that games can be used to improve the idea of smart city initiatives. One more interesting research targets disability-friendly regarding smart city design. A literature review and comparison study by Suryotrisongko, Kusuma and Ginardi (2017) reached the conclusion that smart city designers need to consider Four-Hospitality, which consists of accessible, safety, problem solving, and flexible as the standard benchmark assessment of smart city design.

Smart City as a Socio-technological Effort

The smart city initiative should not be perceived as a technological issue alone, but a complex process of institutional change (Meijer & Bolivar, 2016). Some frameworks explaining smart city have been proposed by scholars such as Chourabi et al. (2011) who offer smart city as an integrative framework, Harrison and Donnelly (2011) with their urban system, and Nam and Pardo (2011) who argue smart cities as multi-dimensional entities consisting of technology, people, and communities. Of the three models, the multi-dimensional perspective by Nam and Pardo (ibid.) is likely become the ideal choice as an analytical framework for understanding smart city policies in research loci. This model is similar to what Meijer and Bolivar (2016) called smart urban governance focused on technology, human resource, and governance. The institutional perspective by Nam and Pardo (2011) is very similar to the governance focus from Meijer and Bolivar (2016), while the human resource is equal to the human factor by Nam and Pardo (2011).

The multi-dimensional perspectives of technology, human, and institutional factors are rationally located in the interconnection and interdependence themes to support smart city policy implementation. In addition, the model is drawn from the practical experience of cities that are considered successful in implementing the concept of smart city. The principle of integration of these three factors is the synergy of infrastructure and technology services, social learning for infrastructure strengthening, and governance for the improvement of institutional quality and community participation.

The transformation of smart city initiatives requires interaction between technological components, the social context of urban citizens, and institutional policy. In other words, the concept of smart city does not live in a vacuum. The political domains of a smart city made up of local leaders, local parliaments, citizens, and interest groups will influence the smart city policies. In addition, the technocratic level of local government bureaucracy also contributes to the implementation process (Alejandro et al., 2014; Dameri, 2013). The political domain shall be considered and synchronized with the public demands and policy setting agenda (Klijn & Koppenjan, 2012; Wolfe, Jones & Baumgartner, 2013; Meijer & Bolivar, 2016).

Data and Method

City Choice

One of the smart city assessments in Indonesia is the Indonesia Smart City Indicators or *Indikator Kota Cerdas Indonesia* (IKCI). This benchmark was initiated by Kompas – a national mass media corporation, Bandung Institute of Technology (ITB), and National Gas Company/*Perusahaan Gas Negara* (PGN). The IKCI index integrates an internal bureaucracy assessment including both infrastructure and supra-structure and the external-citizens perception as the manifestation of service responses. Thus, it comprehensively measures the smart city performance from both internal and external aspects. IKCI has six categories of assessment using parameters of population, economic, social, and environmental category.

Table 1

The winners of smart city IKCI 2015

Categories	Winners
Population over 1 million people	The city of Surabaya
Population of 200.000 to 1 million people	The city of Yogyakarta
Population up to 200.000	The city of Magelang
Economic	The city of Magelang
Social	The city of Madiun
Environment	The city of Surabaya

Magelang city, Yogyakarta city, Surabaya city, and Madiun city were chosen as representatives of Indonesia's top achievers in the Indonesia Smart City Indicators 2015. Reading about how they define and conceptualize smart city in the urban development planning will enhance our understanding of the way in which policymakers posit smart city as a foundational element of urban policy implementation. This study also offers an empirical comparison on how they set smart city policies. To do this, the author focuses on the analysis of strategic policy dimensions. The strategic policy on the smart city program becomes very important and influential in terms of understanding the smart city initiative (Chourabi *et al.*, 2011) and firmly leads the implementation phase (Angelidou, 2014; Dameri & Cocchia, 2013; Renata Paola Dameri, 2013; Paroutis, Bennett, & Heracleous, 2014).

Document Choice and Criteria

The dissemination of smart city policy agenda can be formed in many ways such as by law, policy briefs or memos, press releases, features on their website, and social media. However, these variations would generate confusion and difficulties on comparative analysis. A set of criteria is employed to maintain the objectivity and validity of comparative analysis. Ideally, the narrative policy approach should be analyzed from the regulation that specifically regulates the smart city initiative. Unfortunately, there has not been a specific regulation that guides the smart city initiative such as a blueprint, a grand design or a roadmap. For instance, Surabaya City has not legalized its smart city program, but we can find some regulations supporting the realisation of smart city (Suhendra, 2017) such as Mayor Regulation Number 5/2013 on Guidelines for Technology Utilization Information and Communication in Organizing Local government or Mayor Regulation Number 28/2013 on Service Licensing and Non-Licensing by Electronics in Surabaya City.

Thus, the choice of policy document falls into *Regional Medium Terms Development Planning Document / Rencana Pembangunan Jangka Menengah Daerah (RPJMD)*. RPJMD is the foundational strategic policy document in which city governments design the development planning agenda. The decision on picking RPJMD is backed up by four reasons.

Firstly, the RPJMD document is a compulsory document that guides Indonesian local governments to implement local development. This means that all

the local governments, without exception, should have an RPJMD document as an administrative guidance for the next five years' polity. The procedure of the decision-making process of RPJMD document is standardized to all local governments in Indonesia. Secondly, The RPJMD stretches to five years of implementation. It allows local governments to design and implement their strategic policy in the medium period. Being aware that smart city outcomes cannot be achieved in the relatively short-term period, the medium-term development agenda fits for this study. Thirdly, the RPJMD is legalised into regulation as the manifestation of agreement between the local legislative body and a major/regent/governor as an executive entity. Since the RPJMD is an official directive, it enforces local governments to implement development agenda in accordance with RPJMD. Fourthly, the process of RPJMD is funded by local government budgets which leads to autonomy and internal motives. This condition tends to reflect that the smart city initiative comes from the internal city government, rather than sponsored by external parties such as non-government organizations or corporations.

This study focuses on chapters five and six of the RPJMD¹ document that declares the vision, mission, aims, target, strategies and policy directions. These chapters reflect the strategic policy layer through which city governments develop action plan for urban development.

Analysis of Policy Narrative

This study follows the narrative policy analysis tradition which emphasises policy analysis using stories or a narrative approach (Van Eeten, 2007; Roe, 1994; Shanahan, Mcbeth & Hathaway, 2011; van Eeten, Loucks & Roe, 2002; Van Eeten & Roe, 2000). This study utilised the analysis of policy narrative approach which reconstructs the stories that actors tell about policy issues written in the official policy document.

To compare policy texts, this study applied content analysis as a method. In the text analysis paradigm, Carter, Ladrech, Little, & Tsagkroni (2017) and Will, Benoit, Slava, & Laver (2011) argued that analytical techniques can be placed into two extremes from qualitative to quantitative in the continuum line. To take advantage and avoid any weaknesses from both continuum, this study posited in the middle range which accommodates qualitative and quantitative modes of analysis. In the qualitative analysis, the researcher analysed RPJMD using semantic analysis and made signposts on the important issues related to the smart city contents. While quantitative analysis is treated to support the qualitative argument. Technically, the author used designation analysis (Krippendorff, 2013) to identify the smart city themes.

The data management is aided by NVivo 11 as a qualitative analysis software to ease the text analysis of the city government policy documents. NVivo contains two cores of apparatuses and includes Nodes to designate the theme of analysis and source where the set of text is stored and organized. Based on the literature re-

¹ The 4 policy documents are Regional Regulation Number 10/2016: Regional Medium Terms Development Plan 2016–2021 for Surabaya City, Regional Regulation Number 7/2012: Regional Medium Terms Development Plan 2012–2016 for Yogyakarta City, Regional Regulation Number 1/2016: Regional Medium Terms Development Plan 2016–2021 for Magelang City, and Regional Regulation Number 4/2014: Regional Medium Terms Development Plan 2014–2019 for Madiun City.

view on smart city characteristics and its dimensions, seven Nodes were employed to understand how city governments define smart city and interpret this notion in their policy documents. Further, three Nodes were used to identify core themes which occurred in smart city initiatives.

Table 2

Smart City Definition Text Analysis Framework

No.	Nodes	Description
1	Explicit definition of smart city	The document explicitly presents the smart city definition on its text
2	Smart economy	The document emphasises smart city as smart economy (and its indicators) and stressed competitiveness as a keyword
3	Smart people	The document emphasises smart city as smart people (and its indicators) and stressed social and human capital as keywords
4	Smart governance	The document emphasises smart city as smart governance (and its indicators) and stressed participation as a keyword
5	Smart mobility	The document emphasises smart city as smart mobility (and its indicators) and stressed transport and ICT as keywords
6	Smart environment	The document emphasises smart city as smart environment (and its indicators) and stressed natural resources as keywords
7	Smart living	The document emphasises smart city as smart living (and its indicators) and stressed quality of life as keywords

Table 3

Themes on Smart city initiative

No.	Nodes	Description
1	Technological aspect	The document stated technology as the main aspect of smart city initiative
2	Institutional aspect	The document stated governance as the main aspect of smart city initiative
3	Human aspect	The document stated human factor and social capital of people who live in the city as the main aspect of smart city initiative

Findings

Explicit Definition

Based on the content analysis, only Magelang City explicitly states the notion of a smart city in its policy document. In Magelang city's RPJMD, Smart city is defined as "a city with effective and efficient management to optimise services to its citizens fairly without discrimination with the support of information technology-based communication connectivity in the business world, public service delivery system, community participation mechanism in conveying aspiration, control, and complaints to support regional competitiveness" (RPJMD Kota Magelang, V-1). Further, it also declares a component of smart city in six dimensions: (a) Smart Governance

indicated by the development of e-governance and community participation in development planning, (b) Smart Infrastructure indicated by the development of an IT network and IT based management information system, (c) Smart Economy indicated by city branding development, entrepreneurship development, e-commerce development, and a creative economy, (d) Smart environment indicated by management of an IT-based environment, IT-based natural resource management and utilization of renewable energy source, (e) Smart people indicated by the education and development of literate human resources and research support and development of the socio-cultural character of the community (f) Smart Living indicated by easy access to education services, easy access to health services, media role development, and easy access to security guarantees. The other three cities do not mention the notion of smart city in their policy documents explicitly.

Interpreting Smart City Conception from the Urban Development Planning Agenda

To ease the elucidation of smart city translation in their policy documents, the analysis of vision, mission, strategy and policy direction will firstly be presented. Secondly, the comparative analysis of a whole policy document from 4 cities will follow accordingly.

Yogyakarta City

The first strategic policy layer is a vision statement. Yogyakarta City wants to be a city with quality education, a community with character and inclusive, supported by cultural-based tourism and a centre of services with an environmentally-based economy. From this narrative, it can be interpreted that Yogyakarta City's vision is highly stressed in three dimensions named smart people, smart economy, and smart environment. The second strategic policy layer can be analysed in its mission statement. Yogyakarta City has a mission to achieve smart governance and a smart economy. The mission statement consists of four areas: to achieve good and clean governance, to achieve quality public services, to achieve community empowerment, and to achieve strong regional competitiveness. To operationalise the vision and mission, Yogyakarta City sets the aims of the urban development agenda as a third strategic policy layer. Its aims are to organize a quality government, to improve quality public services, to improve welfare and strengthen regional competitiveness. From this narration, the third strategic policy layer is aimed at accomplishing smart governance, smart people, and smart economy. While, the operational level of strategy and policy direction include every aspect in the smart city dimension: smart economy, smart people, smart governance, smart living, smart mobility, and smart environment.

Surabaya City

Surabaya city has a vision to be a prosperous, character-based, globally-competitive and ecological-based city. Prosperity and global competitiveness can be considered as smart economy achievements, while a character-based city implies smart people attainment and ecology-based city is correspondent with smart envi-

ronment. This vision is materialized in ten mission statements: (1) to achieve quality community resources (smart people), (2) to empower the community and create the widest opportunity for all (smart people), (3) to maintain security and public order (smart living), (4) to realize an integrated spatial arrangement and attention to urban capacity (smart living), (5) to strengthen the facilities and infrastructure and the environmentally friendly settlements (smart environment), (6) to strengthen local cultural values in society (smart people), (7) to be a hub of trade and services on a national as well as international level (smart mobility), (8) to strengthen good governance implementation (smart governance), (9) to strengthen the competitiveness of local economic enterprises, product innovation and services, and the development of creative industries (smart economy), (10) to achieve integrated city infrastructure and utilities (smart living).

These ten mission statements have already covered six smart city dimensions: smart economy, smart people, smart governance, smart living, smart mobility, and smart environment. All missions have also been translated into the strategy and policy direction contained in six dimensions of smart city. In short, Surabaya City wants to achieve the ultimate goals contained smart economy, smart people and smart environment.

Magelang City

Magelang city states its vision as a smart and modern service provider based on a prosperous and religious society. This vision clearly calls the notion of smartness as a key point in its policy document which can be treated as a mainstreaming agenda in the effort of urban development. The interpretation of this vision mainly pinpoints smart economy to provide excellent services and to attain smart people, and which is reflected by a religious society. To achieve its vision, Magelang city has five missions. Firstly, to improve the qualified and professional apparatus by optimizing technology as the basic requirement of clean local government and responsiveness. This mission focuses on the direction of smart governance since it relies on good and clean governance and community participation. Secondly, the mission is aimed at developing and maintaining urban facilities as well as basic services of education, health, and trade. These kinds of services will be delivered in more modern and environmentally friendly ways. This narration can be attributed to the smart living and smart environment. Thirdly, Magelang city states its mission to increase the equity of urban infrastructures to support economic development and community welfare. This statement is closely associated with smart living and smart economy. Fourthly, Magelang city wants to develop cultural and local art as the foundation of development and tourism in Magelang city. This narrative entitles Magelang city to be a culturally-based community which can be attributed to the smart people perspective. Lastly, the mission is designated to the foundational element of civil society which notably is going to be the fulfilment of smart people.

Madiun City

Madiun city declares its vision to be a better and prosperous city. A better city is defined as a solid and harmonic society based on local wisdom and religiosity, whilst prosperous means all community members reach social-economic

independence. Thus, smart people and smart economy are most suited to be interpreted in its vision. To achieve its vision, Madiun city has four missions. The first mission is envisioned to realise participative development. This statement emphasises the people as the centre of development. The second mission is related to smart governance since it designates to achieve a clean and good governance in the process of governing. The other two are closely directed to smart people and smart economy due to their attribution on public service provision and prosperity to the people. Madiun city operationalises its vision and missions into strategy and policy directions. Although it does not explicitly state it in detail, all dimensions of the smart city initiative had been represented in Madiun city's policy directions.

The comparison of their vision, mission, strategies, and policy direction are presented in Table 4.

Table 4

Comparisons Among the Four Cities*

Policy Layer	Yogyakarta	Surabaya	Magelang	Madiun
Vision	3 dimensions (people, economy, environment)	3 dimensions (people, economy, environment)	2 dimensions (people, economy)	2 dimensions (people, economy)
Missions and aims	2 dimensions (governance, economy)	6 dimensions (economy, people, governance, living, mobility, and environment)	5 dimensions (economy, people, governance, living, and environment)	3 dimensions (governance, economy, people)
Strategies and Policy Directions	6 dimensions (economy, people, governance, living, mobility, and environment)	6 dimensions (economy, people, governance, living, mobility, and environment)	6 dimensions (economy, people, governance, living, mobility, and environment)	6 dimensions (economy, people, governance, living, mobility, and environment)

* Synthesised by Author based on the Giffinger & Fertner (2007) framework

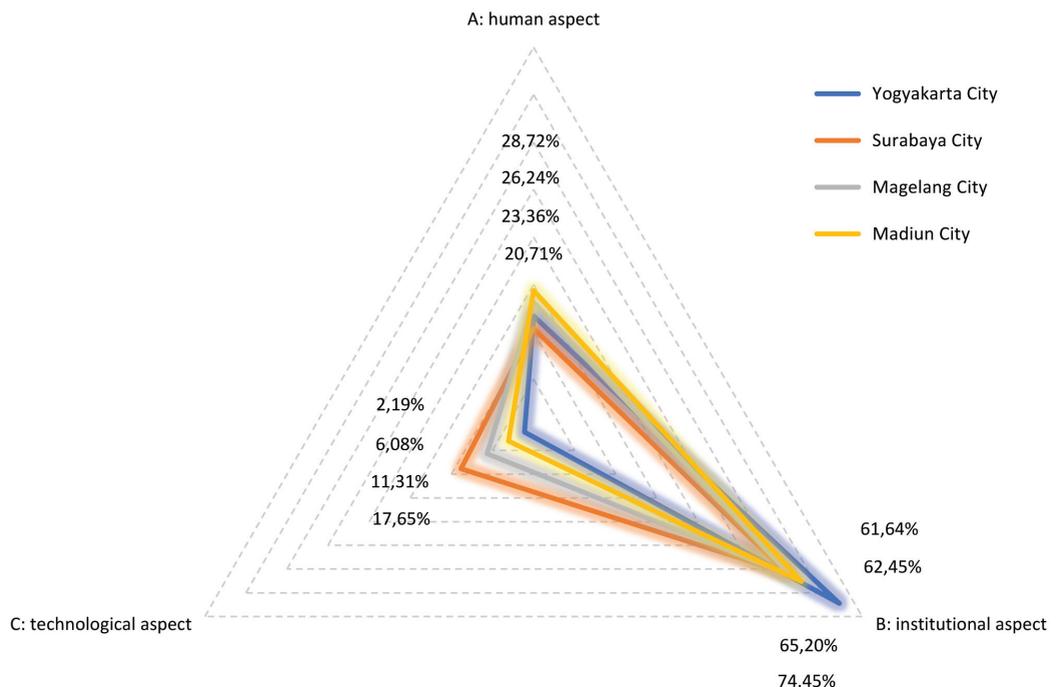
From the above table, there are various patterns on how cities formulate their urban development plan in the perspective of smart city dimensions. The analysis refers to the hierarchical strategic policy as a guiding program on urban development. Yogyakarta city and Surabaya city are equal in vision statement. Both contain three smart dimensions in the corpus of people, economy, and environment. The other two, Magelang City and Madiun City are in the same boat which reflects two dimensions in their vision statement consisting of smart people and smart economy. Unlike, Yogyakarta City and Surabaya City, Magelang City and Madiun City do not attach an environmental aspect to their vision statement.

The missions and aims section refers to the core activities in order to achieve the vision. In this section, all four cities are in a different state. Surabaya city contains all the smart city dimensions in its mission statement. Yogyakarta city has only two dimensions comprising smart governance and economy, while Madiun city has three dimensions involving smart governance, smart economy, and smart people. The similarities among them can be seen in the strategies and policy directions as

the operational facade of strategic urban development planning. Smart economy, smart people, smart governance, smart living, smart mobility, and smart environment dimensions emerge in all of the cities. The fact that strategies and policy directions are given more detailed themes of smart city dimensions is understandable since the higher the operational level, the more details there will be.

Core Themes

Another central attention in the policy narrative analysis is ‘what themes have frequently occurred in their official policy document’. In this study, a themes framework was drawn and adapted from Nam and Pardo (2011) and Meijer and Bolivar (2016) which consisted of technology, institutional, and a human aspect. From the Matrix Coding Query analysis, four cities experience similar distribution on themes. All of the cities relatively share on average about 24.79% in human aspect, 65.94% on institutional aspect, and 9.31% on technological aspect. In Yogyakarta city, the core development on urban policy planning contains 23.36% on human aspect, 74.45% on institutional aspect, and only 2.19% on technological aspect. Compared to the other three cities, Yogyakarta has the highest content on institutional aspect, yet the smallest number on technological aspect. Surabaya city experiences 20.71% on human aspect which is the smallest among the four cities, and 61.64% on the institutional aspect. However, it has the highest content on technological aspect meaning that this city emphasises a technological facet in its urban development in order to implement a smart city program. Lastly, Madiun city and Magelang city are placed in the moderate position since they are in the middle range of the coding measurement in the institutional and technological aspect. On the human aspect, both are first and second place in the human aspect content respectively. Extended data and visualisation can be seen in the **appendices**.



Discussion

The findings of this study show that cities in the research loci conceptualised smart city differently. Using the smart city dimensions and themes corroborates with the literature, especially the six smart city dimensions (Giffinger, 2007) and smart city core themes (Nam & Pardo, 2011; Meijer & Bolivar, 2016), and the result contributes to the discussion of institutional factors in relation to laws and regulations influencing policy implementation. On digital government studies, Luna-Reyes, Mellouli, & Bertot (2013) stated that regulation is one of the critical success factors in the implementation. Other studies conducted by Angelidou (2014) and Paroutis et al (2014) have also argued that cities should take into account policies as a core element of smart city development. Instead of challenging this argument, this study advocates that policy and regulation need to be developed as a prerequisite to the smart city initiative.

The finding also shows that some cities have not integrated the political and administrative domain of the smart city initiative into an urban development plan agenda. The gap on political aspect is reflected by the fact that there is lack of clarity on smart city conception stated in the official policy document. Only one city – Magelang city- states clearly what this city means by smart city. This phenomenon leads to an agenda setting deficit since regulation is an important platform of policy agenda (Klijn & Koppenjan, 2012; Wolfe, Jones & Baumgartner, 2013).

The investigation into policy review shows that there is no policy document specifically regulating a smart city program within Indonesian local government. Consequently, there is no comprehensive strategic policy that navigates city government on smart city implementation. There were only partial policies linked to the smart city initiative. For instance, Surabaya city has not legalised its smart city program, yet some regulations support the realisation of smart city such as Mayor Regulation Number 5/2013 on Guidelines for Technology Utilisation of Information and Communication in Organizing Local government. Yogyakarta city also regulates the implementation of e-government as a partial policy to support the effort of smart city implementation by Mayor Regulation Number 15 from 2015. The absent of comprehensive strategic policy on smart city initiative will yield a vague implementation by city administration. In addition, it will soon transform as a *buzzword*, *jargon*, and *media speak* with inconsistent meaning. There is also a potential for a vested interest or political benefit which will be counter-productive to the smart city development. Thus, the existence of comprehensive smart city policy is urgently needed in Indonesian local government as the foundational policy document in implementing the smart city initiative in their jurisdiction.

In relation with the survey result of IKCI 2015, the theme reflected in the RPJMD is in accordance with the result of the IKCI survey held in 2015. From the matrix coding query result, Yogyakarta city has the highest frequency in institutional aspect and the lowest content on technology aspect. While Surabaya city is ranked number one in the technological aspect compared to the three others. Lastly, in the human aspect, Madiun city has the highest content

on attaining smart people which is highly stressed within health and education development. The content on RPJMD and survey results have indicated that official policy influences the way in which city government implements urban development.

Conclusion

The motivation behind this study is to analyse how recognised smart cities in Indonesia (Yogyakarta city, Surabaya city, Magelang city, and Madiun city) conceptualise a smart city program in their official policy document. Based on a content analysis from their medium-term development planning documents (RPJMD), this study shows that only Magelang city explicitly declares the notion of a smart city in its official policy document. Whilst Yogyakarta, Surabaya, and Madiun city do not explicitly state the smart city definition in their official development planning document. This study has also determined that there is no clarity on smart city definition although it is very important to have a clear definition for future policy agendas.

Definition matters in order to address the following issues. Firstly, the clarity of the concept provides stakeholders with a robust understanding about the clarity of government policies and programs so that it can answer what, who, when, how, and how far the smart city program is implemented. Secondly, it enables set standards which can be used as a reference to monitor and evaluate the smart city program. Thirdly, in the theoretical perspective, clarity of terminology helps researchers to make policy theorization of the smart city conception.

This study has some limitations that need to be noted. Firstly, the use of policy text as the main source of data will lead to narrow perspectives on smart city definition and conceptualisation. Secondly, some the official regional development planning document/RPJMD of these cities were legalised before the city administrations declared a smart city initiative (e.g. Yogyakarta city). Future research may emphasize multiple data sources, not only from policy text but also from interviews and focus group discussions by policy makers, councils, major, and local government apparatus to gain more in-depth information about smart city-related policy research.

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Smart City in Asia Panel

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ELECTRONIC GOVERNMENT AND SOCIAL SATISFACTION: ANALYSIS OF SOCIAL CONDITIONS FOR TIJUANA

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Abstract

This work explores the social elements that characterize the city of Tijuana, with the purpose of understanding if there is a disposition related to social capacities for the implementation of an electronic government. In the first part, a theoretical and contextual analysis of electronic government is made; afterwards the data obtained for Tijuana is analyzed as a result of a direct investigation in Baja California, with an emphasis on Tijuana. The main finding is whether or not the social conditions exist to make an implementation of an effective electronic government in Tijuana. The mixed methodology used part of Gurr's postulate regarding the link between relative deprivation and social conflict and we hypothesized that it is required to have a medium-high degree of social satisfaction in order to make the implementation of an electronic government.

Keywords: electronic government; social satisfaction; state evolution; technologies; technological development.

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Making a definition of electronic government

The theoretical construction of new paradigms is a product of social evolution, which has as its main feature non-linearity, which is why they usually face the challenges of identifying time as a starting point, followed by acceptance for their social creation. In terms of the state functions, the State has been attributed with everything related to the maintenance of the individual's life and that which surrounds it, the elements of nature being the main agents to be controlled, in order to achieve the main object, which is to keep human life safe.

In this way, state functions have been involved in increasingly complex processes associated with both group and individual needs. For classical theorists such as Bonnin and Hobbes, men were born to live in society, not only for the need to stay safe, but for the creation of intrinsic elements to the very existence of his nature that generates links in the moral world.

Derived from this need for permanence and submission to a higher structure, the individual accepts by tradition state control. However, the state evolution has given rise to a construction of governmental structures, which has become increasingly complex throughout the world and involves power relations with actors competing for power either through mechanisms of representativeness or informal ways through influence peddling.

Hence, derived from governmental evolutionary asymmetries, or power relations that involve other actors and supra-state structures, from the end of the 20th century, globalization processes have pushed towards standardization, emerging paradigms and giving life through the new technologies to what we know today as electronic government.

It is through this channel that electronic government has been built, based on technological development, but above all in countries like the United Kingdom, Australia, and the Republic of Korea, it has been the wide awareness of government actors for the search for better practices through the reduction of inefficient governance apparatus towards transformation to a government that optimizes its resources.

In conceptual terms we should establish a link between public administration and electronic government. When we refer to public administration we are inferring about all the aspects in which the State intervenes on the daily life of the individual, in such a way that the very existence of the state organization is subject to the way in which its management model is adapted. While inferring that since electronic government has developed from the exponential growth of technologies giving rise to another major phenomenon that is "cyberspace", which is deliberately associated with globalization, it results in a paradox where the solution to the problems of the distribution of wealth is attributed to globalization, just as it has happened to democracy as a "magic" formula to fix all the political and social problems of liberal governments.

Likewise, high expectations have been placed on electronic government in the literature, where for its conformation it seems that there is a consensus about the possibilities of improvement attributed to it.

At the international level, organizations such as the World Bank (WB), the Organization for Economic Cooperation and Development (OECD), and the

United Nations (UN) have been the actors in the global arena that are defining the guidelines on which to sustain an electronic government, The UN is the organization whose purpose is to provide tools to solve problems related to the life and survival of the individual. I will start by pointing out that for the UN, through the Ibero-American letter for E-government, the main objectives are to determine the conceptual bases and the components that will constitute it (CLAD, 2007), which is why the World Bank has proposed to support the modernization of the public sector through financing oriented to the acquisition of technologies in terms of technologies that facilitate regional development.

For its part, the OECD has maintained a special interest in the terms of e-government, for example during 2016 they held a round table called “round table on digital governance and business competitiveness” which was hosted by Cancun, Mexico, and that in addition to the contributions regarding the advantages brought about by the use of technologies applied to public services, it is worth noting that at this round table the objective was oriented towards the search for greater competitiveness by linking it with the business sectors, which are the central axis of all governments through private participation. Clearly, what stood out was the case of the United Kingdom with the “Red Tape Challenge” project, as well as the fact that in Mexico the great challenge is the gap in the widespread use of technologies (OECD, 2016).

In retrospect, it is worth remembering that the Inter-American Development Bank, in 2002, published a document called “Practical Guide for e-government: Issues, impacts and perceptions”, in which the definition of electronic government proposed by the United Nations is retaken. United through the division of economy and public administration as “a permanent commitment of the government to improve the relationship between citizens and public administration, through the efficient and efficient exchange of services, information and knowledge” (UPAN, 2002). In this document a description of the users, the benefits, the risks, and the regulation among other fundamental elements is made, in order to carry out a better implementation process provided with the necessary conditions for its success. It is the most modern version being the one proposed by the surveys published by the UN E-Government Survey, from 2003 until the most recent in 2018, in which it examined in which way governments have used the E-government and the technologies of the information to build sustainable and resilient societies (United Nations, 2018). As well as this is the United Kingdom version, called “ICT Impact Assessment Guidelines”, published by the European Commission, (Zamboni et al., 2018) where scope and preparation for information technologies is evaluated in order to provide support in the policies that are designed having been derived from that information.

Contextual elements around electronic government

For its part, the UN, has linked its efforts to understand the technological capabilities of governments, developing a survey that aims to provide the necessary and sufficient information to assimilate the changes in the governmental sphere regarding the use of information technologies, as well as the

construction of more aware societies of their acts and those that are reflected in societies that improve their environment and ability to overcome individual critical circumstances.

The needs detected by the UN, as well as to contextualize the general situation of Mexico, resulted in the Ranking of the development index of electronic government, which has had a varied behavior. The following table shows the places that Mexico has occupied, where it can be observed that in the first survey of 2001 it occupied 22nd place and for 2018 it was in 64th place, thus going down 42 places. And being able to be competitive only if it is compared with Central America, where it has managed to reach a better location in the index.

Table 1

Places that Mexico has occupied in the electronic government survey of the UNO

Year	Ranking	Index
2001	22	2.16
2003	30	0.593
2004	30	0.5957
2005	31	0.6061
2008	37	0.5893
2010	56	0.5150
2012	55	0.6240
2014	63	0.5733
2016	59	0.6195
2018	64	0.6818

Source: Own elaboration with official data of the UN EGDI.

The methodology used since 2003 in the development index of the electronic government of the United Nations (EGDI) is a composite indicator that measures the willingness and ability of national administrations to use the technologies of information and communications in the provision of public services.

Methodologically, the EGDI is the weighted average of three standardized scores of the most important dimensions of electronic government, these are: scope and quality of online services, the state of development of telecommunications infrastructure and the inherent human capital. In 2001, the quantification of results was based on a numerical scale of 1 to 5, where one represents an emerging presence and five represents that it is fully integrated, with the best rating.

In the 2012 survey, it was highlighted that Mexico has worked to reduce the digital divide, and in 2011, a full search service was included that indexes the federal, state and municipal portals daily. Likewise, the national portal expanded online services to citizens, including a tool used for anonymously transmitting con-

cerns and needs to the authorities. It is also mentioned that Mexico is among the select group of the 19% of countries that offer a single subscription service.

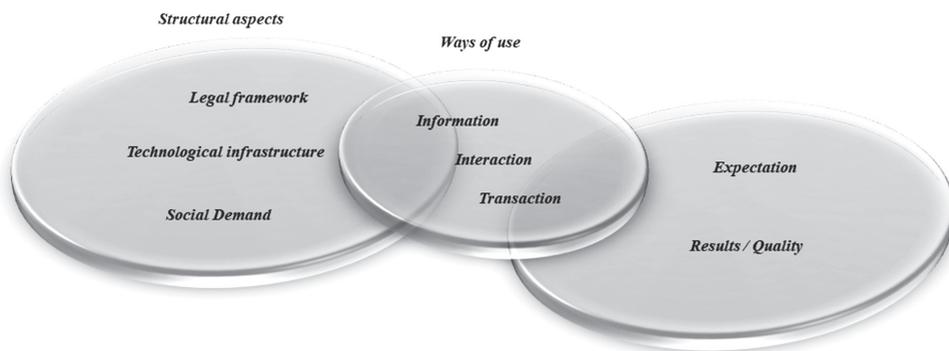
In the previous table from 2008, it can be seen that its fall in the rating obtained in the index begins, although it still has a good place in the ranking of the Electronic Government Development Index, that is why we question whether or not the results of the index will be related to the beginning of a new sexennium in Mexico. As such, it would be necessary to investigate the actions carried out by President Felipe Calderón who represents a political party largely considered conservative and whose actions have had direct impacts in terms of Information and Communication Technologies (TIC'S).

Methodological construction to visualize electronic government in Tijuana

To date, several models have been developed for the measurement of electronic government. These evaluation models have been designed for e-government cases already implemented. They have, as their main characteristics, the dimensions of the “information” and the “transaction of the services”. In the vast majority of these model cases, it is assumed that an electronic government is being evaluated. Basically all of them are developed from the functionality of their web portals, however one would have to question whether the web pages are themselves the electronic government or only comply with transparency because they are informative websites. Below is a diagram regarding the characteristics of the evaluation models (Figure).

Figure

Common elements of evaluation schemes for electronic government



In this sense, the characteristic elements of what is now accepted as electronic government, point to the genesis in the request for services, through the web pages. For what would have to expect if these governmental organizations can be considered subjects of analysis in this subject due to their incipient use of technologies, as well as a limitation in their contribution to satisfy citizens' needs. In this sense, it would be worth wondering if what is being measured is electronic government. Or rather, is it the functionality of the websites of some government institutions that is being measured?

Another question is derived from Gurr's theory regarding the causes of political violence, which from a psychological point of view suggests that people resort to political violence because they suffer from relative deprivation, defining "relative deprivation" as the lack of income, wealth, position, quality of life and political rights (Sanders, 2010) on which individuals are convinced that they deserve to be supported by the right to self-determination, a product of Western democracies and the rule of law.

Derived from this thesis is the hypothesis that a medium-high degree of social satisfaction in society is required to make the implementation of an electronic government relevant and possible. As a result of these questions and given that this work is the result of an investigation, the instrument designed was a survey to assess the current state of social conditions in Baja California, Tijuana being our subject of study in this work and the disposition of citizens in the use of ICTs and in their undertaking of actions related to online government procedures.

In order to clarify the central ideas it is pertinent to mention that the recent interest in the in-depth study of electronic government, considered as a new social phenomenon and derived from the complexity in the evolution of technologies, by nature has belonged to the disciplinary field of public administration, having public policies as its main support.

Because it seeks to know what the social conditions for the implementation of an electronic government are, the instrument designed had, as subjects of study for its application, the general public and from this the sample was estimated to determine the number of applications of the instrument and collect information in Tijuana. A level of confidence of 99% was determined, with a margin of error of an estimated 5%, resulting in the following: according to data from the National Institute of Statistics and Geography (INEGI) of Mexico, in 2017 the population of Baja California was 3,315,766 inhabitants, this being the universe of the sample and through the probabilistic method the number was calculated in the five municipalities of the State, having a population of 1,641,570 which corresponds to a 49.51% of the sample size, so 330 surveys were conducted in that municipality.

Social conditions in Tijuana and its predisposition for an electronic government

From a theoretical perspective, the life of an electronic government is discussed when providing public services every day of the year, 24 hours a day. So there should be a level of social acceptance towards government structures. However, the following considerations should be made in order to understand the type of phenomenon that is being experienced.

First, I briefly explain that Ted Gurr's causal model of civil conflicts measures the level of relative deprivation and the relationship it maintains with the potential for social conflict. The term relative deprivation uses it to denote the discrepancy perceived by the social group or group of individuals, and as a trigger to postulate their response and / or their participation in a social struggle, is determined by the interventions and their social conditions.

He also states that “the fundamental basis for which conflicts vary is the magnitude that is determined by the intensity in which relative deprivation is supported by these groups”, and measured by three social variables, which are the coercive potential, institutionalization and social facilitation (Gurr, 1968). However, Gurr based on the fact that the greater the relative deprivation, the greater the social conflict.

Therefore, we pose as a central question, if in reality there are social conditions to implementing an e-government in Tijuana? If so, it would be required to be satisfied or moderately satisfied in terms of your life so that this is a social reflection and, if possible, face a lower level of resistance in the implementation process, thinking of it as a public policy on a larger scale.

To this end, a relationship is established between the BIARE (self-reported welfare), [a set of indicators called “Subjective Well-Being”], which has been designed by the OECD, and aims to observe beyond the conventional. In general terms, subjective well-being is considered based on a self-assessment carried out by citizens, relative to their level of happiness in their environment. In the following table the eudemonic subjective well-being indicators and the average general satisfaction of the population are exposed.

In which it can be observed that an average of 48.44% of Mexico’s population predominates as moderately satisfied with life, as of January 2018. The data generated by the INEGI of BIARE, still do not contain the survey extended to 2018, so they have taken the 2014 data as the closest reference to the temporal linearity, and with this we made a comparison between the data of the general average of Mexico, with those of Baja California.

Table 2

BIARE from Mexico and Baja California

Subjective well-being of Mexico, BIARE	Dissatisfied	Little satisfied	Moderately satisfied	Satisfied
% of Population according to level of general satisfaction, data to January 2018	2.15	8.56	48.44	44.00
Mexico, expanded survey 2014* Eudemonic statements	<i>Be free to decide your own life</i>	<i>Feel lucky</i>	<i>Feeling good about yourself</i>	<i>Feeling that things turn out well or badly depends on oneself</i>
<i>Satisfied (10-9)</i>	76.99	72.07	62.23	69.33
<i>Moderately satisfied (7-8)</i>	19.32	22.80	30.76	23.55
<i>Little satisfied (5-6)</i>	2.79	3.36	5.23	5.79
<i>Dissatisfied (0-4)</i>	0.88	1.75	1.76	1.31
Baja California expanded survey 2014* Eudemonic statements	<i>Be free to decide your own life</i>	<i>Feel lucky</i>	<i>Feeling good about yourself</i>	<i>Feeling that things turn out well or badly depends on oneself</i>
<i>Average</i>	9.2	9.0	8.7	8.9

Source: Own elaboration with INEGI data, Subjective well-being – BIARE Expanded, survey 2014 and 2018.

It stands out that Baja obtains an average 9.2 (in a scale of 1 to 100) in terms of the population that it considers to be free to decide its own life. It also gets a very good rating on feeling lucky, feeling good about themselves and the fact that they consider things to be right or wrong is a result of their actions.

Socioeconomic characteristics of Tijuana, Baja California

From the previous explanation and with the purpose of contextualizing the Tijuana scenario, the main results obtained in our research are exposed. Of the total surveys, 60% of respondents were the heads of family where 30.80% were women and 69.19% were men. Salary difference by gender was 39.29%, and the average age of the respondents was 36 years.

Table 3

Income for gender

Gender	Heads of family	Average Monthly income usd
Female	30.80	\$785.03
Male	69.19	\$1,292.95
Difference	-	\$507.92

Regarding civil status, 48% are single, 35% are married, 4% are divorced and 13% are free status union and widowed. 51% are from Baja California, 10% from Mexico City, and 8% from Sinaloa; these are the three states with the highest percentage residing in Baja California. Regarding educational level, 40% completed a degree at a public college, 18% public middle school and 17% public high school.

Since the main purpose of the survey is to understand the predisposition to the e-government online procedures, the starting point was to request information regarding what type of procedure they performed, the time it took for them to complete their procedure and their level of satisfaction with their processing.

The most relevant data were the following:

For contextual purposes, it is mentioned that the period of application for the survey was during the months of August to November of 2017; 90% of the citizens of Tijuana managed to complete their process, the other 10% failed to complete it. The most performed procedures were the following: recordings of no criminal record with 64.5%; after that continuing with is a drastic decrease, with the following services being 9% respectively; requests for deeds (these are official copies of property titles before registration public); payments (these can be in relation to the aid received, request for check, payment of rights, management, taxes, income from writing, fine, land, property and/or productive project); and finally applications for registrations by mercantile companies by 8.5%. The following table shows the data in percentage terms relevant to the respondents' experience of the process.

Table 4

Perception of respondents' experience of government processes, %

Indicator Unit of Measurement	Yes	No	Average time						Satisfaction scale						Qualification		
			0-10	10-20	20-30	30-1 hr	1d	2d or more	1 al 5	6	7	8	9	10	easy	difficult	complicated
It was possible to complete its process	90	10															
How long it took him to complete his process			34	15	12	14	3	22									
How satisfied was the process completed									6	2	2	19	20	51			
I prefer to carry out government procedures by going personally to the offices	55	45															
How do you rate the procedure performed for your government procedure															84	7	9

Source: Own elaboration through direct research.

The table above highlights that of the users surveyed, 90% managed to complete the process, while 10% did not complete it. Also, an interesting result is that 55% of users prefer to complete the process by going personally, which indicates that even if there were the platforms and the ideal conditions to carry out the online process, there is still a very deep-rooted idea in Tijuana's society of carrying out the procedures in person and not taking into account all the facilities of a highly efficient platform.

Another interesting fact is the level of satisfaction, as 51% of the respondents are satisfied, qualifying their experience with a rating of ten, while only 6% disapprove of their satisfaction with the process, despite ratings of 8 and 9, obtained by 19% and 20% respectively in terms of the population satisfied. There is also a clear difference between appreciation of the level of difficulty experienced in the process. Later they were asked if they would like the procedure to have been more agile and they suggest that it be improved.

During the period of government in Tijuana 2010–2013, the public services that could be initiated through its web platform and thus the status regarding the electronic government of the city of Tijuana was the following: a) Payment of the property tax; b) Reprint of voucher for internet payment; c) Payment of traffic tickets and park-

ing meters; d) Domain transmission simulator; e) Revalidation of permission for commerce; and f) Request for the issuance of a letter of freedom of encumbrance. Evidently this does not imply the existence of an electronic government but it does allow the introduction of new institutional mechanisms to the population (Navarro, 2014).

Returning to our instrument, we asked them if the participants would like to carry out this process through a technological tool and subsequently asked if they had been informed about the possible procedures that can be done online and the number of procedures that they know can be carried out by the Internet. They were also asked if they have internet access at home and told that they would be self-assessed in their abilities to use technological tools. The most relevant data are shown in the following Table 5.

Table 5

Perception of citizens about e-government and its abilities, %

Indicator Unit of measurement	Yes	No	Knowledge of online government procedures*				Self-rating							
			Does not know paperwork	Know a procedure	Know two procedures	Know three or more procedures	1 to 5	6	7	8	9	10		
Carry out government procedures through a technology tool	89	11												
Number of government procedures that you know can be done online			35.37	18.48	17.57	18.81								
You have obtained information about the possible procedures that can be done online	64	36												
Do you prefer to carry out government procedures by going personally to the offices?	55	45												
Do you have Internet access at home?	86	14												
How would you qualify your skills for the use of technological tools?							11	3	9	22	26	29		

Source: Own elaboration through direct investigation.

* The 9.77% missing represents respondents who were confused within government facilities and who confused the paperwork.

This table highlights two results that are also a contradiction, since 89% of respondents to Tijuana say they prefer to do the procedures through a technological tool and 11% do not, but when asked if they would prefer to go personally there was a 55% that affirmed it and only 45% said they wanted to go to the government offices, therefore it suggests that 34% are indecisive people or that they do not understand what electronic government implies. Regarding a socioeconomic indicator, it can be said that the city of Tijuana has a great capacity to have access to electronic information services such as the Internet, since 86% said they own it at home and 29% claim to be excellent, in terms of their skills in the use of technological tools.

However, another contradiction is that 35.37% of respondents do not know of any government procedure that can be performed by technological mechanisms, in contrast to the 18.81% that know three or more. So we would say that only this percentage of the user population surveyed is the most informed regarding technological mechanisms and their relationship with government procedures.

Returning to the theoretical model of Gurr, in relation to the potential for social action that is conditioned to the satisfaction of the population in possession and enjoyment of material goods, and the hypothesis raised in which it is required to have a medium-high degree of social satisfaction so that the implementation of an electronic government is pertinent and possible, which was measured through satisfaction with the process and their desire to go personally to government offices, it can be said that yes, there are the social conditions that allow it, given that 51% of the population rated their satisfaction with ten in terms of the process carried out in government offices and in the nine to six scale it was a total of 43% satisfied and only 6% dissatisfied.

Also, although 55% prefer to go personally to the offices, there are the 86% that have access to the Internet, which implies that they also has the technological equipment to do so and raise the level of their quality of life by being connected. Further, 29% self-rated with a ten in their skills for the use of technological tools and, with a rating of 6 to 9, 60% feel skillful enough to use them.

The previous results correspond to the data issued by the BIARE for Mexico and for Baja California, reporting 44% as satisfied and 48.44% moderately satisfied with the general subjective well-being of Mexico as of January 2018, where for Baja California in 2014, 90% said they feel lucky and 87% feel good about it.

Consideration

The main question that arises derived from these results is whether or not the population possesses the technological skills to do procedures or simply to develop their lifestyle. What would be the reasons why the head of government or the candidates at election time not offer better services through these tools?

On the other hand, we should assume that if there is a lack of knowledge on the part of the head of government about the capacities with which the population is self-evaluated, but we cannot say that it does not know the size of the population that has access to the Internet, given that there is an organization

dedicated to collecting information of all kinds in Mexico (National Institute of Statistics and Geography, INEGI) and thereby infer that this population if they dominate such tools, so that government authorities have the information and decided do not use it to make a better policies. As mentioned above, if there are social conditions to implement effective e-government in Tijuana. However, the main challenge faced by local governments is the “lack of significant aspects of the effectiveness of electronic platforms” due mainly to the lack of interest of the citizens (Revyakin, SA, 2018) at least in the use of technological tools. That is, even with the high esteem of citizens in the use of technologies, they must have an incentive that guides them to use that knowledge to get involved in government matters at least as a user.

Gurr’s postulate regarding the relationship between relative deprivation and social conflict, indicates that for there to be conflict the feeling of absence in the enjoyment of services and goods should be present. However, what he observed is that there is a high degree of social satisfaction in the national average of Mexico and also for Baja California, according to BIARE, and in our research, where 51% said they were satisfied with a rating of ten in relation to its process, the government process for the enjoyment of some of the services and a very high degree of the population has access to the Internet at home, this population also being considered to have a high estimate of their capacities for the use of technological. Although they were not asked in the survey if they were happy in eudemonics terms, nevertheless the fact that a high degree of population have Internet access in their home is an important indicator in assuming the type of conditions that define their quality of life as well as the possibility of them being informed.

Finally we must emphasize, that from an optimal point of view, one of the main occupations on which current governments should be working, under the assumption of working for the common good and assuming that resources are scarce, is to improve technological conditions to provide electronic services 24 hours a day, 365 days a year, and thus be on the path towards efficiency in the use of resources. However, no current political intentions are observed in Mexico in terms of moving back up the development ranking of the electronic government of the UN.

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EXPLORING MUNICIPAL UTILIZATION OF SOCIAL MEDIA IN PERFORMANCE MEASUREMENT AND MANAGEMENT

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Abstract

In the last decade, governments have expanded the utilization of performance measurement and reporting techniques to include the application of social media activities. While each of the two trends has been explored distinctly, their intersection is often neglected. Through the analysis of the official Facebook pages from a random sample of Florida Benchmarking Consortium (FBC) participating municipalities, this study explores the utility of social media in the collection and dissemination of performance information. The results of the analysis suggest an insufficient application of social media for performance-related issues. Out of the three main social media strategies typically available to governments, ‘push, pull and networking strategies,’ FBC local governments typically employ the ‘push strategy,’ wherein the municipality reports performance directly to citizens, and to a lesser extent, the ‘pull strategy,’ wherein the municipality attempts to engage potentially interested citizens’ attention. The ‘networking strategy’ was not utilized, indicating the potential need for a greater use of social media platforms to engage citizen involvement in the performance measurement and management process.

Keywords: Facebook; Florida Benchmark Consortium (FBC); local government; performance measurement and management (PMM); performance measurement reporting; push, pull and networking strategies; social media.

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Introduction

The use of the internet and the proliferation of social media in all spheres of life is now the norm rather than the exception. Social media platforms Facebook, Instagram, and Twitter are routinely exploited by ordinary individuals as well as businesses, nonprofit organizations and governments. In order to best engage the now technically savvy public, local governments are beginning to embrace the utility of social media. Facebook is the most popular social platform (Ellison, & Hardey, 2014) and second most visited site in the world (de Zuniga, Jung, & Valenzuela, 2012). Moreover, Facebook is positioning itself as a key feature of e-government (Linders, 2012) with 87% of municipalities in the US using this platform from as far back as 2011 (Mossberger, Yonghong, & Crawford, 2013). The use of social platforms facilitates the process of marketing a municipality and its activities while offering new opportunities for engagement between the government and citizens (Hand, & Ching, 2011; Linders, 2012).

An important but often neglected use of social media is the capacity for performance measurement and reporting. Today, governments are increasingly pressured to measure performance within a wide range of strategies to stimulate the use of the performance information (Dimitrijevska-Markoski, forthcoming). While factors associated with effective performance measurement and management (PMM) have been explored, the existing research is lacking in the examination of the extent to which social media has been used in performance measurement and reporting.

In general, citizens have very low involvement in the PMM process. At the dawn of social media, Ho (2006) found that only 17 percent of Mayors involved citizens in the measurement of performance, which is not surprising as the mechanisms for worthwhile interactions was time-consuming and inefficient. As society and the utility of social media has evolved, De Lancer Julnes (2013) suggests the necessity and inevitability of “find[ing] new approaches to engage citizens and implementing performance-based management” (p. 83). While there are a wide range of efforts to integrate performance management and citizen participation, the inclusion of citizens input into the PMM process is relatively new (Heikkila & Isett, 2007). To better understand this dynamic, this study explores the above intersection using the social media platform Facebook in government performance measurement and reporting. As Facebook is the preeminent social media application offering the opportunity for collective creation and many-to-many communication (Ellison & Hardey, 2014), this study explores the extent of its use for performance related issues within a municipal context.

The data for the analysis is obtained through a random sample of municipalities within the Florida Benchmarking Consortium (FBC). As FBC member municipalities voluntarily join the consortium, there is an inherent assumption that each are strongly concerned with performance management and therein collectively represent an exemplar group for this examination. Moreover, this study uses Mergel’s (2013, p. 127) social media tactics as a framework for “a) representation of the agency, b) engagement of citizens, and c) networking with the public,” (respectively push, pull and networking strategy), to examine the dominant strategies used by FBC municipalities.

Citizens' Involvement in Performance Measurement and Management

The involvement of citizens in performance measurement and reporting offers benefits for democratic governance while explicitly strengthening its relevance (Pierce, 2011). When citizens are involved in the process of performance measurement and management, it allows for the incorporation of their views on issues important to them (Woolum, 2011). Overall, the inclusion of citizen perspectives in the PMM process adds value to good governance in the process, allows for government responsiveness to the citizens' needs, and leads to a more effective collaboration focused on the issues that are important to the community heightened by better-informed decisions (De Lancer Julnes, 2013; Fung, 2015; Gunawong, 2015; Holzer & Kloby, 2005; Woolum, 2011). Citizen-driven performance measurement involves the public in the development of the measures and reporting processes, as well as providing palpable feedback on the performance reports. This allows citizens to get involved in administrative and policy implementation stages other than just influencing the policy making process (Heikkila & Isett, 2007; Pierce, 2011). Therefore, it helps managers to manage for results once they get performance information, but also increase external support through the sharing of performance information (Heikkila & Isett, 2007). In addition, citizen involvement also contributes to amplified feelings of belonging within a community, which increases satisfaction, trust and accountability performance (de Zuniga, Jung & Valenzuela, 2012; Heikkila & Isett, 2007; Pierce, 2011). Although an increasing number of governments involve citizens in performance discussion, there is often little understanding on the realized or potential engagement of citizens in those processes (Woolum, 2011).

There are several approaches to citizen involvement embraced through PMM such as open public meetings and hearings, advisory committees or special task forces, focus groups, citizen surveys and more recently the use of e-government initiatives (Fung, 2015; Holzer & Kloby, 2005; Heikkila & Isett, 2007; Woolum, 2011). Use of citizen surveys is important for performance measurement with approximately 43 percent of cities and counties routinely measuring citizen satisfaction (Dalehite, 2008, p. 892). Unfortunately, there is no such estimate in the utilization of social media platforms. The use of Facebook offers several distinct advantages over surveys and town meetings. While surveys are generally a static one-way communication (Woolum, 2011), Facebook allows for almost real-time interaction, two-way communication and a platform for the exchange of information and dialogue. Like surveys, Facebook users at municipal sites are self-selected, however, the platform allows for a greater contextual portrait of the magnitude of satisfaction with the opportunity to initiate a conversation. Another advantage of Facebook over forums or open-invitation town meetings which often attract a small group of uniquely motivated participants (Woolum, 2011), is the ease of communication and availability to a wider group of citizens in a less restrictive timeframe. Simply, the use of Facebook is a relatively low cost alternative for providing feedback or input without the inconvenience of physically attending a meeting within a limited, strict time context (Heikkila & Isett, 2007; Pierce, 2011).

Use of Facebook by Local Governments

To connect with citizens, governments have used e-government technologies such as websites, listservs and RSS feeds (Hand & Ching, 2011). However, most utilized technologies are one-way communications where governments present information and citizens have access (Hand, & Ching, 2011). However, if properly utilized, social media enables citizens to be recipients, critics and producers of information (Hand & Ching, 2011; Hofmann, Beverungen, Räckers & Becker, 2013). In addition to enabling bottom-up communication, social media offers a vastly efficient many-to-many model of communication (Hand & Ching, 2011). This means that communication can travel from government to many citizens, from many citizens to government and between many citizens (Hand & Ching, 2011).

Facebook is the largest social media platform in the world and has more than 900 million pages, more than 500 million active users (Hand & Ching, 2011) and more than 100 million unique visitors per month (Mergel, 2013). According to Pew Research Center, 63 percent of Facebook users visit their account at least once a day with 40 percent doing so multiple times each day (Bonsón, Royo & Ratkai, 2015). The adoption of Facebook by US cities grew exponentially from 13 percent in 2009 to 87 percent in 2011 (Mossberger, Yonghong & Crawford, 2013). Although Facebook offers advantages for direct interaction with citizens, many governments do not fully utilize the platform (Hofmann, Beverungen, Räckers & Becker, 2013).

As social media began to gain traction in 2009, President Obama gave the directive demanding federal government agencies “harness new technologies’ in order to become more transparent, collaborative and participatory” (Mergel, 2013, p. 123) and this study makes the assumption that Facebook is one of the better contemporary technology platforms in achieving this goal. While there are studies that examine the influence of social media, such as Facebook and Twitter, on citizen engagement (Bonsón, Royo & Ratkai, 2015; Hand & Ching, 2011), the utilization of social media as a conduit for citizens to participate in performance measurement and reporting management has been limited (Woolum, 2011). Mossberger, Yonghong & Crawford (2013) analyzed the 75 largest US Cities under the context of the Mergel (2013) “push, pull and networking strategies” and found that push strategies still predominate government use. Similarly, Hofmann, Beverungen, Räckers & Becker (2013) analyzed the Facebook sites of the of 25 largest German cities and found that out of 15,941 total posts “only 14 posts encouraged citizens to co-design a government service” (Hofmann, Beverungen, Räckers & Becker, 2013, p. 392). Therefore, this study hopes to clarify the way US cities that are generally concerned with performance use Facebook to collect or report performance information.

Conceptual Framework

Previous citizen involvement research in performance issues has relied on the New Public Service normative theory of governing (Woolum, 2011). The New Public Service theorists recognize the importance of citizens and the responsibility of government to address their interests while building a relationship of trust

with them (Woolum, 2011). This study acknowledges the benefits of citizen involvement in the process and classifies the performance-related posts using the typology developed by Bonsón, Royo, & Ratkai, (2015) categorizing three dominant types of communication: citizen to government (C2G); government to citizen (G2C); and citizen to citizen (C2C). This is in line with the typologies of Linders (2012) and Mergel (2013). Namely, Linders (2012) typology of citizen e-participation includes: citizen sourcing, government as a platform, and do-it-yourself government, while Mergel (2013) used three predominant tactics: 1) representation, 2) engagement) and 3) networking. Although each uses slightly different terms, the concept and criteria of each typology group remains relatively the same. In particular, the first criterion is the PUSH strategy (Government to citizen or representation tactic) where the government uses media channels to notify users about issues (Mergel, 2013). The second criterion is the PULL strategy (citizen to government or engagement tactics) and aims for interaction with users organically, encouraging users to participate in the content creation (Mergel, 2013). The third strategy is CITIZEN TO CITIZEN (networking strategy) which leaves the discussion to users and includes both push and pull strategies (Mergel, 2013). Integrating the above, this study will analyze performance-related posts at municipal Facebook pages by classifying each as either a Push (Government to Citizen), Pull (Citizen to Government) or Networking (Citizen to Citizen) interaction.

Data and Methodology

This cross-sectional, exploratory study analyzes the official Facebook pages of a random sample of FBC local governments. The FBC was established in 2004 as a voluntary network of local governments whose goal is to “develop, collect, and report commonly agreed upon performance measurement data for selected local government services” (Boyer, & Martin, 2012, p. 125). As these local governments voluntarily joined the FBC it is safe to assume that they have concern or interest in performance measurement and management. As such, it warrants examination into their utilization of Facebook for performance related issues. Thirteen cities were randomly selected and all their posts analyzed over a three-month period (October 1 to December 31, 2015). Data was retrieved from each official Facebook page with all posts related to performance measurement or reporting manually recorded. The posts were then coded as push (government to citizens), pull (citizen to government), or networking strategies (citizen to citizen). By assessing the predominant strategies used by each municipality, this research hopes to allow a more nuanced investigation of current municipal performance-related social media application.

Results

The use of Facebook and the number of posts varied considerably in the sample. The minimum number of posts over the three-month time period was 12 and the maximum number of posts was 149. The total ‘likes’ (on all posts) that a municipality received ranged from 24 to 28,150 and the total comments ranged from

2 to 1,430. This demonstrates that cities range widely in their activity on Facebook. When it comes to the posts that deal with performance issue their activity is significantly lower. The total number of posts that deal with a performance issue range between 0 and 8, while the total number of likes on its performance posts range between 0 and 595, and total number of comments of all of its posts between 0 and 45. The table below illustrates the total number of performance related posts for each municipality page and the total number of likes and comments these posts received. The table indicates that these 13 cities had a total of 27 performance related posts that received 1,510 likes and 111 comments.

Table

Performance Posts and Strategies

Name of city	Performance posts	Total # likes	Total # comments	Push	Pull	Networking
City of Cape Coral	8	318	40	6	2	0
City of Clermont	1	593	45	0	1	0
City of Coral Springs	0	0	0	0	0	0
City of Deerfield Beach	1	5	3	1	0	0
City of Lakeland	2	244	3	2	0	0
City of Largo	4	61	2	3	1	0
City of Mount Dora	1	184	8	1	0	0
City of New Smyrna Beach	3	11	1	2	1	0
City of Oakland Park	4	42	6	4	0	0
City of Ormond Beach	0	0	0	0	0	0
City of Palm Bay	1	26	2	1	0	0
City of Pompano Beach	0	0	0	0	0	0
City of Tallahassee	2	26	1	2	0	0
Total	27	1510	111	22	5	0

The data was further organized to determine the predominant strategy used in the posts. The predominant strategy used by the cities was the push strategy (G2C) with a total number of 22 posts, followed by the pull strategy (C2G) with 5 posts and the networking strategy (C2C) was not used at all. The pull strategies where citizens provide inputs are fewer in number and typically those were initiated by the municipality. The networking types of posts are not used at all. This indicates that citizens do not use municipal Facebook pages for self-organization or initiatives with other citizens.

The performance-related posts, in addition to being analyzed by the dominant strategy used, were also examined for the type of information they convey. The posts that used the push strategy (G2C) were specifically dealing with per-

formance information related with program achievements, of volunteer group accomplishments, overall performance (rating) of the city and city awards. The posts using the pull strategy asked citizens for input related to plans (transportation or communication plans) or to help the city to achieve the highest food collection or to vote for the city in some type of competition (example: best water tank in the nation).

Discussion

This study contributes to the growing body of knowledge about citizen involvement and the use of social media in the performance measurement and management (PMM) processes making two significant contributions. First, there is still very low, and almost rudimentary, use of Facebook for performance-related issues. Second, municipalities still use Facebook as a one-way top down communication to inform citizens about specific achievements (on its performance) and with little use of Facebook to obtain citizens' input on performance. Hence, the findings of this study support results of Heikkila & Isett (2007) who found limited citizen involvement in PMM among special purpose districts and is in line with the findings of Ellison & Hardey (2013) and Gunawong (2015) who came to the conclusion that local authorities do not use social platforms such as Facebook in a substantive and effective manner. Further, similar to Ellison & Hardey (2014) where local governments predominantly use the push strategy to share information with citizens, this study comes to the same conclusion.

While the use of Facebook is not the only way to engage citizens in the PMM, it certainly is a cost effective and complementary way to do so. As such, when citizens' comment or network on municipal social media platforms, they may red flag certain issues and bring it to the government's attention in a fast and convenient manner. Moreover, Lev-On & Steinfeld (2015) argue that increased communication between government and citizens leads to increased trust, and Facebook can play an important role in that relationship. As technology becomes more widespread and dynamic, one can assume the increased use of social media platforms by citizen groups of all ages will better frame a paradigm shift from traditional interactions between municipalities and citizens to an expansion into real-time performance measurement and management collaboration. This study agrees with Woolum (2011) that governments can improve their performance reporting to the public and Facebook may be one avenue to do so. This becomes an even more important premise if one accepts that budgetary and annual reports are rarely read by citizens. Consequently, a succinct albeit informative Facebook post is a highly effective way to inform and engage citizens in performance-related issues. Moreover, Facebook and other social media platforms may also be useful in obtaining information from citizens and facilitating many-to-many communication among citizens. Hence, governments may have the opportunity to use social media platforms to increase the transparency of the policy making process and include citizen viewpoints.

While this study is one of the few studies that examine the use of social media for PMM issues and contributes to the understanding of the use of Facebook for

performance measurement and reporting, it focuses on a small sample of municipalities and did not include actual perceptions of government employees. Therefore, future studies should include a larger sample of governments and incorporate the views of municipal employees and ask them how they process posts or comments posted on their municipal Facebook page and how they include (or exclude) them from the policy-making or policy changing process. This may provide a closer and more detailed look at the manner in which municipalities process performance-related social media posts.

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EVALUATION OF THE EFFECTIVENESS OF THE MODERN SYSTEM OF PUBLIC ADMINISTRATION IN SYRIA AND THE POSSIBILITY OF INTRODUCING CHANGE MANAGEMENT

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Abstract

The article analyzes the current situation in the state administration of Syria on the basis of statistical data. It is shown that the changes in the structures of the Syrian state power observed over the past few years have demonstrated the inability to change the highly decentralized, inefficient and non-transparent system, or to create an integral, balanced, reliable and effective public administration. The main shortcomings of the Syrian state now lie in its inability to provide an effective impact on the distribution of limited resources and the disparity in the distribution policy of limited resources to the prevailing public perception of justice. It is substantiated that the existing problems stemming from the poor effectiveness of the Syrian public administration authorities, taking into account resource constraints, population reduction, inflation and unemployment growth, and the growing gaps between rich and poor and rural and urban residents can be solved by introducing the technology of management of change "Point localized impact", which seems to be an effective tool for increasing the efficiency of public authorities, the establishment of public services, and the provision of conditions for economic growth and social well-being. The article argues that the change management can ensure the development of territorial communities and the state as a whole, since the subjects of management themselves can exercise control over the areas that require improvement and development.

Keywords: efficiency; effectiveness; public administration; decentralization of public administration; local administration bodies.

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Introduction

The development of a civilized democratic society requires the creation of a state system capable of ensuring social harmony and a financial and economic balance. Modern development of public administration in Syria is marked by complexity and contradiction, as it occurs in the context of military conflict and an unstable social and economic situation, inconsistency of real demands and opportunities of society to realities of life, and negative geopolitical tendencies (Hajjar et al., 2016).

One of the main problems of public administration in Syria is associated with the low level of effectiveness of public administration, weighed down by the loss of a single managerial space, and the fragmentation of socio-economic processes. Such phenomena, as we know, hamper economic growth, and increase the budget deficit, jeopardizing the financing of state programs of socio-economic development (Finley et al., 2001). All this requires the formation of an effective mechanism of public administration corresponding to the realities, goals and objectives of Syrian society.

The need for reforming public administration is due to new socio-economic, political and socio-cultural challenges that affect the functioning of the state. The best practices of other states, also often faced (with few exceptions, not to the same extent as Syria) with resource constraints and with extraordinary geopolitical circumstances, show that management of changes in such cases is good technology that allows for the efficient use of limited resources. It is the management of changes that can become a reference point for the development of public administration in Syria; the improvement of such management is an objective need, and requires responsibility and the active participation of the society.

Formulation of the problem and literature overview

Today in Syria, there are reformist movements towards decentralization. This is the choice of the priority way of development, there is a gradual replacement of separately functioning in Syria public administration, local government and civil society by a synthetic public management discourse (Seifan, 2011). In this regard, it is important to consider the category of "public administration" in terms of its relationship with the mechanisms for the exercise of state power and the adoption of managerial decisions. A major contribution to the study of the problem of public administration in this direction was made by M. Kotler (Kotler, 1969), D. Keeling (Keeling, 1972), M. Mescon, M. Albert, F. Khedouri (Mescon et al, 1988), and C. Hood (Hood, 1997), as well as modern researchers G.V. Atamanchuk (Atamanchuk, 2015), G.A. Borshchevsky (Borshchevsky, 2018), D.A. Limareva, V.N. Nekrasov (Limareva, Nekrasov, 2012), and L.I. Voronina, S.N. Kostina, and A.V. Tomiltsev (Voronina et al., 2017).

In paying tribute to their scientific heritage, it should be noted that research on this subject subsequently evolved considerably. Today, the public administration system covers many subsystems. Its sphere of interests includes political, economic, social, administrative and legal, humanitarian systems. The sphere of its formation and development is influenced both by internal (unbalanced socio-political system

of the state) and external (geopolitical challenges, world trends of social transformations, etc.) factors (Public Administration, 2015). The semantic content of the definition of the category “public administration” is realized through the prism of understanding its role in the life of society, the state and each individual (Khalikov, 2008). Today, the aspect of interaction between the state and civil society in public administration is very important, unlike the traditional vision of public administration as the organizing and regulatory impact of the state on society.

In particular, research into the functioning of public administration is particularly important for countries such as Syria. At present, the focus of public administration research has changed in view of the observed phenomenon of instability of country development. The former formulation of the problem of the functioning of public administration as consisting of subsystems (public administration, local government, management with the participation of civil society – participation governance) has been replaced by a more acute formulation: how these subsystems can interact in conditions of resource constraints, adverse geopolitical circumstances, devastation and hostilities.

An important place in modern studies is given to the problem of efficiency and various options for its solution. Thus, according to M. Milakovich and G. Gordon, democracy and good governance are mutually supportive (Milakovich & Gordon, 2012). On the other hand, F. Fukuyama believes that states should be disaggregated into their component parts, both in terms of functional and regional characteristics, and in terms of management level, and that simultaneous measurement and capacity and autonomy are needed to assess all these components (Fukuyama, 1989), i.e., the quality of governance is highly determined by the interaction of abilities and autonomy that alone cannot be adequately used to measure the quality of government activity.

Researchers identify three key functions of public administration: 1) maintaining safety; 2) effective provision of basic public services; and 3) ensuring political participation and accountability (Kornhauser, 1968; Lindquist, 2006). At the same time, many researchers believe that namely the change management, as it is connected with the separation of power and responsibility in the political, fiscal and administrative spheres between the center and the periphery, serves as a tool for transforming managerial architecture (Put & Bouckaert, 2013). Attention is focused on the internal complexity of this process, which combines a set of goals aimed at achieving greater efficiency, equity, better governance, supporting political stability and reducing poverty.

In this connection, it is important to understand that the ability of local authorities and their leaders to manage change is determined by certain factors, among them:

- 1) The extent to which local governments are able to effectively manage new powers and resources;
- 2) How the local government system takes into account the dynamics of political competition, the ability of local leaders to mobilize resources to achieve change, and the need for modernization of public administration;
- 3) How the management of changes affects democratic governance (Obolonsky, 2011).

That implementation of change management will allow not only to exercise power authority on the basis of law, but also to focus further on the effectiveness of public administration, ensuring maximum satisfaction of public needs on the basis of minimum costs (Pollitt, 2004). With regard to the use of the change management at the local level, the priority in this direction is the implementation of the reform of local self-government in Syria, which should aim at replacing the previously formed system of centralized power for decentralization.

Change management allows for increasing the efficiency of the system of institutions through which power is exercised in the country, public policies are implemented and public services are provided. The following management criteria for changes are distinguished: proper legislation; legality; participation; transparency of the decision-making process; access to the information; effective state administration; qualified personnel efficiency of financial and budgetary management; and responsibility and supervision (Maxwell et al., 2016; McCullough, 2015). The basic characteristics of change management according to the materials of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) include participation, consensus orientation, accountability, speed of response, non-discrimination (inclusiveness) and the rule of law, and is primarily related to methods and technologies (UN Public Administration Glossary, 2016). We believe that such characteristics are currently lacking within the system of public administration in Syria.

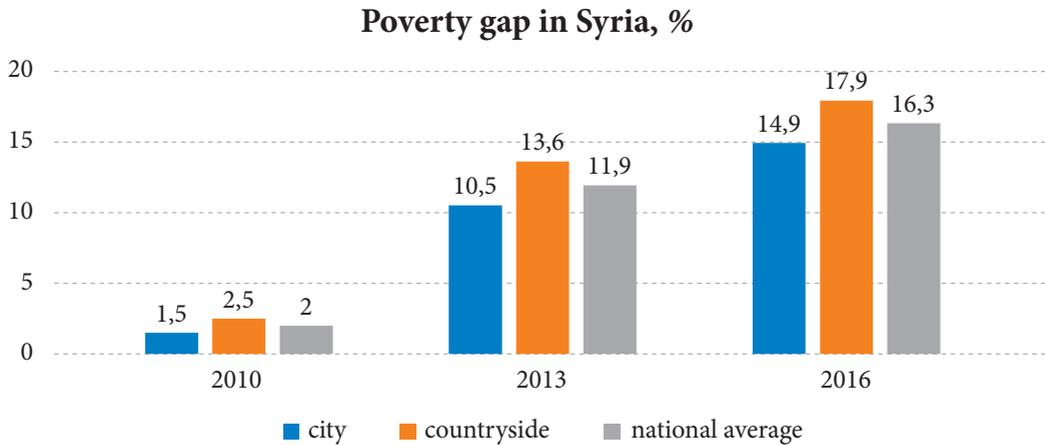
Summarizing various aspects of increasing the effectiveness of public administration, it can be argued that the management of change, deregulation, decentralization and policy flexibility requires a higher level of competence and ethical standards for individual managers than those that currently exist in developing countries, including Syria. The main problem is the fundamental difference between countries that have already implemented a radical transformation of the political system, and other countries that are only introducing public administration within the old political system that are not suitable for this, because they often lack the political will and public support for the implementation reforms.

Methods of Research: The Contemporary Condition of the Control System in Syria

The statistics show that the globalization shifts and the military conflict in Syria together resulted in a structural transformation of power systems and mechanisms in the Syrian state. In Syria, there are pathologies of the traditional administrative-bureaucratic concept of public administration. Pressure of external and internal factors forces the government to search for alternative directions of administrative activity, adapted to a qualitatively new state of the socio-economic system of the state. The military conflict has caused great damage to the civilian population in Syria (World Bank, 2017). Life expectancy has declined by more than 20 years (from 79.5 years in 2011 to 55.7 in 2016) (CIA, 2017). All this has led to a serious increase in the gap between the poor and the rich in the country (Figure 1). As can be seen from the figures in Figure 1, over the six year period the gap in the national average has increased more than eight times. This problem is aggravated for the population of rural areas, where the gap is three points higher than in urban areas

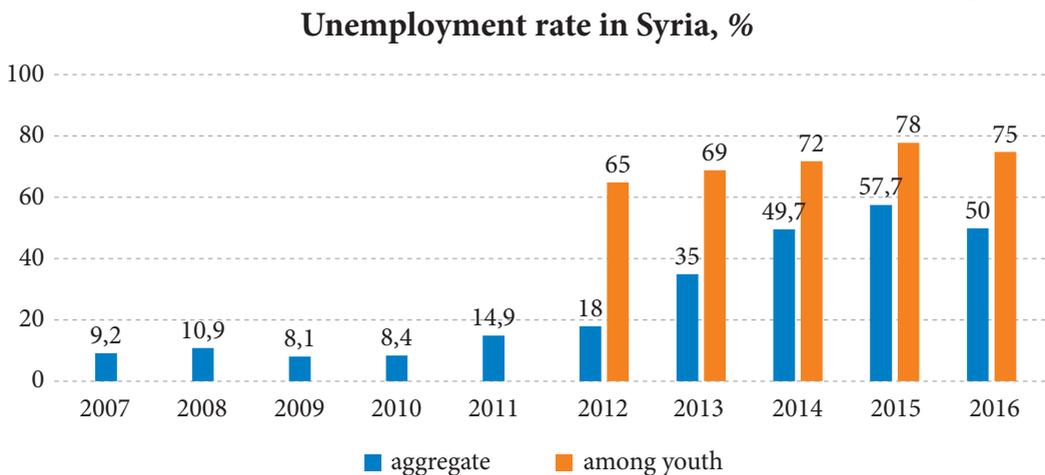
and higher than the national average. An important problem is the annual increase in unemployment, which for the youth exceeds 70% (Figure 2).

Figure 1



Source: Author's publication according to data (EPDC, 2017, CLS, 2017)

Figure 2

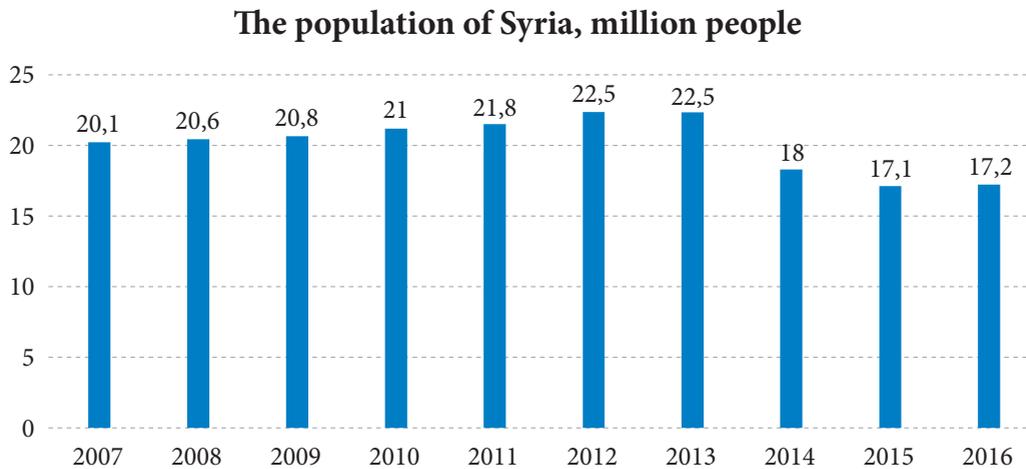


Source: Author's publication according to data (EPDC, 2017, CLS, 2017)

The data presented in Figure 2 demonstrate that, since 2011, the unemployment rate increased annually until 2015, when its level reached a maximum of 57.7% (+ 49.3%). In the following year, unemployment fell by 7.7%. But the value of this indicator at the level of 50% means that half of the able-bodied population is unemployed, which aggravates the already difficult situation in the country.

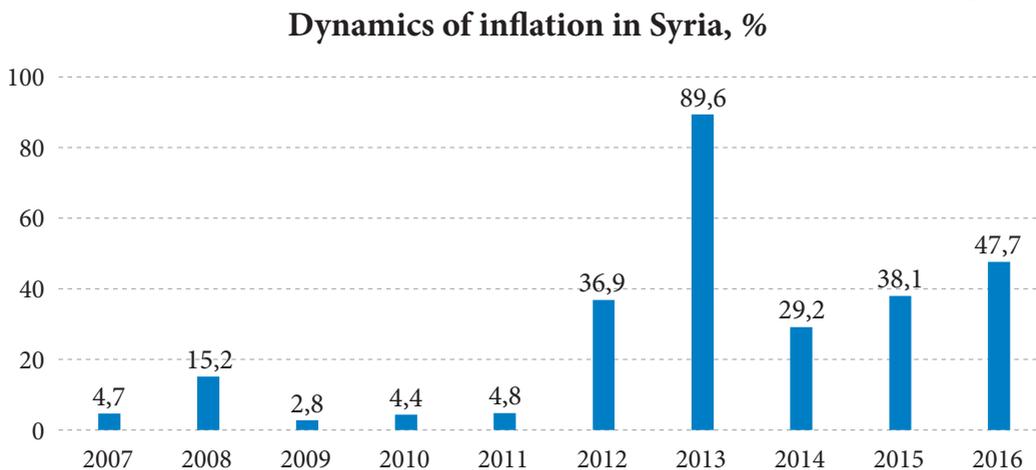
The situation is even more negative, since more than half of the country's population has been granted refugee status in recent years and moved inside or outside the country (UNESCO, 2018), which led to a decline in the population (Figure 3). In addition, there is a high level of inflation of the national currency (Figure 4).

Figure 3



Source: Author's publication according to data (EPDC, 2017, CLS, 2017)

Figure 4



Source: Author's publication according to data (EPDC, 2017, CLS, 2017)

Analysis of the statistical data presented in Figure 4 shows that the fairly stable rate of the Syrian currency during 2009–2011 was replaced by an annual increase in inflation, the maximum level of which was fixed in 2013 at 89.6%. Thus, we can conclude that today in Syria there is a very tense social situation, accompanied by a decline in economic indicators, the degradation of human capital, and the military-political conflict.

Nevertheless, under these conditions, administrative reform in Syria continues on the old “patterns” of building “socialism with an Arab face”, which was a combination of principles of socio-economic justice and a rigid state dictatorship. This reform began at the beginning of B. Assad’s rule (Al Bish, 2012). At present, it is not taken into account that in Syria, soon after the death of Hafez Assad in 2000, serious structural problems began. Of course, there have been some achieve-

ments along this path, but it is still necessary to recognize their slow pace, the inconsistency of the process of improving the legal, institutional, organizational, procedural and technological foundations of the state mechanism, especially if we take into account the world trends of changes in public administration. In the process of reforms, there was a reduction in government spending, subsidies and social guarantees, as well as the growth of the private sector by reducing the standard of living of the population. All of this led to the classic consequences of neo-liberal reforms: a significant increase in social inequality, urban-rural inequality, an increase in the number of Syrians living below the poverty line, and rising unemployment. Many rural areas were left without a profitable part of the budget (Seifan, 2011). That is why in 2010–2011, unrest began, which then developed into a military conflict (Simons, 2013).

Let us now turn to the analysis of the modern system of public administration in Syria. Today, the entire territory of Syria is divided into several categories: areas in which the Assad government operates, areas subordinate to the opposition, and areas under the control of terrorists. The specificity of public administration in the Syrian Arab Republic is that the key subject that determines the strategy of the economic and political state is its head (Sapunov, 2015).

Within the territorial boundaries of Syria, there are administrative units, including governorates, cities, municipalities, districts and sub-districts. At the same time, during the conflict, administrative structures, including local administrative councils (LAC), Sharia-based institutions and traditional institutions, including related, religious and ethnic (Center for Humanitarian Dialogue, 2014), began to be created. That is, in Syria there is also local self-government, although many call it a purely formal institution. Local administrative councils base their legitimacy on Legislative Decree No. 107 on decentralization, adopted in Damascus in August 2011 as part of a package of legislative reforms.

According to some researchers, the Decree became an integral part of the Syrian public administration and could become the basis for a potential basis of governance in post-conflict Syria (LACU, 2016). The Syrian constitution proposed by Russia in January at the ceasefire negotiations in Astana contains provisions that clearly indicate the type of decentralized system enshrined in Decree No. 107. Nevertheless, despite popularity, it remains unclear how Decree 107 will be implemented on a national scale or how this will affect the socio-economic development of the country. An expanded system of local councils can allow Syrians across the country to interact more actively with the government, but it can also become another level of bureaucratic control. Much depends on whether local councils have sufficient authority to respond effectively to local needs and problems.

All public expenditures are carried out from a single state budget under the authority of the Ministry of Finance. Local authorities receive all the funds from the central government, and any excess income should be returned to the state treasury. In the state there is a high level of corruption accompanied by decision-making in the sphere of public administration under the influence of the confessional factor, with full control of the chiefs, who are often in kinship relations.

It can be seen that the low efficiency of implementing managerial decisions in the field of public administration in Syria is related to the following factors:

1. High centralization of public administration and, at the same time, the existence of areas with other management systems.
2. The president of the country has great powers, with which he does not allow the development of territorial communities.
3. The inability of the state to fully control the counterparty's reaction to its actions. Intervention of the state in the economy can cause negative side effects (externalities).
4. Imperfection of the political process. Under the influence of voters, groups of special interests, political manipulation, etc. Public bodies most often use inadequate methods of regulation and thereby conduct ineffective policies.
5. Limited control over the state apparatus. The peculiarities of the position and behavior of the bureaucracy can increase the inefficiency of the functioning of the economy, in particular, leading to excessive growth of the administrative apparatus and an unjustified increase in budget expenditures.

The Syrian state is characterized by situations where both market failures and imperfections of state intervention occur simultaneously (the weakening of the impact of certain deficiencies often only strengthens the influence of others). When making economic decisions, one must compare the consequences of the influence of market and state deficiencies in order to determine the optimal form and boundaries of state regulation. In addition, there is a situation of limited information and the almost complete absence of national (conducted in Syria itself) analysts. The use of any tools should be based on an analysis of the possible consequences of decisions. Where there is a lack of objective data, which makes it impossible to predict the results with sufficient certainty, one should generally refrain from excessive government intervention in the economy.

Conclusions and Discussion of the Results

The conducted study of the current system of responsibility in Syria allows us to draw the following conclusions. Despite the fact that public authorities in cooperation with other actors are involved in the provision of public services, in many cases it does not meet the needs of the population. These processes face a number of key problems. One of the main problems is the lack of financial resources to provide services, repair and expand infrastructure, or manage and pay staff. During the military conflict, many actors began to participate and compete for the provision of public services in various areas. The parameters of the intervention of the public administration authorities vary in different parts of the country in accordance with various control zones (government regime, opposition, Kurdish districts). The system of responsibility in different areas of Syria and at different levels of government is also different, so there is no single approach to this problem. An important problem is the lack of a mechanism for prompt and extensive feedback. The limitations of public administration include institutional weaknesses in the organization of these processes, including low efficiency and productivity, lack of experience and a clear strategy.

In this connection, the question naturally arises: can new management practices be applied on changes in countries with a traditionally rigid bureaucratic administration and an underdeveloped market economy? Despite the existing warnings, we believe that it is necessary to take into account the international experience of carrying out administrative reforms. One can agree that there is no universal transformational model, but the general trend must always be taken into account. In this context, the lesson that Syria needs to learn from the experience of other countries is important. This lesson is that the *adaptation of the public administration to new realities implies the need for broad participation of citizens, primarily in the process of defining goals and objectives of the reform, as well as close partnership between the state and non-state sectors*, since it is impossible to get high results when reforming. The government does not comply with the norms and values of society. We believe that in this situation, serious efforts are needed to synchronize and harmonize the reform processes of both state power and society.

The existing challenges put before the Syrian state are the need to implement a management on changes, ensure the effective functioning of the entire system of state authorities and local government bodies, and broad involvement of various stakeholders in the development and implementation of state policy, in particular civil society institutions. The ultimate goal of introducing change management is to ensure “proper management”, that is, to make public management as accessible, transparent and effective as possible. Thus, it can be concluded that management issues on changes are key in the context of reform and initiatives in the field of public administration.

Not only technical and analytical innovations should be included in the notion of change management, but also reforming public administration in such a way as to ensure the needs of the state as an institution on the one hand, as well as the interests of citizens and enterprises, on the other. In this context, change management as a form of public administration is one of the tools for the development of society; it ensures the increase of efficiency, openness and transparency of the activities of public authorities and local self-government, the effectiveness of which is confirmed by the positive experience of the leaders' countries.

We believe that only the technology of change management, which includes the harmonization of state administration proper, local self-government and management of participation by civil society, will make it possible to neutralize excessively centralized management processes in a fragmented country suffering from a socioeconomic catastrophe. The transfer of resources “on site”, their use by local communities with the participation of civil society, and assistance from the state without dictating what should be done, is the only opportunity for Syria to revive. It would be necessary to include the formula of public administration as a management tool for changes in the new Constitution of Syria.

Summarizing the above, it can be concluded that, at the moment, an effective public administration system has not been established in Syria, which requires the need for greater efficiency in the activities of state institutions, including transparency, participation, accountability, and the force of law. Previously developed international principles and standards have not yet found comprehensive imple-

mentation in the acts of administrative law of Syria, which is due primarily to the lack of a unified system in the Syrian legal system.

At the same time, it should be noted that in modern conditions, public evaluation of the effectiveness of public administration assumes great importance, reflecting the degree of satisfaction of the interests and needs of individual citizens and society as a whole. The state, acting as the main social institution, should react to the expectations of society for improving public administration by creating a structure of public administration that is most focused on the realization of the needs of citizens. In such transformations, public authorities should use mechanisms and procedures that require continuous evaluation, monitoring of performance, and direct citizen participation, while applying various technical solutions. Such processes just characterize the transition of the state to a qualitatively new level, a new way of interacting with citizens. That is why the management of changes, which is a component of the concept of effective public administration, is now important.

Conclusion

Summarizing the above, it can be concluded that, at the present stage of the development of the Syrian state, it is necessary to raise the level of effectiveness of public administration by increasing the effectiveness of management decisions taken and determining the responsibility of public authorities for the results of decisions taken and implemented, which determines the need to use change management in activities of state administration.

In particular, the tasks of the management on changes in the sphere of public administration in Syria can be a synergistic combination of the concepts of rational bureaucracy, the new state administration, the main factors of which are: changing the functions and structure of executive bodies in order to eliminate duplication of their powers; reform of the system of budget expenditures and incomes; reform of the system of state regulation; concentration and decentralization of power; reorganization of state control; deregulation and simplification of management procedures; organization of free access to information reflecting the results of government activities; implementation of the mechanism of state-public consultations on the development of political decisions; formation and development of knowledge management in the system of state power; ensuring an effective system of incentives for administrative reform at the level of territorial authorities; the creation of an information exchange infrastructure and support for the implementation of administrative reform at all levels of government; application of modern information technologies; reforming the principles and standards of the civil service; and implementation of the principle of accountability and government control of public organizations.

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WHAT IS THE CITIZENSHIP QUALITY OF OUR COMMUNITY? MEASURING ACTIVE CITIZENSHIP

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Abstract

Citizenship is a core value of a democratic system that shapes political behavior of community members to be actively involved in the decision-making process and promote collaboration and reciprocity. However, we do not know how to assess the quality of the citizenship of our community. We need a method to analyze the degree of citizenship quality in order to ensure a sustainable and democratic environment. This study proposes a Citizenship Index based on the citizenship concept of Bellamy (2008) for measuring the degree of citizenship. Bellamy (Ibid) addresses three main indicators of citizenship: membership of a political community; collective duties and rights as a consequence of membership; and participation in the social and political process. The study was conducted in September-October 2016 using a survey method and 429 respondents who are citizens of Makassar City, Indonesia were interviewed. Based on the three variables of Bellamy's citizenship concept, this study found that the citizenship quality of Makassar citizens is active and strong in terms of getting engaged in development programs of the Makassar government. Moreover, Makassar citizens are altruistic and eager to collaborate with people from ethnicities and religious backgrounds. This method can help decision-makers to analyze and map the citizenship quality of a particular community as a consideration in formulating and implementing further public policies.

Keywords: citizenship; local development; participation; public administration, Indonesia.

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Introduction

The emergence of political and administrative reform in many parts of the world has led many scholars to reveal new perspectives in understanding citizens. In reality, it has become clear that many developed countries have put their people first and created viable ties to justify the relations between state and citizens. In fact, this atmosphere encourages citizens to play an active role in government business and it has also become evident that, at the same time, government would gain strong legitimacy by engaging people and encouraging them to actively participate in the development process.

A traditional way of defining citizenship is belonging to a particular country, with the rights and duties that involves (Zolo, 1994). This means that people will have rights and duties in their existence as human beings and as members of a certain political community. Another aspect that has contributed to the shift in citizen discourse has to do with technological progress and geopolitical developments which signal a new kind of more complex status and the role of citizens even at a global level. This approach emphasizes information and technology development that can channel people to increase their participation in social and government activities.

The Government of Indonesia, a relatively new democratic state, has been working to present its image in global communities by improving its economy, social, and political effectiveness. Of course, to reach this stage, the determinant factor for success is to focus on local activities and make sure that a set of public policies or development programs are well formulated and executed. However, this immediately brings forth a number of challenges to be overcome as social circumstances and the world of policy formulation and implementation are increasingly becoming more complex. In other words, success of a program or policy would be more likely to rely not just on the government's capacity but also on people's participation in supporting government's programs and policies.

In the study of public administration, citizen participation is not solely encouraged and directed by government. What is more important is the awareness of the citizens themselves who feel part of the community so they involve themselves in support of government programs. For instance, Denhardt and Denhardt (2000) argue that people who have the quality of active citizenship can be seen to possess the value of sharing responsibility between citizens and government officials. With this spirit, citizens actively collaborate with the government in solving problems and issues facing them. Based on this thought, it is important to conduct studies to measure and map the quality of citizenship in Indonesia, and Makassar City was taken to be a case of this research.

Theoretical background of citizenship concept

Citizenship has received much attention and become one of the most intriguing discourses in social science for quite some time. A great Greek philosopher, Aristotle, is known as the first to address the concept of citizenship and explains it as engagement of the people of Athens over decision-making processes which af-

affected their lives. The concept was later recognized widely and strongly associated with democratic ideas in terms of equality and citizens' participation in decision making (Gusteren, 1998).

Of course, there is no single definition of citizenship as many scholars have defined it based on their perspectives and disciplines. In sociology, for example, Turner (1993) calls citizenship a set of practices, law, politics, economy and cultures developed through the dynamics of social construction which define a person as competent from a certain community or state with all the consequences from which he or she becomes part of his or her community. In politics, we have Gusteren (1998) who explains citizenship as a system that makes individuals members of a political community, with two functions, as rulers and being ruled, and having three values, namely autonomy, judgement, and loyalty. Furthermore, Bellamy (2008), based on a governance perspective, elaborates the concept of citizenship in a way that all people must be treated equally by the state or government, referring to three basic elements: membership of an individual in a political community, fulfilment of rights, and obligations as citizens and their involvement in public life as its political existence.

In order to fully understand the concept of citizenship, it is therefore necessary to mention basic theory in which this concept has been developed. Gusteren (1998) identified three fundamental theories that constructed the concept of citizenship. First of all, liberal-individualism theory sees citizenship as being formed by two fundamental values; preferences and rights. This perspective is based on utilitarianism, meaning that individuals are viewed as utility-maximizers and they will act toward all social phenomena to maximize their gains. By this vein, it could be said that individual citizens would use their rights in a social and political process that takes place in their political community with consideration of having maximal benefit as a return within limitations not to disrupt others' rights and freedoms.

The second basic theory is communitarianism. This theory conceptualizes that individuals are a part of a society in which they behave in accordance with social norms and values that have existed for a long time. It develops the concept of citizenship as a result of value internalization within society which is based on existing social norms and values. Thus, implementation of autonomy, value and loyalty are dependent on an existing frame of thinking that prevails in society as a whole.

Republican theory, the third fundamental concept of citizenship, defines a citizen as a part of society that has a single value and tends to neglect value diversity. This view is likely to make an absolute community without paying much attention to the differences and characteristics of other communities. Therefore, based on this perspective, citizenship is seen as the process of valuing homogeneity via a certain political system.

Active Citizenship

Active citizenship, as Putnam stated, refers to civic engagement and aims to build social capital in order to construct shared values among people (Putnam, 1993). It can also be said that active citizenship is participation in society that ranges from cultural, political, and social to environmental activities at local, national, and even global level.

The European Union, for instance, has implemented a policy which aims to promote active citizens (Weerd, et al., 2005). The ultimate goal of this “active citizens” is participation which drives civil society to come together in a collaborative endeavor with government and other parties in solving social problems. Nevertheless, there are different perspectives and normative aspects found in the literature about the definition of active citizens. Yet these differences have something in common which refers to participation and civil society.

Having considered the fundamental theories that contribute to the concept of citizenship, it is then possible to utilize a larger perspective to analyze citizenship in this research. As mentioned earlier, citizenship is strongly related to participation and equality in the concept of democracy. Participation in this context is defined as active involvement by citizens in political and social organizations in the process of decision making. The role of citizens in this process reflects the value of equality in expressing ideas, thoughts, and judgement over social problems they face.

This research employs the concept of citizenship offered by Richard Bellamy (2008). Bellamy, as noted before, proposes three main components in this concept namely: membership in a political community, fulfilment of social and political rights as consequences of communal benefits of their membership in a political community, and citizens’ participation in social, economic and political processes. These three indicators were taken as a citizenship index variable which are being measured in this study.

Previous Researches

There have been a number of studies related to active citizens that show the importance of citizens’ engagement in the success of policy formulation and implementation. Maignan and Ferrell (2000), for instance, conducted a literature review and survey to conceptualize corporate citizenship in the US and France with four constructed factors namely economy, legal, ethics, and discretionary citizenship. Blackburn (1999), in her article *Women and Citizenship in Indonesia*, examines Indonesian women’s experiences regarding three issues (membership of the political community, rights and obligations associated with that membership, and participation in the life of that polity) and shows that Indonesia is required to accommodate gender perspective in its concept of citizenship due to its context and experiences in the past where women were frequently seen as a subordinate class in a polity. Miraftab and Wills (2005) tried to explain grassroots spaces for inclusive citizenship that goes beyond interpretation of formal citizen participation by studying the struggle of the poor in Cape Town, South Africa, to demand their constitutional rights and protection against neoliberal policies. Houtzager and Acharya (2010) examined civic engagement and comparative historical studies of democratization and found that associations (links between participation and citizenship activities) contribute to producing citizens who actively seek access to vital public goods and services. Moreover, the result also indicates that the level of active citizenship and the quality of this are independent entities.

However, citizenship has been developed by the western origin of the concept and this discourse has been dominated by western literature (Lee, 2004).

Given the increasing need for understanding the nature of the citizen at local level and in developing country cases, this study is one of the academic endeavors to capture and develop contextual conditions of local citizenship, especially in the case of Indonesia.

Research Method

This research was conducted in 14 sub-districts in the city of Makassar, Indonesia. Makassar is one of the metropolitan cities in Indonesia and has a heterogenic society with more than four ethnicities, six religions and two local languages. The study was conducted by survey method with face to face interviews and questionnaires. The number of samples was determined from the total population of 1 429 242 (Indonesian Bureau of Statistics, 2015).

The study employs multi stage random sampling with level of trust 95% and 0.05 margin of error. To maximize the results, we interviewed 420 respondents, hoping that 90% of our respondents completed the questionnaires appropriately without data missing in order to confirm the standard number of respondents that had been determined.

In attempts to quantify the quality of the value of citizenship index, we used the weighted average of each element of citizenship and measured 18 indicators in which each of these indicators has the same weighting as the following formula:

$$\text{Weighted} = \frac{\text{Number of weights}}{\text{Numbers of element}} = \frac{1}{18} = 0.055$$

To obtain the value of quality of citizenship index we used the approach of weighted average value with the following formula:

$$\text{Citizenship Index} = \frac{\text{The sum of perceived value per indicator}}{\text{The total elements filled}} \times \text{Weighing values}$$

In order to interpret the value of citizenship index (ranging from 25–100) easily, the result is converted with the basic value of 25 with the formula: CI x 25.

Table 1

Perception, Interval and Value of Citizenship Index

Perception Value	Interval Value of IKM	Interval Value Conversion of IKM	Quality of Citizenship	Degree of Citizenship
1	1.00–1.75	25–43.75	D	Very Passive
2	1.76–2.50	43.76–62.50	C	Passive
3	2.51–3.25	62.51–81.25	B	Active
4	3.26–4.00	81.26–100	A	Very Active

Using a weighting indicator system, the results show a significant number for each variable measured with a 95% significance level or < 0.05 (Santoso, 2010). Therefore, it could be said that this is valid and reliable. In line with Cooper and Schindler (2008), when the measuring instrument used is invalid or unreliable, the results will not describe the actual situation. Therefore, to test the questionnaire as a research instrument, the test of validity and test of reliability is applied with a significance level of 95% or $= < = 0.05$.

Research Results and Discussion

Membership in Community

Being a citizen in a political community generally requires a certain process. Those who have already passed the process of being initiated as part of a group then gain recognition with a certain identity. This identity can be in physical form such as cards, uniforms, or other physical signs and symbols. Identity as part of a group can also be in a non-physical form such as self-acknowledgement by positioning itself as a representation of the community in which a person becomes a member or a citizen. Self-recognition of being a member in a social entity engenders an individual consciousness to act and contribute to its society. Bellamy (2008) states that awareness as a member in a society can be analyzed based on six factors, as follows:

1. Every individual feels accepted as a citizen regardless of ethnic or religious background.
2. Every individual has a desire to contribute to their community.
3. Every individual has a positive nature regarding paying taxes to the state.
4. Every individual has an awareness to evaluate the government.
5. Each individual has the ability to argue independently.
6. Every individual feels part of the community.

The results of the survey using the above six factors in Makassar can be seen in the Table 2.

Table 2

The Value of Membership in Society

Membership in Society	Value
Acceptance regardless of ethnic and religious background	3.09
Desire to contribute	3.11
Paying taxes	3.01
Awareness to evaluate government	2.97
Ability to make opinion independently	3.17
Feeling part of the community	2.94

The first variable measures the extent to which a person's consciousness feels accepted as a part of the society in which they are located. As an area with a heterogeneous society, every citizen of Makassar City hopes to be accepted as a citi-

zen regardless of religion, ethnicity, or ethnic background. A stronger value in this variable indicates that the quality of citizenship in the area is more active with a high civic capacity. On the contrary, a weaker value indicates that a particular society is in a segregated state.

It appears, as shown above, that the respondent has a value of 3.09 which indicates strong citizenship. This value indicates that the people of Makassar City are open in accepting every individual to be a citizen of Makassar regardless of religious, tribal, or ethnic background.

The second variable identifies the desire to do something for society. As a member of a community, every citizen desires to contribute to their community. The higher value of this variable indicates that the community has an active citizen in terms of doing something for the community. On the contrary, the weakness of this variable value indicates that many citizens only take profits as members but do not want to do something for their community. In economic concepts, such individuals are known as free riders and this can be serious problems, leading to market failure.

The table above shows the value of 3.11, which reveals a low number of free riders in Makassar because people generally have a desire to contribute to the community. These results also show that Makassar residents tend to have a high civic capacity.

The third variable shows the real form of citizens' contribution to their country by paying taxes. In this regard, several studies show that citizens' willingness to pay taxes is strongly influenced by their level of trust in government (Rhostein, 2005; Scholz & Lubell, 1998). A higher value of this variable indicates that people believe in their institutions and are willing to pay taxes. On the contrary, a lower desire to pay taxes means that the level of trust in the state is also low and people do not consider themselves as part of the community.

The variable value of the tax-paying desire is 3.01, meaning the value of citizenship of the people of Makassar City is strong regarding paying taxes to the state. This value also indicates the high trust of the citizens of Makassar in the government.

The fourth variable is the awareness of evaluating the government as an indicator of critical awareness of citizens in assessing government performance. As part of society, a citizen must be active in controlling the course of government and this shows the sense of ownership of political communion. With the active participation of every citizen in performing the control function in government, it will make the civil society stronger. The value of 2.97 indicates that the people of Makassar City have a strong desire in terms of running the control function.

The fifth variable is the ability to argue independently as a measure of civic capacity that considers itself an independent community member in thinking. This value also means that every citizen has no pressure or fear of stating an opinion. A higher value indicates that the level of independence of citizens in proposing opinions as a form of manifestation of one of the human rights guaranteed by the 1945 Act of freedom of expression. But if the value of this ability to argue independently is low, it indicates that the society is part of a tyranny of power that castrates everyone's fundamental freedom to argue. The state's guarantee of freedom provides benefits to citizens as part of the political entity of the Indonesian state.

The survey results show the value of freedom of expression as written in Table 3 above is 3.17 or a “strong” citizenship value. This data indicates that the citizens of Makassar City have freedom of expression as part of an Indonesian political entity which provides legal guarantees to be independent in submitting an opinion.

The sixth variable is the value of consciousness as a part of society that shows the quality of responsibility to be part of a political entity. When a person feels part of a political entity, their loyalty to the prevailing community values will be stronger. Feeling part of the community also shows that they are committed to engaging in community activities.

This data shows that the citizens of Makassar have a strong responsibility to follow the values that apply as a form of its manifestation as a member of society. This data also indicates that the citizens of Makassar City have a strong desire to always contribute to the community as has been parsed on the previous variable.

Rights Fulfillment as Citizens

Every citizen has the right to be fulfilled and protected by the state. Each country has a set of rights stipulated in its own legislation. Nevertheless, almost every country in the world recognizes the universal application of human rights and is included in the Universal Declaration of Human Rights. In the UN Charter, human rights are grouped into six categories, namely personal rights, property rights, political rights, legal equality rights, social and cultural rights, and the right to equal treatment in procedural rights.

Based on the concept of human rights, Bellamy (2008) then parses six factors that determine the variable fulfillment of the right as citizens to measure the quality of citizenship of a society. The six factors are:

1. Fulfillment of rights is treated equally before the law
2. Fulfillment of the right to education
3. Fulfillment of the right to health service
4. Fulfillment of the right to security
5. Feelings of political rights fulfillment
6. Fulfillment of rights without discrimination

The results of a survey based on the six factors above are presented in Table 3 below:

Table 3

Value of Fulfilling Rights as Citizens

Fulfillment of Rights as Citizens	Value
Fulfillment of rights is treated equally before the law	2.95
Fulfillment of right to education	2.96
Fulfillment of right to health service	2.86
Fulfillment of right to security	2.95
Feelings of political rights fulfillment	2.94
Fulfillment of rights without discrimination	3.00

The first variable shows the public perception of the fulfillment of the right to equal treatment before the law becomes the main foundation in civil society. When all citizens are guaranteed the fulfillment of the right to equal treatment before the law then law enforcement efforts can be well implemented. This condition will affect public trust in the legal institutions. Ultimately, security and order in a society can be well maintained. The survey results in the field indicate that the index value on the fulfillment factor of the rights required equal before the law is 2.95 or the value of “strong” citizenship. This data shows that the people of Makassar City have a positive perception on the fulfillment of the right to receive equal treatment before the law. This data also indicates the confidence of the citizens of Makassar City in legal institutions is high enough, which is certainly expected to support law enforcement efforts.

The second variable is the public perception of the fulfillment of the right to receive good educational service. Education is a fundamental service for all citizens which must be provided by the government. Citizens’ perceptions of the fulfillment of the right to quality educational service show that the government has decent performance in providing this basic service. Data from the survey results in the field indicate that the value of the fulfillment index of education service rights of Makassar City is 2.96 or is in the value of interval with a strong civic value. This data indicates that the people of Makassar City appreciate the performance of the Government of Makassar City in the provision of educational services. Positive assessment of the citizens of Makassar City on the fulfillment of the right to education services has a positive impact on improving the quality of citizenship of Makassar.

The third variable is the perception of the fulfillment of the right to a health service that shows the quality of health service performance in the community. Health services are also a basic service for citizens that provides easy access for every citizen to various types of health services, wherever they are. The high value of the fulfillment of the right to health services shows a high appreciation by the people of Makassar for the performance of health services provided by the Government of Makassar. The survey data shows that the index of fulfillment of the right to health services is 2.86, which represents the value of “strong” citizenship. The positive appreciation of the respondents on the fulfillment of the right to health services shows the high-quality performance of the Government of Makassar City on health services. This certainly cannot be separated from the innovations of the Mayor of Makassar in the field of health, especially the *Dottoro’ta* program that provides car facilities as mobile services in every community health station in order to ensure that all citizens can access health assistance effectively for free.

The fourth variable is the fulfillment of the right to security services that measure people’s perceptions of security as a citizen. Gaining a sense of security is a fundamental right for every citizen guaranteed by a country. The high value of perceptions of the fulfillment of security rights also affects the level of citizens’ trust in the state. On the other hand, the low perception of the fulfillment of the right to security indicates the failure of the state to provide a security guarantee for its citizens, which has an impact on the low trust value of

the citizens to the government. This condition will certainly affect the political legitimacy of a government and become the threshold of the collapse of social capital building of a society.

The result of the survey in Makassar City shows the value of the security fulfillment index is 2.95 which shows the value of citizenship of Makassar city which is "strong". This data shows that the people of Makassar City have a high sense of security and a positive appreciation of the security services so far. This data also indicates the misconception of public opinion that the citizens of Makassar City feel unsafe due to the rise of criminal action or motorcycle gangs occurring during this study was conducted. However, this condition still requires further research. Therefore, the performance of the security services provided by the Government of Makassar City in cooperation with the security forces must be improved.

The fifth variable is the fulfillment of the political right to measure public perception of the freedom of every citizen to engage in various political activities without having to experience fear or intimidation of a particular group. Political rights are linked to the right to group and union and the right to engage in political activities.

High perceptions of citizens' values on the fulfillment of these political rights indicate the healthy political dynamics of a society. But if the value of perceptions of political rights fulfillment is low, then the condition indicates the growth of political authoritarianism in the society.

The result of the survey in the field shows the value of the index of political rights fulfillment of Makassar citizens is 2.94 which means the value of "strong" citizenship. This data indicates that the citizens of Makassar City are active in political activities and are unionized without having to experience concerns over differences in the color of certain political choices. This data also shows the quality of local democracy in Makassar is so dynamic and positive that it can contribute to the strengthening of civil society structures.

The sixth variable is the perception of citizens on the fulfillment of rights without discrimination which shows the level of equality and respect for differences of ethnicity, religion, and ethnicity as well as other identities of fellow citizens. This indicator of rights fulfillment without discrimination is an important issue, especially for the cosmopolitan community where its citizens are made up of diverse groups. The higher the value of public perception of the fulfillment of rights without discrimination, the stronger the value of equality of a society. Conversely, the lower the index value of rights fulfillment without discrimination, the weaker the quality of citizenship of a society.

The result of the field survey shows that the value of index of rights fulfillment without discrimination is 3.00 which means that the value of citizenship of Makassar is in the "strong" position.

This data shows that the people of Makassar city appreciate the fulfillment of the right of every citizen regardless of ethnic, religious, ethnic or other identity. This data also shows the positive appreciation of Makassar City residents regarding the application of equality values and in the efforts of the state to fulfill these rights.

Level of Citizens Participation

Having previously discussed the value of citizenship related to the fulfillment of citizens' rights, this latter value is related to the quality of citizen participation which refers to the realization of the obligations of every citizen in a social community. The balance between rights fulfillment for citizens and their obligations becomes the main foundation in building a civil society. Participation is also one of the values in democracy that provides the opportunity for all citizens to engage in political processes such as the policy-making process or the election process.

Bellamy (2008) states six factors to explain value of participation. This value is argued to have an implication in the quality of citizenship and the six aspects can be seen as follows:

1. Participate in meetings
2. Participate in every public activity
3. Participate in politics
4. Participate in social activities
5. Participate in maintaining security and order
6. Participate in support of government programs

The results of the survey conducted in Makassar by using these six factors to measure value of citizens' participation are presented in Table 4 below:

Table 4

Value of Citizens Participation

Citizens Participation	Value
Participate in meetings	3.00
Participate in every public activity	3.00
Participate in politics	3.17
Participate in social activities	3.01
Participate in maintaining security and order	3.05
Participate in support of government programs	3.06

The first variable measures a person's awareness about caring about what is happening around them by being present and involved at every citizen meeting. Attendance at community meetings indicates a person's commitment to engage and collaborate with the community. A stronger value in this variable indicates that the quality of citizenship in the area is more active with a high civic capacity. On the contrary, a weaker value indicates an apathetic public character or one which does not care about the surrounding conditions and reluctantly engage in meetings that discuss the surrounding conditions.

In Table 4 above, it can be clearly seen that the index value is 3.00 which refers to the value of "strong" citizenship. This indicates that the desire of residents to participate in public meetings is high and the desire of the citizens to collaborate with other residents to solve common problems is strong.

The second variable indicates the desire of the citizens to participate in any activities undertaken by the residents in their vicinity, such as consecration or celebration of Independence Day. Citizens' commitment to contribute to their communities by engaging in activities initiated by fellow citizens indicates a quality of active citizenship. The higher the value of this variable indicates that the community has active citizens in which they are willing to cooperate in taking real action, not only by their presence in discussion or public meeting. On the contrary, the weakness of this variable value indicates a lack of sense of belonging and togetherness among citizens.

Table 4 above shows an index value of 3.00 which means that the people of Makassar generally have a desire to contribute to their community by being actively involved in the activities organized by local people. These results also show that people in Makassar have a high civic capacity.

The third variable indicates the willingness of the residents to participate in political activity, especially in the general election or regional head election. These political events range from the elections of members of DPRD, DPR and DPD, President elections, and Governor and Regent / Mayor elections. In addition, elections at the lowest level of government are also held for choosing a chief of RW / RT.

For a variable of participation in political events, it presents a value of 3.17, which means that the value of citizenship in Makassar is high. In other words, the people are willing to actively participate in political events. This value also indicates high public confidence in the political system by actively engaging in electoral or similar activities.

The fourth variable indicates the quality of citizenship to participate in social activities, showing the high value of altruism in the community. The involvement of a citizen in social activities requires his or her own commitment and willingness to sacrifice time, labor, or expense for others. The high value of participation in social activities shows the strength of social capital in a particular social community. Conversely, the low value of participation in social activities indicates the high value of individuality in a society.

Table 4 above shows 3.07 which means the willingness of Makassar City residents to participate in social activities. This data indicates that the people have a high altruism value and this data also indicates the strength of social capital owned by the people of Makassar by showing the value of desire to share common things with each other (reciprocity value).

The fifth variable indicates the willingness of the people of Makassar City to participate in maintaining security and order. The need for security and orderliness is a fundamental requirement in presenting a modern city like the City of Makassar. Therefore, security and order are not only the responsibility of the government, but there is also the question of how to encourage citizens to play active role in this matter as well.

A value of 3.05 presented in Table 4 above means that there is a strong desire of citizens to participate in maintaining security and order. The data shows the commitment of the people of Makassar City to actively participate in maintaining security and order in their surrounding environment. This data indicates the high

social responsibility of Makassar City residents to eliminate the bad impression of Makassar as an unsafe city. To that end, the government should appreciate this condition by establishing collaboration with citizens to help maintain the security and order in the city.

The sixth variable indicates willingness of the citizens to support the government's programs. The success of Makassar City government in realizing various programs such as education, healthcare, cleanliness, and other programs is not only the responsibility and success of the government but it is also supported by the people in order to achieve the goals of those programs.

Table 4 above shows 3.06 for this aspect. This means that citizens' willingness to participate in supporting various government programs is strong. This data indicates the appreciation of Makassar City residents toward various programs set and implemented by Makassar City government. For example, the appreciation of the people toward the innovative programs conducted by Mayor Danny Pomanto in development activities which engaged with communities, such as the Garbage Bank, is high and well appreciated.

Based on the three variables of the Citizenship Index that have been parsed above, the Value of the Citizenship Index of Makassar City is 78.70, or indicates the quality of active citizenship. This data shows that the quality of Makassar City residents is quite good although not yet at the highest level of citizenship quality that is very active. This data also indicates that the people of Makassar City have high civic skills and social capital that is still quite strong.

Based on three variables of citizenship index of Makassar, the survey results show that the major capital is citizens' participation, followed by their awareness as citizens and perception over the fulfillment of their rights. Moreover, this data reveals that citizens of Makassar City have a high altruistic attitude that can be confirmed by their tendency to do a favour for their fellow citizens and the high level of their participation. However, the data also reveal another story where they feel less satisfied on health care services provided by the government.

Conclusion

The dominant role of the government and the market in the administration of the state has limitations and seems to deny the principles of democracy. Therefore, the role of citizens to be involved in sharing responsibility in the implementation of any government business is the main agenda in order to encourage citizen participation and responsive governance. The role of citizens in the organization of the state is influenced by the civic skill possessed by citizens which is reflected in the quality of citizenship of a society.

This study offers a model for measuring the quality of citizenship by using the theory proposed by Bellamy (2008) which consists of three variables, namely (1) awareness of membership in society, (2) perception of fulfillment of citizen rights and, (3) level of participation in society.

Among the three variables of citizenship quality, Makassar residents have a fairly high index value in the variable "participation in society". This data indicates that the citizens have a high altruism value. Nevertheless, the index value of

“perception of rights fulfillment as citizens” is the lowest compared to other variables. This shows that the government’s performance in delivering public services as the rights of citizens, especially in healthcare, is still ineffective. However, the data does not mean that health services in Makassar are bad, yet it shows that residents’ expectation of basic service fulfillment are not met with the current condition of public service delivery.

In addition, further studies of citizenship quality must be continually conducted. These studies may explore possible factors that may influence the level of citizenship quality either in urban or rural areas. Moreover, more empirical studies with bigger samples should also be conducted to explore causal patterns among peaceful and post conflict societies.

Finally, this study has limitations in terms of the low number of samples used to represent the population of Makassar. In addition, the personal evaluation methods used in assessing citizenship variables may have bias, in the context that participants may have been influenced by news coverage in the media at the time this survey was conducted.

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POLITICO-ADMINISTRATIVE INTERFACE IN THE LOCAL COORDINATION OF BANGLADESH: A LITERATURE REVIEW

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Abstract

The purpose of the study is to review the history of politicization in local government (LG) and determine the major factors that affect local coordination in Bangladesh maintaining the relationships between politics and administration under the changing provisions of the *Upazila Parishad (UZP)* Act of 2009 and the partisan LG provisions of 2015. The study is entirely based on a literature review where only qualitative data has been explored. Eighteen documents were selected as a data set through searching Web of Science, SCOPUS and Google Scholar databases by using the relevant key-words. The study found a number of factors that are outlined by inter- and intra-organizational perspectives which negatively effect on local coordination in Bangladesh. Among these factors, lack of proper division of work, financial dependency on central government, lack of a chain of command among LG bodies, and the compulsory advisory role of Member of the Parliament (MP) over UZP are found to be major inter-organizational factors, whereas dual loyalty of transferred departments, unequal project distribution among *Union Parishads (UP)*, and the domination of non-elected members in UZP are also identified as intra-organizational factors that are negatively associated with local coordination. Despite these existing problems, recently adapted partisan LG provisions are also creating a huge conflict in not only the local administration but also in local politics. In this regard, the government will have a great opportunity to address these burning issues properly through removing these legal and practical barriers for ensuring better local coordination.

Keywords: politics-administration; local government; local coordination; Upazila Parishad (UZP); Upazila Nirbahi Officer (UNO); member of the parliament (MP).

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Statement of the issues

Politics-administration interface

Every state will have to delegate some of its public services to the local authorities that are geographically located in different places in the country and this may happen in different forms. According to Rondinelli (1981; 1992), these types of delegated power and responsibilities are renowned as decentralization and it is divided into four forms. Among these forms, 'Deconcentration' means to transfer the functions within a centrally controlled hierarchical authority, 'Delegation' means to transfer the functions to the bodies with some discretionary powers, 'Devolution' means to transfer the functions with decision making power to local government organizations, and 'Privatization' means to transfer the power and responsibility to the non-governmental organizations (cited in Jacobsen, 2003). Here, the degree of central control is found to be the main dissimilarity between these forms of transfer & delegation. The relationship between politics and administration considering power distribution is a well-known classical concept in the history of political science. Originally, the politics-administration dichotomy concept was developed by a scholarly article of Woodrow Wilson in 1887 where the main functions of politics were limited to formulating policy and the main notion of administration was to implement the policy at the different levels of administration (cited in Jahan & Shahan, 2008; cited in Jacobsen, 2003). Politics, according to Weber, was all about choosing between values, and administration, on the other hand, was all about facts (Jacobsen, 2003). Herbert Simon's 'Administrative Behavior (1976)' was the first scholarly paper to oppose the Weberian ideal model where he did not totally obliterate the distinction between fact and values, but argued strongly that many decisions could be characterized as both factual and ethical (cited in Jahan & Shahan, 2008; Jacobsen, 2003).

According to Woodrow Wilson, politicians should concentrate on strategic and principled tasks, whereas technical tasks should be delegated to the administration that was opposed by Mosher (1982) who argued strongly that it was impossible to analyze public tasks only in technical terms. Finer (1941) and Friedrich (1940) disagreed with politics-administration separation and they opined that politics could not be separated into different phases, but rather it was tightly connected in different segments. However, the line between politics and administration becomes more or less unclear. Therefore, Svava (1985; 1998; 1999; 2001; 2006) who describes the limits of the politics-administration dichotomy and also puts forward the complementarity model where elected rep-

representatives (politics) and bureaucrats (administration) join together in the mutual pursuit of good governance. Today, the idea of a total separation between politics and administration is impossible to consider. Now the administration is contributing their role in policy formulation with their regular work through providing policy input and having a presence in policy meetings with politicians (Jacobsen, 2003). On the other hand, the politicians expanded their hands in the policy implementation process too. As a result, the overlapping of politics and administration has created an opportunity of cooperation, competition and conflict among themselves (Spicer, 2015; Jacobsen, 2003).

Central government control over politics-administration relations at local level

There are numerous legitimate arguments for both centralization and decentralization (Phillips, 1996; Page, 1991; Ali, 1987) in the political system of governance. However, it is more common to argue that decentralization of political power and responsibilities will enhance the general interest in local politics and accommodate the active participation of local citizens. On the other hand, local level decisions that are based on local knowledge and the involvement of local people comprehend local needs and demand (Jacobsen, 2003). In that sense, the service delivery and distribution system enjoys better in a decentralized system. Small units may also have fewer problems to coordinate via the local affairs and effectiveness and efficiency may be better through a decentralized system (Hagen & Sørensen, 1997). Moreover, politics and administration are also highly interdependent, where administrators are dependent on political decisions towards funds allocation and legal orders, on the other hand, politicians are dependent on policy input and advice from administrators for better future policy formulations (Ahmed, 2009; Jacobsen, 2003).

In the last three decades, many developed countries have focused on establishing their bureaucracies into horizontal and vertical specializations (Rahman, 2015). As a result, public service delivery was transferred from the central government to many autonomous bodies, field administrations and local government bodies (Whettenhal & Thynne, 2010; Radaelli, 2008; Morshed, 1997). Thus, local government is functioning prevalently all over the world and bureaucracy is also working at local levels with locally elected politicians. But the experiences of many developing countries provide plenty of evidence that there are a lot of confrontations and coordination problems between locally elected politicians and government officials regarding local policy formulation and implementation (Rahman, 2013; Ahmed *et al.*, 2011; Huque, 1988; Ahmed, 1980).

Central-local government relations in Bangladesh

The central government of Bangladesh has the authority to fix the territorial boundary, composition, manpower, function, and the mechanism of dispute-settlement with other organizations, as well as financial matters including budget, revenue sources and ceiling, expenditure pattern, inspection regulation, removal mechanism of representatives, and separate rules on the

implementation, facilities, and duties of *Upazila Parishad (UZP)*¹ through formulating the act, schedule, rules, guidelines, charter and circulars (Ahmed & Rahman, 2012). Apart from this, the UZP Act provides opportunities to central government not only to allocate funds for various development activities but also dictates on the procedure of its spending (Rahman, 2015; Sowdagar, 2010). Moreover, the central government primarily exercises its control over UZP through its field level officers such as the Deputy Commissioner (DC) and the *Upazila Nirbahi Officer (UNO)*², heads of district and *Upazila*³ administration respectively. Besides that, UZP has to spend the money in the particular sector like education, agriculture, and physical structure determined by the central government based on population and a vaguely defined criteria of backwardness (As-Saber & Rabbi, 2009). In this context, UZP has no power to reallocate the money from one sector to another (Zafarullah, 2005) which constrains the scope of responsiveness to local needs.

Central government includes the Member of the Parliament (MP)⁴ of that constituency, the UNO who is the coordination and supervision officer of the central bureaucracy at *Upazila* level, as well as the principal executive officer (PEO) of the UZP, 'transferred departments'⁵ officers and officers of 'retained departments'⁶. At the moment, a transferred department's officer has to be accountable not only to UZP but also to their own superior officials. But in the case of retained departments, the UNO plays a coordinator role but local government has almost zero power over retained departments. According to the amendments of 2009 and 2011 to the UZP Act 1998, the MP of that constituency is the compulsory adviser to UZP and he/she will be invited to every meeting of UZP. As per the rules, UZP needs to inform or send a copy to the MP of all communication with central government, needs to take recommendations from the MP about preparing five year and other development plans, and also needs to send a copy of the budget to the MP (Rahman, 2013; Ahmed & Rahman, 2012). So, it seems that although the MP is an elected representative of the legislature, the provision of the UZP act has created an opportunity for the MP to participate

¹ UZP is the mid-tier of rural local government in Bangladesh where it is formed by a direct election. In this study, UZP represents as 'Politics'. According to the UZP Act, UZP is the supreme authority at *Upazila* over transferred departments.

² In Bangladesh the *Upazila Nirbahi Officer*, often abbreviated as UNO, is the chief executive of an *Upazila* (sub-district) and a mid-level officer of the Bangladesh Civil Service (Administration Cadre). In this study the UNO, as the head of local Bureaucracy, acts as 'Local Administration'.

³ *Upazila* (Sub-district), formerly called *Thana*, is a geographical region in Bangladesh working for administrative or other purposes.

⁴ A member of parliament (MP) is the representative of the voters to a parliament who is involved with the policy formulation and explanation. In this study, MP represents the role of 'Politics'.

⁵ According to the Article 24(1) (b) of the *Upazila Parishad Act-1998* (Amended up to 2009) thirteen officers of the central government at the *Upazila* level with their subordinates and offices are transferred to the *Upazila Parishad*. Transferred officers are 1) *Upazila Nirbahi Officer-UNO* and the *Upazila* level officer of the following departments: 2) agriculture, 3) livestock, 4) fisheries, 5) youth development, 6) social welfare, 7) health and family planning, 8) family planning, 9) primary education, 10) women affairs, 11) project implementation, 12) public health engineering, and 13) local government and engineering, these are transferred departments. In this study, these thirteen officers are considered as part of the 'Local Administration'.

⁶ Other than earlier stated thirteen departments all other departments at the *Upazila* level are retained departments, where UZP has limited access.

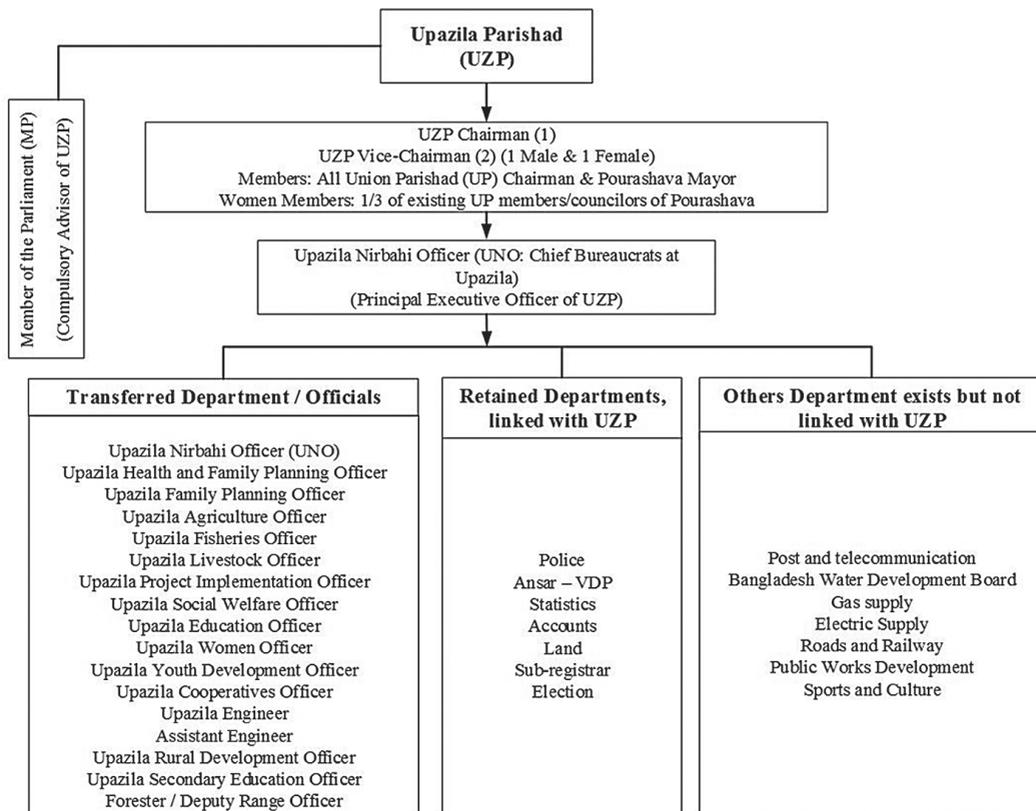
and interfere in every activity of UZP. Although MPs fiercely resisted the introduction of UZP earlier, they are now the chief benefactors of this organization as well as masters of all development activities (Rahman, 2014). Interestingly, the bad relationship exists not only with the representatives of opposition political parties but also with the same political party (Panday, 2014; Ahmed & Rahman, 2012). Therefore, the central government also exercises substantial financial and administrative control over local governments in different ways. Mutebi (2004) found that these excessive regulatory and bureaucratic controls over the UZP resemble what was termed as the recentralization of Thailand (cited in: As-Saber & Rabbi, 2009).

Scope & Rationale of the study

The study area is limited to UZP coordination whereas all transferred departments including the UNO have to perform their duties under an elected UZP and the MP will have an advisory role over UZP. In this context, this study is confined to comprehending the relationships among UZP Chairman (UZPC), the UNO and the MP in UZP coordination activities.

Figure I

Current structure of Upazila Parishad in Bangladesh



Own Illustration, 2018

In Bangladesh some attempts have already been made to understand the structural and administrative dimension of the problems of coordination in the *Upazila* administration. But after adopting two recent major changes, i.e. the amendments of 2009 and 2011 to the UZP Act of 1998 and the partisan provisions of local polls in 2015, there was a dramatic change in local coordination. However, previous research was conducted mostly before 2009 when there was no elected UZP and non-partisan LG bodies. Therefore, we found a couple of recent researches on politics-administration relations at local level in Bangladesh (Rahman, 2012; 2013; 2014; Ahsan & Panday, 2013) but these are not enough to accommodate inter- and intra-organization perspective together including the effect of partisan local representatives towards local coordination. Besides, the factors associated with poor local coordination that was explored through different studies are scattered and have limited coverage. So, the purpose of the study is to review the history of the politicization of local government and find out, through a rigorous literature review, the factors that affect local coordination maintaining the relationships between politics and administration under the changing provisions of the UZP Act and partisan local government provisions.

Pre-understanding of the theoretical standpoints

There is a growing body of literature in public administration and organizational studies that critically addresses the study of coordination. Harold Siedman (1998) rightly observed that coordination is indeed the philosopher's stone of public administration (cited in Kettl, 2003). Malone and Crowston (1994) stated that 'Coordination is managing dependencies between activities'. Seidman and Gilmour (1986) define coordination as 'both a process of the act of coordinating and a goal of the bringing together of diverse elements into a harmonious relationship in support of common objectives' (cited in Jennings, 1994). Robinson *et al.* (2000) have identified three ideal types of IORs: coordination, cooperation and competition that is closely matched with the inter-organizational coordination scenario in the local development of Bangladesh. Robinson *et al.* (2000) identified coordination as 'the description of relationships which are ordered by the exercise of authority through hierarchy and rules, rather than by the hidden hand of competition or by solidarity based on trust and reciprocity'. Mintzberg (1979) argues that when organization becomes simple to complex and from stable to dynamic, there is a need for different modes of intra-organizational coordination i.e., (1) mutual adjustment, (2) direct supervision, (3) standardization of work, (4) standardization of outputs, and (5) standardization of skills. Among these, mutual adjustment achieves the coordination of work through the simple process of informal communication where direct supervision achieves coordination by having one individual taking responsibility for the work of others. In this regard, work processes are standardized when the contents of the work are specified. In this study, the intra-organizational coordination has been used to denote the existing working relationship among different departments within UZP in Bangladesh. Svava (1985; 1998; 1999; 2001; 2006) describes the limits of the politics-administration dichotomous view and also puts forward the complementarity model, which is supported by several empirical stud-

ies (Demir & Reddick, 2012; Hansen & Ejersbo, 2002). The Complementarity Model is based on the premise that elected representatives and bureaucrats join together in the mutual pursuit of good governance, resulting in a high level of interaction, reciprocal influence, cooperation and trust (Svara, 2001; 2006; Mouritzen & Svara, 2002). In this perspective, the present study emphasizes how the politicians and bureaucrats maintain their mutual relationships to plan and implement local projects together, which shows the essence of the complementarity model.

Methodology of the study

The study is based on a comprehensive literature review where qualitative data has been considered. According to Perri 6 and Bellamy (2012), data creation methods refer to the procedure of constructing raw material for advance investigation. In this context, data was created through reviewing literature, which included textbooks, peer-reviewed articles and some most relevant reports. The articles were sourced through the 'Web of Science' and the 'SCOPUS' databases which are accessed by the University of Science and Technology of China that was extended to Google Scholar as enough relevant articles could not be found through selected databases. At first, we searched from both databases by using the following keywords where the literature search filtered the time between 1980 to February 2018, we searched only through 'Title', the document type was 'Article', language in 'English', and the research domain/subject area was 'Social Sciences'. Subsequently, we found 96 articles from Web of Science and 62 articles from SCOPUS by utilizing the following key words. After reviewing the article's abstract and findings, we found 13 articles that are more relevant to the scope of this study, among them two were overlapped in both databases. As a result, 11 articles from these two databases were finalized as the data set in this study.

Table 1

Data creation procedure

Keywords	Database	Article/ Documents Found	Relevant Documents
Local Coordination	Web of Science	74	00
	SCOPUS	28	00
Local Coordination in Bangladesh	Web of Science	00	00
	SCOPUS	00	00
Politics-Bureaucracy Relations	Web of Science	01	01
	SCOPUS	00	00
Politics-Administration	Web of Science	12	00
	SCOPUS	15	00
Field Administration in Bangladesh	Web of Science	00	00
	SCOPUS	03	02

Keywords	Database	Article/ Documents Found	Relevant Documents
Local Government in Bangladesh	Web of Science	07	0
	SCOPUS	11	05
Politics of Administrative Decentralization	Web of Science	02	01
	SCOPUS	03	01 (Repeat)
Role of the Members of Parliament in the Local Government	Web of Science	00	00
	SCOPUS	01	01
Upazila Parishad	Web of Science	00	00
	SCOPUS	00	00
Upazila Administration	Web of Science	00	00
	SCOPUS	02	02 (01 Repeat)
Total			11

After that, we searched again through Google Scholar by using the same key words, expecting more relevant literature. We found a good number of articles, books, unpublished thesis, and reports related to politics-administration relations at local level in Bangladesh. But after reviewing those documents, seven more documents (3 articles, 2 books, 1 report, and 1 unpublished thesis) were selected that were also the most relevant within the scope of this study. In total, 18 (11+7) pieces of literatures were finalized for the data set of this study as shown below:

Table 2

Selected data set of the article

N	Article/Thesis/Books Name	Author's Name	Journal/Publisher Name
1	Bureaucratic Perceptions to the Politics-Bureaucracy Relations in Bangladesh: A Moral Dilemma in between Political Neutrality and Responsiveness.	Rahman (2014)	Asian Journal of Political Science
2	Problems of Coordination in Field Administration in Bangladesh: Does Informal Communication Matter?	Ahsan & Panday (2013)	International Journal of Public Administration
3	Role of the Members of Parliament in the Local Government of Bangladesh: Views and Perceptions of Grassroots in the Case of Upazila Administration.	Rahman (2013)	Public Organization Review
4	Annual Development Programme (ADP) Grants for Upazila Parishads: Role of Upazila Nirbahi Officer (UNO) in the Planning and Implementation Process.	Zamil (2012)	http://www.mppg-nsu.org/attachments/396_Zamil.pdf

N	Article/Thesis/Books Name	Author's Name	Journal/Publisher Name
5	Upazila Parishad in Bangladesh: Roles and Functions of Elected Representatives and Bureaucrats	Rahman (2012)	Commonwealth Journal of Local Governance
6	Working of Upazila Parishad in Bangladesh: A Study of Twelve Upazilas.	Ahmed et al. (2011)	Local Governance Cluster, UNDP
7	Some Neglected Aspects of Performance in Field Administration in Bangladesh.	Huque (2011)	International Journal of Public Administration
8	Reintroducing Upazila system in Bangladesh: Quest for Autonomy.	Sowdagar (2010)	Development Compilation
9	Bureaucracy and local politics in Bangladesh: A study in roles and relationship.	Ahmed (2009)	AH Development Publishing House, Dhaka
10	Democratisation of the Upazila Parishad and Its Impact on Responsiveness and Accountability: Myths versus Realities.	As-Saber & Rabbi (2009)	JOAAG
11	The Politics of Administrative Decentralization in Bangladesh.	Rashid (2005)	Canadian Journal of Development Studies
12	Bureaucratic Response to Administrative Decentralization: A Study of Bangladesh Civil Service.	Morshed (1997)	The University Press Limited, Dhaka
13	Local Government in Bangladesh: Past Experiences and Yet Another Try.	Westergaard & Alam (1995)	World Development
14	Problems of co-ordination in Upazila Administration in Bangladesh	Ahmad (1991)	Public Administration and Development
15	Experiments in Local Government Reform in Bangladesh.	Ahmed (1988)	Asian Survey
16	Decentralization for Development: Experiment in Local Government Administration in Bangladesh.	Ali (1987)	Asian Survey
17	The problem of coordination in Upazila Administration: A case study of two Upazilas.	Huq et al. (1987)	Bangladesh Public Administration Training Center
18	The politics of local government reform in rural Bangladesh	Huque (1985)	Public Administration and Development

Discussion and Analysis

Political Experimentation over Local Government in Bangladesh

Pre-British Era. According to the Rig Veda, the ancient Indian Subcontinent was politically divided into numerous sovereign territories headed by a local King or *Rajas*. Self-governing village communities, i.e. the *Panchayat*

system, had been characterized in India by agrarian based economies during the sixth to ninth centuries (Siddiqui, 2005). This body was composed with the position of *headman* and *Panchayats* where central government control was marginal and they had adequate financial resources to perform their duties (Khan, 2016). During the *Gupta* period (200–500 BC), there were two types of local councils found, the *Vishays* (Districts) and *Bhuktis* (Divisions). But strong central government control was found in Bengal during *Pala & Sena* rule in the 8th century. Moreover, the *Mughal* rulers emphasized to towns that was included a number of wards (*Mohallas*) and they did not interfere in the early customs of village government but rather they incorporated the village into the administration as a unit for collecting revenue and maintaining law and order (Siddiqui, 2005).

British Era. A loyal landed class of *Zaminders* had been vanished in the rural organizations of Bengal through the Permanent Settlement Act of 1793 and it provided the central government with a sound revenue and political support base (Ali, 1987; Blair, 1985). The Bengal Village *Choukidari* Act of 1870 tried to revive and establish the *Panchayat* system in the rural areas of Bengal with individuals (five members body) nominated by the district magistrate (Khan, 2001; Ali, 1983). However, the Bengal Local Self Government Act of 1885 created three tiers of local bodies in rural Bengal: Union Committee for a union, Local Board for a sub-division and District Board for a district. Two thirds of the members of these bodies were elected by indirect elections while the rest were nominated by the government. Therefore, the Bengal Village Self Governance Act of 1919 abolished the *Chowkidari Panchayet* and Union Committees and formed union boards and district boards instead of these tiers.

Pakistan Era. In the name of ‘decentralization’, the military government led by Field Marshal Ayub Khan launched a four-tier local government system under the ‘Basic Democracy Order’ in 1959 where the Union Council chairmen and members were the electors for the District council, the Provincial Assembly, the National Assembly and the President of the country (Westergaard & Alam, 1995; Blair, 1985). Besides that, a new level of local government, ‘*Thana council*’ was established under the direct supervision of the sub-divisional officers (SDOs) where it comprised of Union Council chairman and appointed officials; district councils with the representatives elected by the Union Council chairman and appointed officials; and divisional councils with appointed officials and representatives elected by the district bodies (Panday, 2011; Siddiqui, 2005; Westergaard & Alam, 1995).

Bangladesh Era. After reviewing the history of local government during Bangladesh period, it was noted that both the political government and the martial ruler used the LG bodies for their own sake as political weapons (Ahmed *et al.*, 2011). As a result, a strong self-reliant local government institution is not established yet. Moreover, the government imposed various decisions over LG bodies through formulating different acts, provisions, orders etc.

Major political initiatives over local government bodies in the Bangladesh period

Era	Major Initiatives
Sheikh Mujib Era (1972–1975)	In 1972, the government formed the Union <i>Panchayet</i> instead of a Union Council by incorporating the nominated members. Besides that, lawmakers along with local party leaders formed the Union Relief Committee that played a vital role in distributing relief materials and carrying out construction and rehabilitation work (Khan, 2016; Rahman, 1997). Therefore, the legislators got a great opportunity to consolidate their power by keeping the citizens loyal to them but unfortunately it spoiled the government's image largely due to widespread corruption of partisan relief committees (Rahman, 2013). The ruling <i>Awami League</i> promulgated the Local Government Act 1973 which proposed a three tier local government system with <i>Union Parishad (UP)</i> , Thana Training and Development Committee (TTDC) and the District Board. But within a short time, the government abolished the elected local government system and introduced one party system – BAKSAL (<i>Bangladesh Krishok Shromik Awami League</i>) – that was supplanted by party machinery (Nadiruzzaman, 2008).
President Zia Era (1976–1981)	President Zia also continued to use local government institutions to create public support and legitimacy in his favor (Nadiruzzaman, 2008). Through Local Government Ordinance of 1976, a three-tier local government system, consisting of <i>Union Parishad</i> , <i>Thana Parishad</i> and <i>Zila Parishad</i> was established but only the UP had an elected representative with a Chairman and nine members. However, in 1978, Thana Development Committees (TDCs) were created parallel to the <i>Thana Parishads</i> where the government allocated special funds to the TDCs to finance development activities but TDC had to depend on <i>Thana Parishad</i> for getting its programme approval (Ahmed, 2009; Siddiquee, 2005). Huque (1988) found that President Zia introduced a new structure of rural institutions in 1980, <i>Swanirvar Gram Sarkar</i> in 68,000 villages, downgrading the <i>Union Parishads</i> where MPs took the leadership of <i>Gram Sarkar</i> Coordination Committees to ensure control over the rural areas (cited in Rahman, 2013).
President Ershad Era (1982–1990)	In 1982, President Ershad abolished the <i>Gram Sarkar</i> system and formed an administrative reform committee, – the Committee for Administrative Reorganization/Reform (CARR). According to the recommendation of the committee, subdivisions were upgraded to districts and <i>Thana</i> was upgraded to <i>Upazila</i> (sub-district). The committee suggested a three tier representative local government system- <i>Zila parishad (ZP)</i> at the district level, <i>UZP</i> at the sub-district level and <i>UP</i> at the <i>union</i> level. Subsequently, the UZP Ordinance was promulgated in 1982, which prompted the introduction of the UZP which established command over local affairs in the absence of MPs. Real problems arose between UZPC and MPs when a third parliamentary election was held in 1986 (Rahman, 2013).
Khaleda Zia Era (1991–1996)	Khaleda Zia dissolved the UZP in 1991, and formed the Local Government Structure Review Commission, which recommended a two-tier system of local government: directly elected UPs and indirectly elected district-based ZPs (Sarker, 2003). The TDCC was also instituted comprising chairmen of all UPs, three UP women members and government officials deputed at the <i>Upazila</i> level.
Sheikh Hasina Era (1996–2001)	Sheikh Hasina made a Local Government Commission which has recommended a four-tier local government system including <i>Gram (Village) Parishad</i> , UP, UZP and ZP. The government also took up initiatives to give a formal structure to the UZP passing the <i>Upazila Act 1998</i> , which made MPs advisers to the UZP under their respective constituencies. But the government could not arrange the elections of UZP because of a lack of support from the lawmakers (Ahmed <i>et al.</i> , 2011). Besides, the government made the changes in UP provisions for introducing direct elections for reserved women members at UP level.
Khaleda Zia Era (2001–06)	<i>Gram Sarkar (GS)</i> in place of <i>Gram Parishad</i> had been introduced in this era. The UP member elected from the Ward was the Chairman of the GS, which had other members – both male and female – elected in a general meeting of the voters of the Ward under the supervision of a chairman of GS (Rashid, 2005).

Era	Major Initiatives
Interim Govt. (2007–2008)	The interim government promulgated the Local Government (<i>Upazila Parishad</i>) Ordinance 2008 and created a Local Government Commission to oversee the activities and performance of the UZP. According to the ordinance, MPs were removed from the advisory role and two new elected positions of Vice Chairpersons were created (of which one must be a woman).
Sheikh Hasina Era (2009–2013)	Sheikh Hasina did not endorse the legal changes in the parliament brought by the interim government in 2007–2008. But, four acts were promulgated – the Local Government (<i>Union Parishad</i>) Act 2009, the Local Government (<i>Pourashava: Municipality</i>) Act 2009, One ‘umbrella act’ for all City Corporations in 2009, and the Local Government (<i>Upazila Parishad</i>) Act 1998 – readopted with some revisions, and further amended in 2011 paving the way for a more dominant and interfering role with the provisions for making MPs compulsory advisers in the respective UZPs (Khan, 2016).
Sheikh Hasina Era (2014–till)	A paradigm shift in the political system had been taken in Bangladesh on 12 October, 2015 with the final approval by the Cabinet to hold local polls on a partisan basis. Following this provision, the 9th <i>Union Parishad</i> (UP) election was held on a partisan basis in six phases across the country, from March to June 2016, for the first time in Bangladesh. Even the Zila Parishad election (indirect) was held on this partisan provision for the first time. The most recent UZP election was held in 2014 before passing this provision, although that UZP election was highly political in nature. Recently, City Corporation elections were also held on partisan basis.

Factors which affected local coordination in Bangladesh

Coordination can take place either horizontally or vertically. Horizontal or inter-organizational coordination can be between organizations on the same status or line, while vertical or intra-organizational coordination takes place within the organization (Malone & Crowston, 1994). In Bangladesh, local coordination involves local elected politicians, field administration, MPs, as well as central government that entitle the importance of mutual relationships between politicians and administrators. After reviewing the selected articles and books, we found two trends of factors that affect local coordination in Bangladesh i.e. inter- and intra-organizational perspectives.

Inter-organizational coordination

Inter-organizational coordination must be considered when a policy is implemented by multiple organizations. In the present study, organizations refer to the departments of different divisions or ministries posted at *Upazila* level, while UZP and MPs are those who are involved in local project planning and implementation. Inter-organizational coordination takes place in the context where organizations are dependent on each other and need cooperation from each other to achieve common goals. Unfortunately, we found some glitches among the bodies through reviewing the selected literatures which negatively effects on local coordination, as discussed below.

Lack of proper division of work & role ambiguity. There is a lack of proper division of functions among the departments involved in the inter-organizational activities of UZP. In this regard, MP, UZP, Union Parishad (UP)⁷, and trans-

⁷ UP is the lowest tier of rural local government in Bangladesh where it consists of elected representatives by the voters of the respective *Union*. *Union* is the lowest territorial unit where UZP consists of a couple of Unions.

ferred departments are not aware enough as to which department is responsible for what actions and how it should be executed (Ahsan & Panday, 2013). Moreover, there is a lack of rules in an *Upazila* which could guide the departments involved in inter-organizational activities (Ahmed, 2010; Ahmed, 1988). UZP is authorized to approve all files and documents dealing with transferred departments as per section 14 of the UZP Act 1998. According to Section 18 of the UZP Act 1998, funds of the UZP are to be jointly operated by the UZPC and the UNO. Moreover, Section 3 of the Duties and Responsibilities Rules of UZP 2010 allows UZPC to run the routine administrative work of the UZP and supervise UZP officials but UZP cannot take any disciplinary action against the officers who are responsible for transferred subjects (GOB 2011). The role of UZP vice-chairmen is still unclear and that creates role ambiguity in UZP activities (Ahmed *et al.*, 2011). However, the amendment in 2011 to the UZP Act tells us that the UNO has been assigned as the Principal Executive Officer of UZP where the UNO is responsible for performing all of its activities and taking steps for implementing the decisions taken by the UZP, maintain financial discipline and to discharge the responsibilities as per the rules (GOB, 2011). If the UZP found any decision to be violating the law or to be against the interest of the citizens or security, the UNO can inform the central government by keeping the UZPC informed (GOB, 2010; 2011). Section 42 (1) of the Act empowers the UZP for independent local level planning but sub section 3 of the same section empowers the MPs to become a compulsory adviser of UZP, and that creates role ambiguity between them (Sowdagar, 2010).

Financial dependency on central government. It is well known that LG bodies in Bangladesh seriously suffer from inadequate financial resources. Although Section 41 of the UZP Act 1998 empowered the UZP for the management, supervision and protection of the assets, but the valuable and resourceful assets are controlled by the central government (Sowdagar, 2010). Government's grants and special allocations are the prime source of the UZP. Besides that, the UZP has limited authority to collect revenues from particular sources such as rent from *jalmahals*, *hats-bazaars* and ferries, tax on professional and trading licenses, fees for fairs, exhibitions and tournaments, and tolls from services and facilities maintained by UZP (Rahman, 2012; Siddiqui, 2005; Ali, 1987). Although the sources seemingly look impressive, the income from these sources is very insufficient (As-Saber & Rabbi, 2009). Major sources of revenue including income tax, customs and excise and land taxes are directly controlled by the central government (As-Saber & Rabbi, 2009). On the other hand, elected representatives are reluctant to impose and collect local revenues for fear of losing their popularity (Sowdagar, 2010; Huque, 1992; Ahmad, 1991) as the rural citizens are not habituated enough to pay taxes (Huque, 1985). With such financial dependencies, the UZP seems to act as extended hands of the central government (Westergaard & Alam, 1995; Ahmad, 1991). Funds under the Annual Development Programme (ADP), Block Grants, Test Relief Program, Food for Works Program, Money for Works Program, Vulnerable Group Feeding Program, Vulnerable Group Development Program, and Grotius Relief Program are disbursed by the central gov-

ernment to the UZP, which ultimately creates a dependable UZP to the central government (Ahmed & Rahman, 2012; Ahmad, 1991). Such dependency of UZP permits the central government to exert control over them.

Lack of chain of command among LG bodies. At present, all three tiers of rural local government in Bangladesh (ZP, UZP and UP) are assigned to manage the same nature of local affairs in their respective areas under same ministry but unfortunately there is no chain of command among these LG bodies. For the first time, elected representatives exist in all tiers of local government. On the contrary, field administration is also executing the government policies and programmes at field level where a strict chain of command is maintained among the bodies from *Upazila* to Secretariat level. All UP chairmen within an *Upazila* are the nominated members of the UZP according to the UZP Act. But UP chairmen, municipality mayor, and reserved women members dominate in UZP activities, and although they are non-elected members of the UZP, their opinion often matters more than the others (Ahmed *et al.*, 2011). On the other hand, the UZP does not have any authority to approve the budgets of the UPs; UPs budget has to be sent to DC for approval. Moreover, UP now receives various kinds of grants from a variety of national and international sources that make it more self-reliant compared to the UZP (Ahmed *et al.*, 2011). The UZP does not have the scope to impose something on the UP as superior bodies, and the same goes for the ZP to the UZP. The relationship among LG tiers are not found to be hierarchic, rather it is collegial that accelerates less accountability and mistrust among the bodies (Sowdagar, 2010; Huque, 1985).

Compulsory advisory role of MP over UZP. According to the UZP Act of 1998, MPs had advisory role over the UZP. But there was no opportunity to apply this advisory role until 2008 due to absence of an elected UZP. The interim government (2007–2008) undertook the UZP Ordinance of 2008 whereby it abolished the advisory role of MPs over UZP. However, Sheikh Hasina's government did not endorse the changes of the interim government's initiative on UZP and they reinstalled the compulsory advisory role of MPs again. Moreover, the concerned MP has to be made aware of any type of communication with the government by the UZP (GOB, 2011). As per the rules, MPs are elected for formulating and explaining the policy in the national parliament where local government institutions and field administration are responsible for implementing policy and government orders (Zamil, 2012; Majumdar, 2010). Although, MPs are expected to solve the general problems of citizens and improve their living standards in the context of Bangladesh (Siddiqui, 2005). But problems arose when the elected UZP was established in 2009. The UZPC were not interested or ready to receive the compulsory advice from MPs and they treated this role as interfere and disturbance in UZP activities (Rahman, 2012). Besides that MP's involvement in an advisory capacity may also create jurisdictional complications. It is mentioned that there are more than one hundred *Upazila* which share more than one parliamentary constituency (Ahmed *et al.*, 2011). As a result, the UZP having to be faced with more than one adviser is likely to create chaos (The Daily Star 8 April 2009).

Triangular conflict among MP, UZPC & UNO. Conflict among MPs, UZPC and UNO is the major impediment towards sound and coordinated local development. Since both MPs and UZPC share same constituency in many cases and are elected by the same voters, they are likely to consider each other as competitors in regards to maintaining domination (Hossain *et al.*, 2013; Ahmed *et al.*, 2011). According to Section 25 of the UZP Act 1998 (amended in 2009), it is mandatory for the UZP to accept the advice and recommendation of the MPs in all development planning and activities. Such mandatory role of MPs created a great amount of frustration among the UZPC because they could not work independently (Ahsan & Panday, 2013). As per the constitution of Bangladesh and the UZP Act, the UZPC will have authority to oversee transferred departments. In this regard, the UZPC may think him/herself the supreme authority of the *Upazila* as an elected representative; the MP may think that UZPC can do nothing without his/her advice and the UNO may consider him/herself as a most powerful officer of the *Upazila* as a Principal Executive Officer of UZP (Sowdagar, 2010). Moreover, the UNO including other officials of transferred departments are not only bound to hear the advice of UZPC according to the UZP Act, but also the UNO is liable to abide by the rules and regulations of the central government. In practice, the UNO and other officials of transferred departments are found to be loyal to the superior authority of the line ministry, compared to the UZPC (Hossain *et al.*, 2013; Rahman, 2012). Since the MP is perceived as more powerful than the UZPC, the UNO has a negative mentality in accepting UZPC over him/her and he/she always maintains close contact with MPs (Ahsan & Panday, 2013). As a result, the MP utilizes the UNO as an instrument for applying his influence in the *Upazila*.

Intra-organizational coordination

In this study, intra-organizational coordination focuses the relationships among and within the transferred departments as well as UZP functionaries. Therefore, we found couple of major intra-organizational problems through reviewing the selected literature which also negatively affects local coordination, as discussed below.

Dual loyalty of transferred departments. The objectives of decentralization aimed to place government employees into field administration to serve under the guidance of local government institutions with a view to reaching the government services from door to door (Morshed, 1997). Along with the UNO there are 13 transferred departments at the *Upazila* level belonging to the various cadre services that also face dual control from the UZPC as well as their respective line authorities (As-Saber & Rabbi, 2009). As a result, the government officials found it extremely hard to meet the two interests and attachment to the line department is found stronger in most cases (Huque, 2011). As per the UZP Act, the UZPC is authorized to write an Annual Performance Report (APR) of the officials of transferred departments where their respective higher authorities are assigned to prepare ACR (GOB, 2011). Problems arise in coordination when instructions are provided by two authorities for a similar function at the same time (Ahsan & Pan-

day, 2013). In these cases, officials of transferred departments become confused (Zamil, 2012). As the career advancement of the officials of transferred departments depends on the superior line authority that is ensured through ACR, they are reluctant to abide by the instructions of the UZP (Ahsan & Panday, 2013; Zamil, 2012). As a result, the delivery of services and the development work through local administration is delayed; subsequently it is difficult for officials to be accountable to the UZP (Zamil, 2012; Ahmed, 2009). However these government officers are trained and served initially under the central bureaucracy and their mental makeup adapts more to the notion of a central bureaucracy. Their loyalty to the UZP is not absolute; rather they consider their posting to the *Upazila* as a temporary deportation (Morshed, 1997).

Unequal project distribution among UPs. The composition of UZP is characterized by 'double mandate' where the UZPC, and UZP Vice Chairmen are elected by the voters of the respective *Upazila*, and the Chairmen of UPs and the Mayors of *Pourashava* are elected by the voters of their respective territory of *Unions* and *Pourashava* (Zamil, 2012). Moreover, each of the female members and councilors, holding reserved seats for women, are elected representatives for one particular ward only and one-third of the women members and councilors among them are also members of UZP. Considering this situation, it is found to be an organic relationship between UZP and the UPs (Zamil, 2012). However, the UZP are the key authority responsible for the five year *Upazila* development plan and selecting the small-scale local projects. In this way, the UZP has to consult with UPs in order to accommodate the demands and needs of the UPs. Following this, the UP submits the small scale project to the UZP through consultation among the UPs machineries. According to the rules and norms, the project should be distributed equally among the UPs on consideration of the number of populations. Unfortunately, in most cases, this does not happen. It mostly depends on personal relationships, the personal whims of the UZPC, and the political affiliation between UZPC and UP Chairman (Rahman, 2014; Ahmed, 2009) that can create mistrust and dissatisfaction between them (Zamil, 2012). Ultimately, these types of relationships hamper the coordination process in local development work.

Domination of non-elected members in UZP. According to the UZP Act of 1998, all UP chairmen and mayors of *Pourashava* in their respective *Upazila* will be the nominated member of the UZP by default, and one third of the reserved women members of all the UP and *Pourashava* who are elected from the all women members will also be members of the UZP, with one elected UZP Chairman and two vice-chairmen (GOB, 2011). As per the rules, every member has equal voting power in UZP activities that clearly shows the domination of non-elected members. In some cases, non-cooperation by non-elected members of the UZP utilizing their voting majority hampers development activities (Zamil, 2012). However, Section 13(A) of UZP Act of 1998, amended on December 2011, tells us that four fifths of UZP members may show a no confidence motion against UZP chairman, vice chairmen or any other member in the case of violation of the Act, serious

misconduct or physical or mental incapacity that is also the focus the domination of non-elected members (GOB, 2011). But UP Chairmen and members are elected by the voters of their unions and wards respectively. In that sense they are accountable to the people of their respective unions and wards only and they have no accountability to the entire population of the *Upazila* but they do have the power to control or hamper UZP activities (Rahman, 2012).

Ineffectiveness of standing committee & UDCC meetings. Various committees in the functioning of departmental tasks at UZP level are considered important aspects to ensure coordination. Ahsan and Panday (2013) found that the success of coordination depends largely on how frequently the meetings of a committee are held, how many members attend, how smoothly decisions are made through examining the problems faced by others, and how well they interact in the meetings. However, despite having two major committees (UDCC: *Upazila* Development Coordination Committee, Standing Committee) for ensuring coordination at *Upazila* level, coordination is not maintained properly due to the ineffectiveness of those committees (Ahmed *et al.*, 2011). In most cases, UDCC meetings are not held regularly. When the meeting is arranged, elected representatives are found to be reluctant to attend the meeting in many cases and they rather used to make themselves busy with other works (Ahsan & Panday, 2013). Moreover, very few problems associated with departmental tasks are discussed in this meeting. Apart from the UDCC, there is a provision to form 14 standing committees for preparing the departmental project and coordinating inter and intra-departmental functions according to Article 29 of the UZP Act, 1998 (as amended in 30 June 2009). Unfortunately, these committees are limited to paperwork in most cases, and even the meetings of this committee are not held regularly (Ahmed *et al.*, 2011). Although UZP should take the project proposal from standing committees, in practice, the UZPC dominates the selection of a project by ignoring the standing committees. Consequently, regular and fruitful discussions among the members do not take place either in the UDCC or in standing committees due to the suffering from the problem of absenteeism and the dominating role of elected representatives (Ahmed *et al.*, 2011).

Generalist-specialist conflict. The dominating role of the generalist officer in the administration has placed the UNO in the key position of *Upazila* administration of Bangladesh. On the contrary, the specialist officers (i.e. medical, education, agriculture, fisheries, engineering etc.) have to work under generalist officers like the UNO at *Upazila* administration, although they are selected into the civil service through the same examination (Ali, 1987; Huque, 1985). It is also well known in Bangladesh that most of the meritorious students study in scientific and technical subjects, but unfortunately if they want to work in their respective field, they have to perform under generalist cadres (Zamil, 2012; Ahmad, 1991). Such dominance of the generalist cadres and the sense of deprivation of the specialists officials are the main cause of generalist-specialist conflict in the Bangladesh civil service (Ahsan & Panday, 2013; Ahmed, 1988). However, the specialists do not want to be controlled and coordinated by the

generalists like the UNO at *Upazila* level who are junior to them in the most cases (Ahmad, 1991). Besides that, officials who belong to the 'administration cadre' consider themselves as the elite class in the public service. Thus, professional jealousy, service superiority as well as the dominating role of the UNO creates negative attitudes among specialist officers that ultimately hinder the process of coordination in the *Upazila* (Ahsan & Panday, 2013; Ali, 1987). When elected representatives are found in UZP, new dimensions of conflict between UZPC and UNO have arisen. In this context, the UNO tries to maintain a good relationship with MPs where the specialist officers prefer UZPC due to having the conflicting relations with the UNO that create new types of dimensions at *Upazila* level (Zamil, 2012; Ahmed *et al.*, 2011).

Role of partisan UZP in local coordination

Historically, the local government system of Bangladesh is utilized by the all ruling parties for their own interest (Rahman, 2013; Ahmed *et al.*, 2011; Huque, 1988). As a result, a strong self-reliant local government has not been developed yet. Despite these limitations, the government officials and the elected representatives of the UZP started to work together at local level in 1985 when the first UZP elections were held but UZP elections remained redundant even after democracy was re-established in 1991. It was again re-established in 2009 through a third UZP election. The third UZP (2009–2014) for the first time passed its tenure under the amended UZP Act in 2009, and with its continuation, the 4th UZP election was held in 2014 through direct elections. Although it was a non-partisan election on paper, but there were political flavors with many candidates (Karim & Rashid, 2016). It was found that the ruling *Awami League*-backed candidates won a total of 220 UZPC seats, while *BNP* won 158, *Jamaat-e-Islami* 36, *Jatiya Party* 3, and rebels of two major parties, independents and aspirants from other parties 40 (<https://nextnewsbd.wordpress.com/tag/upazila-election/>) which shows the clear essence of a partisan character. Even in Bangladesh, other local polls like 'City Corporations' and 'Union Parishad' elections were held in the recent past with the clear political identity of candidates although they used no party symbols (Rahman & Nasrin, 2017). Eventually, in 2015 the government took the decision to hold all local government elections on a partisan basis for the first time in Bangladesh (Mamun, 2015). Following this, the 9th UP elections were held in 2016 across the country under partisan provisions. Since there were clear political identities of elected representatives of the 4th UZP who were elected in 2014, the government decisions of partisan local polls in 2015 practically converted them to act as a partisan UZP (Rahman & Nasrin, 2017).

Chowdhury (2015) found that the political parties of Bangladesh are not only non-democratic but also a blind patriarchy, by which the political party of those in power systematically politicizes every institution and tries to create strong control by distributing authority to their party representatives by utilizing state machineries and public resources (cited in Rahman & Nasrin, 2017). In this context, LG representatives are those who are elected under the partisan election, and they maintain a strong connection with the central government as well as their party leaders (Chowdhury, 2015). Another serious problem discovered is that the local

administration is now chaired by a partisan person who makes decision in favor of his/her own party campaigners (Rahman & Nasrin, 2017). Besides that, the local project distributions among the UPs by UZP depend on the political affiliation of UP Chairmen (Rahman & Nasrin, 2017) under this new arrangement. The anxieties are that these local partisan UZP representatives are going to be in the queue for national level politics competing with existing MPs (Rashid, 2015), which creates confrontation among the party leaders at the local level and which creates coordination problems at the grassroots (Rahman & Nasrin, 2017; Chowdhury, 2015; Rashid, 2015).

During the partisan local polls, a local MP who was the part of legislature was interfering in the nomination process of local government elections not only to ruin the local governance but also to control the local politics in favor of him/her (Chowdhury, 2015; Rashid, 2015). Furthermore, since the last UZP election was openly party backed and the last UP election was partisan legally, the ruling party was adamant in regards to capturing most of the seats for controlling the local politics through utilizing government machineries as well as illegal power demonstration by their party followers (Rahman & Nasrin, 2017). Unfortunately massive violence, record deaths and uncontested elected Chairman, election frauds and irregularities, reluctant role of the Election Commission, and strong dominance by the ruling party in the electoral system were common phenomena in the last and maiden partisan LG election that was undoubtedly worse than any other LG election in the history of Bangladesh (Rahman & Nasrin, 2017). As a result, a long historic stable local administration is dominating by the partisan leaders, in most cases, by the ruling party. Moreover MPs consider UZPC as their rising competitor in national politics, subsequently the relationship between ruling MPs and ruling UZPC are found to be competitive, conflicting rather than cooperative in local coordination, with few exceptions (Rahman & Nasrin, 2017; Zamil, 2012), and which creates obstacles in local coordination.

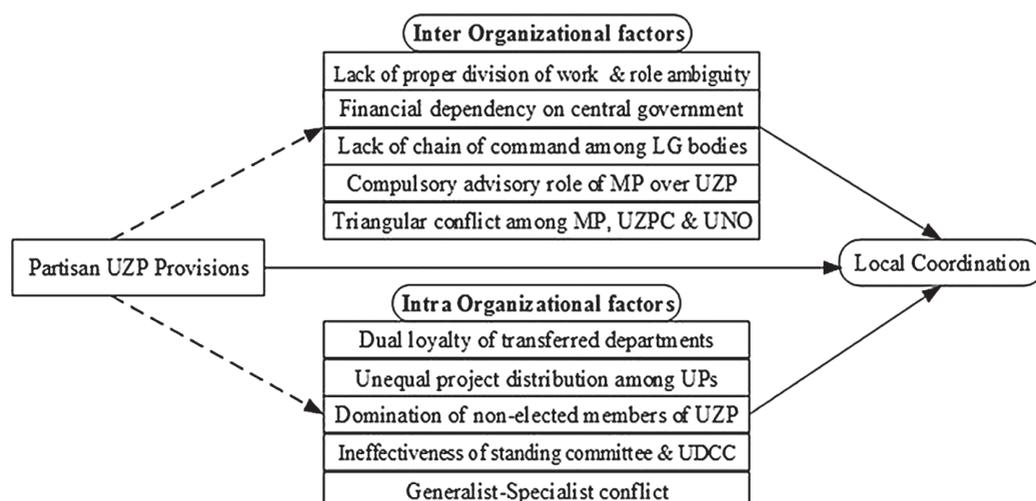
Conclusions and Recommendations

Historically, colonial attitudes over the administration of Bangladesh have had huge impacts. During this period, bureaucrats dominated the local elected politicians in maintaining the local affairs by the influence of the British rulers and this continued until 1982. Even after the emergence of Bangladesh, MPs were not agreed on decentralizing authority to locally elected representatives due to losing their control over the local administration. But when the military-backed government came into power, they focused the political support base from rural institutions through establishing some sorts of decentralization. Through the provision of the *Upazila* system in 1982, the politicians gained some authority to control local administration in the name of decentralization. It was undertaken to create strong local support at rural level in favor of the existing military government, not for the betterment of the local populace in the true sense. Since bureaucrats were not used to working under local politicians, they were not happy accepting the elected politicians over them. Consequently, competition and conflicts arose, compared to the cooperation in most

cases, and which eventually effect on UZP activities. But the UZP were not functioning continuously, due to non-cooperation by the MPs as well as the negative intentions of the government over the UZP. After long time, a third UZP was formed through direct elections in 2009 under the amendment of the UZP Act of 1998 and it passed its full tenure (2009–2014) for the first time. At this moment, the 4th elected UZP (2014–2019) are also functioning. To make it a success, the government had to enact some rules, orders and provisions. Among these, the compulsory advisory role of an MP over the UZP which was confirmed by the amendments of 2009 and 2011 over the UZP Act 1998 and the partisan local polls provision of 2015 have changed the total scenario. At the moment, politicians are the dominating agent in the local administration according to the law, but the administrators are not happy at accepting these sorts of changes. On the other hand, the MPs are found to be controlling their dominance over local politics and administration through practicing their legal authority as per UZP rules. Subsequently, there is a triangular conflict among MPs, UZPC and transferred department officials, including the UNO, which slows down local development. Through this rigorous literature review, we found a number of factors which are outlined by inter- and intra-organizational perspectives (see Figure 2) which negatively affect the local coordination of Bangladesh. Despite these existing problems, now the party-backed UZP representative of the practically and legally converted partisan UZP are found to be competitive and conflicting with transferred departments, including UNO and MPs, in terms of establishing him/herself as supreme in the local administration, as well as in strong political positions in the local and national politics, which creates mistrust and competition among them. These sort of competitive and conflicting relationships ultimately effect local coordination in respect of both of inter- and intra-organizational perspectives.

Figure 2

Factors associated with local coordination in Bangladesh



Own construction, 2018

After reviewing the findings of this study, it is shown that most of the factors that negatively influence local coordination are legal issues, rather than political and administrative; but these legal provisions are made by the politicians. Among these, role ambiguity, dual accountability of transferred departments, compulsory advisory role of MP over UZP, lack of chain of command among LG bodies, less financial control of UZP, lack of clear supervision for distributing the projects among UPs, and provisions of partisan LG elections are the legal issues that may have the opportunity for revision and reform by the government with the consultation of all stakeholders, not only for the better coordination at local level but also to ensure local political harmony. Others factors which are identified through this study are also the by-product of legal provisions. Although, local public service delivery and local level development planning and execution is dependent on the harmonious relationships among UZP, transferred departments and MPs, this study found mistrust and clashes between the politicians and administrators that should be addressed for not only proper coordination but also for ensuring political coherence at the local level. In this regard, the government should change their mental egoism towards establishing self-reliant UZP where mutual adjustment should be ensured between politicians and administrators through taking proper legal changes according to the identified factors and justifying ambiguous matters instead of the political utilization of UZP in favor of their own interests. On the other hand, under the partisan local government election is not possible to arrange a free, fair and credible way under the ruling party considering the prevalent political culture of Bangladesh (Chowdhury, 2015). When an elected partisan LG was established through massive violence, election fraud and irregularities and strong dominance of the ruling party during partisan UP election in 2016, it not only increased the competition and conflict among the stakeholders but also the domination of a patriarchy was observed in local development activities (Rahman & Nasrin, 2017). As a result, non-political citizens lost the fair opportunity to get services from a partisan LG in most cases. In this regard, the government can rethink withdrawing the decision of partisan LG elections considering the negative consequences of these over *Upazila* Administration and the conflicting political culture of Bangladesh. However, the major factors that affect local coordination have been identified through this literature review based on qualitative data. It was not possible, however, to measure the dominant factors statistically and the degree of influence of these factors on local coordination, which may guide the government to set priorities which can be explored further through a quantitative survey.

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RUSSIAN THEATRES: THE RELATION BETWEEN FUNDING MODELS AND POLICY OBJECTIVES IN THE AREA OF THEATRICAL ACTIVITY

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Abstract

The paper considers the transformation of the public funding mechanisms of theatres during the period from the last years of the USSR and early years of post-Soviet Russia up to the present. It analyses the differences between models applied at different times.

Several parameters of these models are taken into consideration, including the requirements that public bodies impose on the activities of theatres due to funding, and special features of budgetary tools which among other things characterize the approach to the determination of amounts of funding transferred to the theatres. Four models of public funding are juxtaposed with the state cultural policy objectives in theatrical activity set by the Constitution of the Russian Federation and federal statutory and regulatory enactments. The hypothesis that there is no direct orientation towards such objectives is put forward and finds its confirmation. A new model based on the public grants mechanism that meets the requirement of being policy objective-oriented is proposed.

Keywords: theatre; public funding; subsidy; public grant; state (municipal) institution; cultural policy objectives.

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Introduction

Financial aspects of culture have always attracted the attention of researchers. The necessity of non-market support for theatrical activity, including state support, is justified (Baumol, Bowen 1968; Musgrave 1996; Frey 2003; Craik 2005; Baumol 2006; Rubinshtejn 2008). The volume and structure of financial resources from public and private sources of funding are considered (Muzychuk, 2013; Voss Z. G., Voss G. B. & Rose, 2016; Dempsey, 2016; Khanova, 2017). The principles and methods of such support are analyzed (Feder & Katz-Gerro, 2012; Abankina, 2015; Bukvic, Mihaljevic & Tokic, 2016; Hetherington, 2017). Political factors of the regional distribution of performing arts organizations' public funding are investigated (Bertelli, Connolly, Mason & Conover, 2014; Feder & Katz-Gerro, 2015). The influence of public funding limitations on theatres' repertoire formation are analyzed (Neligan, 2006; Werck, Stultjes & Heyndels, 2008). Several papers are dedicated specifically to forms and methods of theatre financing in foreign countries (Abankina, Abankina & Osovetskaya, 2005; Kaluga, 2005; Abankina, 2015).

Even though there are many papers on this subject, little attention is given to the issue of the relation between mechanisms of theatre funding and the state cultural policy objectives in Russia. This topic is of great interest as there have already been several changes in such mechanisms in Russia's modern history. Transformations are still ongoing, as is evident from Moscow's experience. It should be noted that papers known to the author and which analyze forms and methods of culture financing in foreign countries do not make an attempt to apply the foreign experience to Russian practice.

This paper analyzes post-Soviet and current public funding models for theatres. The hypothesis that there is no direct relation between such models and the state cultural policy objectives in theatrical activity is tested in the paper. A new model which in the author's opinion meets the requirement of being objective-oriented, is being put forward.

The evolution of public funding models for theatrical activity

The Russian state has never rejected the necessity of theatres' public funding. Theatres received funding from federal and regional budgets and the amounts have been increasing in recent years. For instance, during 2010–2016 it almost doubled (from 27.6 to 53.7 billion rubles), whereas the share of extrabudgetary sources was 25% of the average for that period (Khanova, 2017).

A new model of public theatre funding was introduced this year in Moscow¹. According to the model, the bulk of budgetary funds will be provided in the form of grants², not as a subsidy to fulfil the state task like it was before. According to estimates, the amount of subsidy in 2018 accounts for only one third of the total amount of grants transferred to theatres from the municipal budget.

¹ For those theatres that are under the jurisdiction of the Moscow Department of Culture. There are 82 of them.

² Government Decree of the City of Moscow of December 19, 2017 N 1036-PP.

The search for an optimal mechanism for public theatre funding is not a new phenomenon. In the history of post-Soviet Russia, several transformations took place.

The first, which was proclaimed but not fully put into practice, dates back to the end of Soviet era and the beginning of Russian period, when public theatres were subscribed to the so-called new conditions of economic management³. According to these conditions the model of theatre public funding was as follows: funds were allocated according to the ratio set per one spectator, while the number of spectators was given to a theatre as a target figure to use in planning the activities. A theater could achieve a target figure and either over-fulfill or under-fulfill it. Appropriate encouragements or sanctions like a reduction in the amount of public funding for theatres were not provided.

However, the financial ratios for theaters have not been established. As a result, a somewhat different transformation (we will consider it as *the second one*) took place and the model of estimated public funding of theater institutions was implemented. It was in effect in Russia during the period from the 90s until the early 2000s. What makes these two models related (the planned one and the implemented one) is that funds were essentially allocated for the maintenance of theaters. The provision of funds was not accompanied by any requirements in regards to the volume or results of theatrical activity. M.E. Shvydkoi described the relationship between the state and the area of culture during his speech at the fifth congress of the Union of Theater Workers of Russia on October 22, 2001: “For the first time in the history of Russia, the state does not ask for anything in return for public funding of culture except its mere existence”⁴.

Since the middle of the noughties this century, Russian theaters have undergone a new, *third* transformation⁵ of the public funding mechanism. It began with the adoption of the Federal Law “On Autonomous Institutions” in 2006 and carried on with the adoption of the Federal Law “On the Introduction of Amendments to Certain Legislative Acts of the Russian Federation in connection with the Improvement of the Legal Status of State (Municipal) Institutions” in 2010. The essence of this transformation lies in the transition from one to three types of state and municipal institutions: state, autonomous and budgetary. The theatres were assigned to autonomous and budgetary institutions, which had to undergo a transition from public funding of their maintenance to funding services that they provide to the population. It meant that direct dependence between the volume of the funds and the volume and the quality of theatre services had been established⁶.

Several tools were pointed out to support the new approach: the state (municipal) task for the institution which was obligatory to fulfill; standard ratios of public funding of services rendered by an institution (financial ratios).

According to Article 6 of the Budget Code of the Russian Federation (hereafter referred as BC RF): “The State (municipal) task is a document that estab-

³ Approved by Planning, Management and Economic Mechanism Improvement Commission of November 22, 1988, Protocol No. 136, Section III.

⁴ http://www.litsovet.ru/index.php/material.read?material_id=192498&fullscreen=1. Accessed: 14 May, 2018.

⁵ This transformation affected all state and municipal institutions, and not just theaters.

⁶ This mechanism can be referred to the so-called New Public Management (Osborn, Gaebler 1992, Pollitt, Bouckaert 2004), which has become quite widespread in the world practice since the early 1990s.

lishes the requirements for the composition, quality and (or) volume (content), conditions, procedure and results of rendering state (municipal) services (performance of works)”.

The content of the state (municipal) task applied to theaters has changed significantly over the years and is still problematic. The major question here regards the indicators that characterize the amount of work performed by a theater. The number of public performances, the number of spectators and public performances (two indicators considered simultaneously), the number of spectators took on the role of the main indicator in succession.

So, the number of performances and spectators were the two indicators that were used alternatively or together to characterize the volume of theatrical activity. Currently preference is given to the latter. Financial ratio calculations are based on this indicator as well as the volume of subsidy provided to fulfill the state (municipal) task by a theatre. Before discussing the merits and demerits of this indicator, I would like to mention the position of the Ministry of Culture of Russia, expressed by the Deputy Minister A.V. Zhuravsky. The point is that a theater auditorium should be full, in any case it should not be empty, and the more tickets the theater sells, the bigger the subsidy should be (Karmunin & Zavyalova, 2015).

Let us return to the new Moscow model of theatre public funding. According to this, most of the public funds are transferred to Moscow theaters in the form of grants.

It should be noted that grants, including public grants, play a significant role in the global practice of supporting cultural activities. For instance, earned income (ticket sales, souvenir sales etc.) dominate the funding sources of English theaters subsidized by the Arts Council England (the largest recipient and distributor of funds from the Department of Culture, Media and Sport). Earned income accounted for 66% (£ 351 million) of total theatre revenue in 2017. The second most important funding source was grants from the above-mentioned Council, which accounted for 21% (£113 million), the third was charitable donations (10%) and territorial authorities funded 3% of the total theatre budget⁷.

Grants have already been used for some time now in the Russian practice of financing culture. To support the leading arts and cultural organizations grants from the President of the Russian Federation were established in 2003 and grants from the Government of the Russian Federation in 2006. According to the Decree of the Russian Government No. 186 of March 3, 2012 the Ministry of Culture provides grants to support innovative projects in contemporary art as part of the implementation of the federal targeted program “Culture of Russia (2012–2018)”. The Decree of the Russian Government No. 354 of April 18, 2014 established grants for regional and municipal theaters and independent theatrical collectives. The inclusion of non-state theaters in potential grantees should be particularly mentioned here. Also, according to the Russian Government Decree N 823 of August 18, 2014 grants to music organizations created in constituent territories of the Russian Federation as well as municipal entities, and to independent music groups

⁷ Sources: Arts Council England & BOP Consulting, Statista.

for creative project implementation were established. Therefore, cultural grants in Russia already have some history and are provided for the implementation of a very wide range of objectives. But, firstly, they are more like a one-time measure, and secondly, the aggregate volume of grants is rather small. In 2014, which was the most generous year in terms of the amount of grants provided, mostly because it was proclaimed as the year of culture in Russia, 6.3 billion rubles were transferred from the federal budget to provide grants to culture, or 6.4% of the total federal expenditure on this area.

The limited use of the grant mechanism in Russian practice is largely due to the lack of legal settlement of grant issues.

In Russian legislation, the concept of the grant is defined by separate laws and the definition varies according to the purposes of each document: The Russian Tax Code (Clause 14 Part 1 of Article 251), the Federal law “On Science and State Science and Technology Policy” (Article 2). At the same time, these enactments deal with private, rather than public grants (state and municipal).

Article 78 (Part 7) of BC RF defines the possibility of providing (including provision on a competitive basis) legal entities (state and municipal institutions excluded), individual entrepreneurs and individuals with grants. Article 78.1 (Part 4) enlarges the scope of entities that can be provided with grants, by including autonomous and budgetary institutions. Let us outline that this refers to public grants that can be provided to legal entities of all forms of ownership, organizational and legal forms, as well as to individuals. Therewith, the Budget Code does not define the concept of such a grant.

Thus, the BC RF gives legal grounding for public grants, and they can be provided to legal entities (except for state institutions) and individuals. At the same time, there are serious problems with the legal groundwork for the grant mechanism. In fact, special aspects of the public (municipal) grant as a budget instrument are not defined by federal legislation. The concept of a grant and granting procedure are not specified.

In Moscow, model grants are provided for the implementation of the statutory activities of theaters (public performances)⁸. The size of the grant is determined by calculating salary costs as well as stage production costs with due consideration of genre. Maintenance of theatrical property is funded separately. It should be noted that before the transition to this model the main activity of Moscow theaters was regulated by the state task⁹ and subsidized for their implementation. When replacing subsidies with grants the need to target theatres with providing services to the public is “automatically” eliminated. Requirements connected with the state task of a theater, such as setting an indicator of the volume of services rendered, and their marginal cost and some others, become irrelevant.

⁸ Unfortunately, the author was not able to find a sufficiently complete description in official documents adopted by the executive authorities of Moscow and placed in the public domain. In this regard, it can be considered only approximately, based, among other things, on its discussion at the conference held in October 2017 in St. Petersburg, “State support of the theaters of Moscow and St. Petersburg and the prospects for the development of the theatrical business”.

⁹ The state task remains but concerns the participation of a theater in major city events, rather than rendering services to the public.

Table 1 presents theatre public funding models discussed above. It considers aspects significant for the analysis.

Table 1

State theatres public funding models

N	Period	Requirements to theatres' activities	Budgetary instrument
1	Late 80s – early 90s (was not fully realized)	Not specified	The funds were transferred as a single amount (without breakdown by expense items). The volume of funds was calculated based on a standard ratio per spectator
2	Early 90s – 2010	Not specified	Financing based on an institution's budget
3	2010 – present (except for Moscow)	To the volume of services: number of viewers. To the quality of services: tickets sold (%), number of performances, marginal tickets price, and others (Article 69.2 BC RF)	Subsidy based on the standard ratio per spectator
4	Since 2018 (Moscow)	Not specified	Grant for performances Subsidy for the maintenance of a theater's property

The main visible differences between the models discussed are:

- 1) the requirements in regards to the volume and quality of theatrical activity, tickets price ceiling and some other requirements in model 3, whereas in models 1, 2 and 4 no requirements are specified;
- 2) no estimated funding in models 1, 3 and 4, which is quite non-traditional for public institutions.

But there are deeper differences. First, model 3 realizes the responsibility of the state to consumers of theater services directly, by setting the state task and ticket price ceiling. Secondly, the emergence of a grant model (model 4) may mean, at least in the long term, a fundamental change in the state's attitude to theatrical activity: the shift from its financial maintenance to its financial support. Therefore, changes in purposes of public funds provision, their amount and methods of calculation, as well as frequency of allocation could be introduced in future.

Objectives of the state cultural policy and models of theater public funding

Public funding issues of social and cultural areas are subjects to the law, to the Constitution of the Russian Federation in the first place. Article 44 (Parts 1 and 2) states:

“1. Everyone shall be guaranteed the freedom of literary, artistic, scientific, technical and other types of creative activity, and teaching. Intellectual property shall be protected by law.

2. Everyone shall have the right to participate in cultural life and use cultural establishments and to access cultural values”.

These norms are related to two subjects of cultural activity: creators of cultural values, including those in the dramatic art, and consumers (of these values). At the same time, as it is evident from the constitutional norms, the state is not directly obliged to finance culture. Let us compare with healthcare and education.

Healthcare:

“1. Everyone shall have the right to health protection and medical aid. Medical aid in state and municipal health establishments shall be rendered to individuals gratis, at the expense of the corresponding budget, insurance contributions, and other proceeds” (Part 1 of Article 41 of the Constitution).

Education:

“2. Guarantees shall be provided for general access to and free pre-school, secondary and high vocational education in state or municipal educational establishments and at enterprises.

3. Everyone shall have the right to receive on a competitive basis a free higher education in a state or municipal educational establishment and at an enterprise” (Parts 2 and 3 of Article 43 of the Constitution).

The norms of Article 44 of the Russian Constitution allow for a wide range of possible actions on the part of the state: from protective measures to the public funding of culture. In fact, firstly, it can be assumed that the artist (creator) would be freer not only if his or her creative activity is not interfered with, but also if some money is granted so that there is no need to worry about how to make a living¹⁰. Secondly, the accessibility of cultural goods and services for the population is determined by price factors among other things. Granting public funds allows theatres to set prices at a level acceptable for most people who want to attend performances. At the same time, the state has the right to accompany the allocation of funds with certain requirements that increase the interest of theaters in terms of attracting spectators.

The norms of the Constitution should be specified in federal laws. For culture it is the Fundamental Principles of Legislation on Culture (hereinafter referred to as the Fundamentals). In the text of the latter, perhaps, only the following norm can be considered as a direct obligation of the state to finance culture:

“To ensure the general accessibility of cultural activities, cultural values and benefits for all citizens, public authorities and local governments according to their competence, are obliged:

...

to create conditions for aesthetic and artistic education, primarily through the support and development of organizations engaged in educational activities in arts and culture, as well as the preservation of free services from public libraries” (Article 30 of the Fundamentals).

As is seen from the above-mentioned text, this is in reference only to consumers of cultural goods, and only on the part of visiting educational organizations of culture and libraries. As for theaters, however, as well as other performing arts organizations, they are not mentioned in the Fundamentals at all. Thus, public funding of theatres at the level of federal laws is not explicitly specified.

¹⁰ Thus, studies show (Werck, Stultjes & Heyndels, 2008, Neligan, 2006, etc.) that an increase in theatres public funding contributes to the diversity and innovation of repertoire.

This, however, does not mean that the state's position is not to provide theatres with financial resources. In our opinion, the reason for this is that in 1992, when the Fundamentals were adopted, the most negative memories of state interference with arts and strict censorship were still vivid. In these circumstances, the legislator, trying to create distance between the state and the creators, did not mention theaters in the norms of federal laws. When it came to arts and culture, they tried to focus only on ensuring its freedom. At the same time, as we have already mentioned, the law did not prohibit the provision of public funds to theaters.

In 2011 the Russian Government adopted the Concept of the long-term development of theatrical business in the Russian Federation for the period until 2020 (hereinafter referred to as the Concept), which was perhaps the first major document of a like nature. It contains Section 6 "Financial support of theatrical art", including the following provision:

"The principles of public funding should consider the peculiarity of the creative process, in which both artistic search, finding new ways and forms of art development, and introducing art to direct consumers are equally important. In the daily activities of theaters, these aspects exist in indissoluble unity, they are equally significant for the state and should be supported by it".

Thus, according to the Concept, the state firstly has a duty to provide financial support to theaters, and secondly, such support is provided for two purposes that comply with the norms of the Constitution. They can be formulated as follows: 1) to promote the development of theatrical art and 2) to ensure the accessibility of theaters to the public. Thirdly, these goals are equivalent. They should serve as a basis for the formation of theatres public funding mechanism. Let us compare them with the four models stated above.

Model 1

The purpose of providing budgetary funds was not directly established. This, as noted above, is probably due to the desire of society to protect the theatre and other art forms from state interference. What kind of objectives in theatrical activity could the state have in such a situation?

At the same time, it is submitted that the provision of public funds to theaters without assigning any duties to them contributes to free implementation of the creative process. The model does not provide any special tools that stimulate theaters to ensure high attendance of performances. Thus, it can be concluded that this model is in fact oriented towards the first of the stated goals of cultural policy.

Model 2

Like the previous model, except that economic restrictions (estimate) normally determine limitations to the implementation of the creative process.

Model 3

First, it should be noted that after the nineties the views of the theatrical community on the relationship with the state began to change. In this connection, we quote an excerpt from the speech of A. Kolyagin, the chairman of the

Union of Theater Workers of Russia¹¹, and one of the leading Russian actors and directors. The speech was given at the IV Congress of said union in 2001. Looking back, A. Kolyagin noted: “I quickly realized that we, the whole of our theatrical community, could not survive without the state with which we had to come to an agreement”¹². Let us emphasize that this attitude was quite in line with the growing role of the state in culture in the beginning in the early 2000s (Jakobson, Rudnik & Toepler, 2016).

The introduction of this model was accompanied by discussions¹³ (2015) regarding the volume of services rendered by a theater. They were reflected in the press (Karmunin & Zavyalova, 2015; Koltsov, 2015). The heads of the theaters took part in the discussions. They discussed difficulties that can arise when using the number of visitors as an indicator. However, the difficulties to which they pointed were generally technical (significant differences in the capacity of theatre auditoriums, and sometimes the absence of their own auditorium, the need to consider the genre and aesthetic differences of performances, and some others). All of them could be overcome one way or another. Another thing is important. The usefulness of a financial mechanism should be first assessed from the position of its conformity with the set goals of cultural policy. A mechanism that is perfectly suitable for one purpose and contributes to its achievement, is unacceptable for another, and its application could be an insurmountable obstacle.

Let us return to the two objectives of the state policy in theatrical activity. The indicator of the number of spectators as the state task, and funding on its basis, corresponds to the second one as in this case theatres are interested in their halls not standing empty, at least. But today they are interested in this anyway.

Theaters receive funding not only from the state, but they are also dependent on ticket sales as revenue directly depends on the number of people who buy tickets. It is hardly worth reinforcing this dependence. The consequences seem obvious. The first of the indicated goals will be sacrificed. Back in 1988, in the newspaper “Soviet Culture”, G.G. Dadamyan concluded: “The results of a theatrical experiment conducted in the country showed that economic interest prevails over the arts. In competition for spectators and earnings the tried and tested way of undressing actresses wins”. (Dadamyan, 2010).

The following circumstance should be pointed out here. Artistic tastes and people’s interests differ significantly, the audience is not homogeneous, and when theaters are oriented towards a mass spectator some groups are left outside. In this case, people with the most developed artistic taste (“theater elite”) will suffer. Theaters should have economic opportunities for classics and modern drama production as well as development of new trends and forms, and conduction of creative experiments. Ultimately, they should care not only about numbers but also about quality.

¹¹ This union has been the largest and most active public association in the field of culture in recent times.

¹² http://www.litsovet.ru/index.php/material.read?material_id=192498&fullscreen=1. Accessed: 14 May, 2018.

¹³ More details of the discussion of this issue are disclosed in (Rudnik & Kushtanina, 2016).

Model 4

In this (Moscow) model, grants are provided for the development of theatrical art in accordance with agreements between the Moscow Department of Culture and theaters. So, the realization of the first goal is meant here.

The relations between the state theatrical art policy objectives and four models of theater public funding are presented in Table 2.

Table 2

Cultural policy objectives and theatre funding models

N	Objective 1	Objective 2
1	Objective is not explicitly specified. The conclusion about the orientation towards this goal is made based on the properties of the model (the absence of requirements for the activities of a theater)	–
2	Objective is not explicitly specified. The conclusion about the orientation towards this goal is made based on the properties of the model (the absence of requirements for the activities of a theater)	–
3	–	Objective is not explicitly specified. The conclusion about the orientation towards this goal is made based on the properties of the model (activities of a theater are funded depending on the number of spectators)
4	The objective of grants provision is the development of theatrical art	–

Thus, it can be concluded that the proposed hypothesis is confirmed. Models of theatre public funding in the processes of their formation and transformation were not oriented towards the state's objectives in this area. Moreover, during the long period of new Russian history, such goals have not even been established by legislation.

Competitive model of theatrical activity public funding

To begin with, two basic points should be emphasized. First, the proposed model refers to theatrical activity in general, and not only to the part that is carried out within state and municipal theaters. Secondly, this does not refer to an ideal holistic model. What is meant here is rather a series of principles, approaches and budget instruments, whose implementation could contribute to the development of this activity.

Going beyond the state structures assumes that public funds for performing theatrical activities are provided not only to state and municipal institutions, but also to private organizations. Culture, including theatrical activities, is the only social area now where the involvement of private organizations in state and municipal services provision is not prescribed by legislation. The private sector in culture does not receive subsidies for rendering services to the population, so qualitative

competition and availability of public funds, regardless of the form of ownership, are not provided.

It seems that limited competition and manifestations of monopolism have the most negative impact on the reproduction of the creative elite. It has grown old. A middle-aged group gap exists, where there is no noticeable number of outstanding masters. As a result, not only is a high level of innovative activity not provided, but also a transfer of the most significant traditions of the national artistic culture. This can lead to discontinuity between creative generations.

Let us consider separately the implementation of each of the two designated goals of state policy in theatrical activity. Then we will outline their combination in a single model. Without setting the task of destroying the existing system of theatrical activity, we will orient the new model towards both private organizations and institutions with their state (municipal) tasks.

Objective 1 (promotion of the development of theatrical art)

Public funds are provided to a theater as a single amount (subsidies to perform state (municipal) task provided to state (municipal) theaters, grants provided to private theaters). Grants to private theaters are provided for the implementation of the arts program they announce. What is important here is that it is advisable to conclude an agreement on grant support for a relatively long period, for example, for 3 years (according to the budgetary periods established in Russia). The latter is crucial for private theaters. Public institutions simply according to their status will receive a subsidy every year, and approximately of the same known size. The situation is different for private theaters. The State does not owe anything to them, especially in a long-term perspective. Such a long-term duty should be envisaged in the agreement and thereby create confidence among creative groups, not only today but also in the future. This, with other things being equal, should favorably affect the “quality” of a theater’s repertoire.

Objective 2 (ensuring the accessibility of theater for the public)

First, it seems that it is quite natural to impose restrictions on ticket prices to realize this objective. However, this was the case in the Soviet period and led only to the enrichment of speculators. In this regard, this tool is not included in the model.

Another possible tool is the establishment of requirements for the scope of a theater’s activity. The indicator of the number of spectators was considered above. It can “work” for this objective, but, as noted above, the first objective could be “killed”. Another possible indicator, which, incidentally, has already been used in practice, is the number of theatrical performances shown by a theater. It can easily be used in the model, because its application, on the one hand, induces the theater to serve the interests of a spectator. On the other hand, it is not directly connected with the threat of distortion of a theater’s repertoire. We emphasize that the model does not imply the establishment of quality indicators, including the occupancy of a hall.

So, the model is based on tools aimed at the implementation of objective 1. Tools that implement objective 2, were superimposed on the instruments of the

first group so to speak, with the restriction “abstain from doing harm”. There might be concerns about achieving objective 2, but they are groundless. First, as already noted, the theater is interested in the work for the benefit of a spectator, as the revenue depends on the latter. Of course, one can increase revenues by reducing amount of services and increasing prices. But the supply (a number of performances per season) is a regulated parameter of the model. We also note that the development of competition between theater groups will work in favor of a spectator, as will be discussed below.

The proposed model can be presented as follows (Table 3).

Table 3

Competitive model of theater public funding

Model parameters	State and municipal theatres	Private theaters
Purpose of funds provision	Financial support for the fulfilment of the state (municipal) task	Support of a creative program production and public display of performances
Budget instrument	Subsidy for the fulfilment of the state (municipal) task	Grant
Period of funding	Annually	3 years minimum
Requirements as to a theatre's activities	The fulfilment of the state (municipal) task measured in the number publicly shown performances (minimum)	Implementation of a creative program, including the number of publicly shown performances (minimum)
Method of determining the amount of funds provided to a theater	Standard amount per one performance	Standard amount per one performance
Procedure of choosing theaters to provide public funds	The choice is not made, institutions receive subsidies according to their legal status	Public competition of creative programs

A few words about the model and its elements. First, why is this model named competitive? The answer is obvious: because it includes private theatres that receive public funding on a competitive basis. However, a completely natural question arises: why not include all theaters, both private and public (municipal), in competition, and oblige the latter to participate in competitions for creative programs? Examples of such general competition in Russia already exist in vocational education and social services. A similar approach for all sectors of the social sphere is envisaged by the draft Federal Law “On Public (Municipal) Social Contract for Provision of Public (Municipal) Services in the Social Sphere” prepared by the Ministry of Finance and widely discussed today. However, the introduction of such general competition in theatrical activity seems at least premature. Not only private, but also state theatres could turn out unprepared, as they are not used to earning their funding on competitive terms.

The most important element of the presented model is grants (more precisely – public grants). They have fundamental differences from the grants of the Moscow model considered above. First, in this model grants serve as a tool for providing

public funds to private theaters and do not replace, as in the Moscow model, subsidies to state institutions for the fulfilment of the state task. Secondly, as distinct from the Moscow model, grants are provided solely through competition. Thirdly, grants in this model are provided for a very specific purpose – to implement creative programs within a specified period. In the Moscow model, there is an extremely abstract micro-level formulation – “the development of theatrical art”.

A few comments on the proposed competition. First, as contrasted with contract system, there is no aim to identify a single winner. On the contrary, there should be many winners (grant recipients), their number is not initially limited. The next remark concerns the criteria of the competition. They should be informative. Cost criteria should not be applied. Budget savings could not be a goal in itself.

It seems advisable to supplement the proposed model with an element that is not of a financial nature. Private theaters are in short supply not only of financial resources, but also of equipped premises. Within the framework of this model, it is proposed that grant provisions are accompanied with allocating quotas for non-state theaters for the partial use of state (municipal) theater halls and infrastructure.

The description of the model outlined above is basic. Its specific implementation in the subjects of the Russian Federation can differ, first of all, by the scale of the competitive zone. The extreme case is a one-time (within the shortest possible period) liquidation of state and municipal theater institutions and transition to state (municipal) support of private theaters. The advantage here is that the entire sphere is opened for the development of competitive relations. The drawback is that, in fact, this is complete destruction of the current system (a kind of “shock therapy”), which, without a doubt, will cause disorganization of theatrical life. In addition, it seems that for some of the theaters, due to historical peculiarities and specificity of their activities, it will be more adequate to remain in the status of state (municipal) institutions that provide relative stability to the work of the organization.

Thus, the introduction of the proposed model is perceived as a way to create conditions for guided evolution of the organizational and financial mechanisms of theatrical activity.

Propositions made in the paper are in line with the mainstream foreign practices (Western Europe, North America) of direct state funding for culture, including theaters. In general, financing systems in this sphere have their own distinctive features in each country. Priorities might differ (for example, preferences could be given to performing arts or museums and cultural heritage sites), or the goal of financial support, or proportion of direct and indirect forms of financing (granting tax and other benefits to cultural organizations and their supporters), or scale of application of arm's length principles or other characteristics of funding systems. But if we consider methods of direct state financing of culture, their fundamental similarity can be found. All of them include two main tools for providing budgetary funds to cultural organizations: grants and full financial support of the functioning and development of the organization. The role of the latter, as a rule, is small. It is used for some national museums, archives and libraries (Abankina, 2015).

In conclusion, I will make two remarks. First, the introduction of the proposed model does not require mandatory refusal of cultural grants provided today to organizations and individuals. This refers to the grants of the President of the

Russian Federation and the Government of the Russian Federation in the first place. Secondly, legislation amendments are required for the success of the model. Discussion of specific legislative innovations is not the subject of this article.

However, in all cases, artistic competitiveness of the participants and transparency of the competition should be ensured at all stages of its holding. The latter requirement, unfortunately, is far from always being realized in competitive procedures in Russia.

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INTERRELATION OF ECONOMIC GROWTH AND LEVELS OF PUBLIC EXPENDITURE IN THE CONTEXT OF WAGNER'S LAW

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Abstract

The paper looks into how the law formulated by A. Wagner can be used to stimulate economic growth in a post-crisis period. The major principles of the concept of fiscal economy are given. It is mainly focused on identifying regularities in perpetually growing state spending, which can be explained by increasing the fiscal needs of the state. On the basis of data from 1960 to 2015, this regularity is confirmed for the G7 countries and Russia. It is shown that state spending goes up mostly due to growing pension payments. The authors present the results of Wagner's Law testing obtained by researchers based on the analysis of data on both developed and developing countries. It has been discovered that it is impossible to conclude categorically about a positive effect of fiscal stimulation on economic growth. The main factors which affect the efficiency of the applied fiscal measures are described. Russia is given as an example, where the growth of state spending due to an increase in fiscal needs has not made it possible to ensure the necessary economic growth rate due to its low efficiency. The authors have found out that the main cause of the continually growing budget spending is a large share of the state presence in the Russian economy. This slows down the process of its recovery growth, which does not allow for realizing the existing potential. It has been concluded that state spending efficiency must be improved, among other things, due to a structural transformation of state spending in the budgeting system of the RF.

Keywords: Wagner's Law; concept of fiscal economy; economic growth; budgetary policy; budgeting system; state spending; tools stimulating economic growth; fiscal stimulation of the economy; structural efficiency of state spending.

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Introduction

The consequences of the financial crisis have not been neutralized so far. They entail threats to the current and future condition of the public sector of the economy and public finances in many countries due to a considerable decrease in public revenues. In the post-crisis period the national governments of quite a few countries (including Russia) have faced a real prospect of further shrinking of budgets. Under the conditions of a slower economic growth rate the outcome is the necessity to additionally reduce state spending. However, a strategy of economic growth based on a sharp reduction of state spending contradicts the global trend of an outstrippingly growing share of public consumption in GDP in comparison to GDP growth (known as Wagner's Law). So, today, most countries all over the world have to solve the problem of defining an optimal volume of state spending, which will help to implement a growth scenario for their national economies.

The need to define the optimal volume of state spending and to increase its efficiency calls for addressing the classical concepts of the theory of public finances anew. In this respect it seems reasonable to analyze in more detail the concept of fiscal economy by A. Wagner and see if it can be applicable in countries which need to stimulate economic growth under the conditions of a growing budget deficit.

The nature of the concept of fiscal economy

In the concept of A. Wagner's Fiscal Economy, its core is to reveal the regularity of perpetually growing state spending, which is associated with the extensive and intensive increase of the functions of state power in the course of growing state regulation (etatization) of the economy. Wagner established that there is a positive dependence between the level of economic development and the size of the public sector.

This regularity was found as a result of empirical observations in economically developed West European countries and is known as Wagner's Law, which he described in the paper "Nature of the Fiscal Economy". According to the scientist's opinion, the confirmation and reason why fiscal needs grow lie in the social development in a social projection. These arguments about statistical dependency between state spending and the level of economic development are summarized in his "law of increasing state spending" (Wagner, 1958).

According to Wagner's forecast, the tendency for growing state spending, which he witnessed in the 19th century, will continue in developed economies until they keep on developing "continually". These predictions have been repeatedly confirmed by examples of various countries around the world and have proven to be true.

Wagner's Law, in its modern interpretation, says that social development as a whole and industrial growth in particular have to be accompanied by a continually increased share of state spending in gross national product.

Wagner's Law is traditionally checked by the calculation of the share of state spending in GDP, which has been stably growing since the 1830s. Wagner's Law's

efficiency is confirmed by US data over a period of 100 years (from 1890 to 1990), where the specific weight of state spending in GNP increased from 6 to 33%, as well as data from the best developed EU countries. Analysis of Wagner's Law testing experience is presented in the paper by B. Dollery, S. Singh (1998).

According to the statistical data, in the early 20th century, developed countries used from 10% to 30% of the GDP from their budget to provide public services. In the 1930s (and further on) the volume of state spending grew sharply. This was caused by numerous economic crises and wars. In the period after the Second World War the share of state spending in GDP was going up, mostly due to a fast growth of social expenditures. As a result, by the late 20th century, in most countries all over the world the specific weight of state spending in GDP grew manifold: for example, in the USA, it grew by 4 times (up to 33% of the GDP), in Germany – by 5 times (45%).

In the early 21st century, most of the countries in the world witnessed a serious increase in the level of expenditures in % from the GDP during the period of the latest financial crisis (2008–2009). As a whole in the 20th-21st centuries, the data of the G7 countries in reference to the expenses of social kind gives evidence in favor of Wagner's Law, especially, in terms of growing assignments into pension benefits (Table).

Table

The share of state spending in the GDP of the G7 countries and Russia in the period 1950–2015, in %

Year	total	TYPES OF STATE SPENDING							
		governance	defense	law and order	SOCIAL PROJECTION				other
					education	health care	pensions, social benefits	total	
USA									
1950	24.9	0.8	13.1	0.5	3.2	0.5	3.2	7.0	3.5
1980	33.5	1.5	8.5	1.3	6.6	1.5	10.1	18.2	4.0
1990	35.0	1.6	6.9	1.5	6.9	1.6	10.5	19.0	6.0
2000	35.7	1.7	4.7	1.6	7.2	1.9	10.7	20.8	6.9
2015	36.5	1.0	2.6	1.4	7.7	2.3	14.6	24.6	6.9
FEDERAL REPUBLIC OF GERMANY									
1950	28.4	1.9	4.3	1.4	2.7	3.5	12.2	18.4	2.4
1980	42.4	3.2	4.4	2.4	4.8	6.8	14.0	25.6	6.8
1990	42.9	3.2	4.3	2.6	5.1	7.1	14.1	26.5	6.7
2000	42.9	3.5	4.0	2.7	5.4	7.2	14.5	27.1	5.6
2015	42.8	2.6	2.5	2.5	5.7	7.5	14.5	27.7	7.5

Year	total	TYPES OF STATE SPENDING							
		governance	defense	law and order	SOCIAL PROJECTION				other
					education	health care	pensions, social benefits	total	
FRANCE									
1950	31.4	2.0	7.8	0.8	4.7	2.4	12.5	19.6	1.2
1980	45.3	2.8	5.0	1.7	8.3	4.4	19.9	32.6	3.3
1990	47.2	3.5	5.7	1.3	8.7	4.8	20.0	33.5	3.3
2000	47.5	3.3	4.7	1.4	8.7	5.1	20.5	34.3	3.8
2015	45.5	2.5	3.0	1.3	8.8	5.6	20.5	34.8	3.8
UK									
1950	32.1	1.5	4.6	1.5	5.1	5.1	7.7	17.9	6.4
1980	40.6	1.9	6.9	2.5	6.9	6.9	8.8	22.5	6.9
1990	42.9	1.9	6.7	2.4	6.9	6.9	11.9	25.6	6.3
2000	43.1	2.0	5.7	2.4	7.0	7.3	12.5	26.8	6.1
2015	43.4	1.7	3.5	2.3	7.2	8.1	14.5	29.8	6.1
ITALY									
1950	22.5	1.5	3.0	1.5	3.5	3.0	8.0	14.5	2.0
1980	38.1	2.8	3.2	2.8	6.3	5.1	13.3	24.7	4.5
1990	47.9	3.7	3.7	3.2	7.4	6.5	18.0	31.8	5.5
2000	49.0	3.6	3.2	3.2	7.2	6.5	20.6	34.3	4.8
2015	45.5	2.8	2.0	2.8	6.7	6.5	19.8	33.1	4.8
JAPAN									
1950	13.2	1.6	1.1	1.6	3.2	0.5	3.2	6.8	2.1
1980	25.0	1.9	1.0	1.9	5.4	0.6	10.3	16.2	3.9
1990	26.9	2.1	1.0	2.1	5.6	0.7	12.0	18.4	3.4
2000	27.2	2.0	1.0	2.0	5.6	0.8	12.4	18.8	3.3
2015	29.7	1.4	0.9	2.0	5.7	1.2	14.9	21.8	3.7
RUSSIA*									
1950	54.4	3.4	13.6	2.7	12.9	4.8	8.2	25.9	8.8
1980	47.7	2.2	19.8	1.7	8.6	3.3	5.3	17.2	6.8
1990	52.2	2.3	21.7	2.0	9.9	2.9	6.1	18.8	7.2
2000	42.4	2.8	9.2	2.3	10.6	3.2	6.5	20.3	7.8
2015	43.3	3.1	7.8	2.7	11.8	4.0	6.7	22.4	7.3

Source: www.rosbalt.ru

* USSR / Russian Federation

When the data presented in Table 1 is analyzed and the RF is compared to the G7 countries by the level of expenditures in relation to GDP, it should be considered that it is comparable with these countries in terms of the demographic processes and volume of social commitment. However, it falls behind them by the size of GDP per capita and is not that advanced by the level of economic efficiency, labor productivity, and the quality of state finance. Thus, in terms of sustainability and harmony of the budget system, Russia, objectively, cannot have the same volume of state spending in relation to GDP as in the economically developed countries. These are the factors which explain that in the Russian Federation the general volume of state spending on education is within the limits of 4.0–4.5% of GDP, on health care – 3.5% of GDP, while the average values in the developed countries are 5.3% and 6.6% correspondingly.

There are three main reasons why state spending continually grows (Fig.).

Figure

Main causes of growth in state spending

CAUSES		EFFECTS
SOCIO-POLITICAL		Over the last few decades the state social functions have been expanding considerably (demand for education, health care and other “social” services pertain to elastic functions)
ECONOMIC		Due to science and technology advances, state assignments into fundamental research, infrastructure and investment projects increase and the demand for them grows faster than public revenues
HISTORICAL		In order to cover contingencies, the state emit government loans, which may cause the amount of state spending and interest grow

Composed by the authors

The research studies by H. Timm (1961) are of interest. They prove that there is a consistency in outstripping growth of state spending (in comparison to private spending) and it is established that fiscal needs form in a more inertial way, due to a complex procedure for approval of the state budget through parliament.

Interpretation of Wagner’s Law and the Search for Balance between State Spending and National Income

Wagner’s Law is quite regularly tested by finance researchers who use various econometric models on an abundant country material (Afanasiev M. & Afanasiev Ya., 2009). However, a detailed analysis provides for less consistent results, because the main principles of this law have allowed for proposing various variants and methods for its testing, related to two quite clearly distinctive subgroups of the original argumentation.

The first interpretation of Wagner’s Law says that the appearance of industrialized societies is accompanied by a bigger volume of social benefits and services provided by the state, such as, for example, education, health care or so-

cial insurance, which increases the number of state functions and stimulates the growth of state spending (Dollery & Singh, 1998).

This version of Wagner's Law, referring to restructuring societies, has not been proven, on the basis of the analyzed empirical data as well as the second version of the law. Some researchers, such as E. Hook (1962), A.J. Mann (1980), F. Gould (1983), R. Neck and F. Schneider (1988), M. Paldam and H.E. Zeuthen (1988), M. Yousefi and S. Abizadeh (1992), as well as F. Hackl, F. Schneider and G. Withers (1993), proved Wagner's Law when they analyzed the empirical data of the developed countries and their groups in various time intervals. Others, for instance, J.E. Pluta (1981), D. Lowery and W.D. Berry (1983), J.A. Lybeck (1986), R. Ram (1986), G. Hondroyiannis and E. Papapetrou (1995), F. Halicioglu (2003), did not find grounds for confirmation of Wagner's Law in terms of increasing state spending in restructuring economies.

In the course of the research studies two main problems were identified about this version of Wagner's Law. The first one: the phenomenon of outstripping growth in state spending in relation to the growth rate of GDP is mostly witnessed after 1945 (Dutt & Ghosh, 1997; Goffman, 1968). The second one: A. Wagner's statement that the state starts providing goods and services which can no longer be provided by private companies is not explained or proven empirically (Biehl, 1998; Engle & Granger, 1987).

The second interpretation of Wagner's Law is grounded on the nature of such social goods and services as education, health care and infrastructure. The law says that, as a whole, such goods and services refer to elastic demand. Moreover, the demand for these goods and services will be growing faster than the national income, since, when the state revenues grow, so does the consumption of public goods and services, in compliance with the population's expectations concerning the increase in the resources used for production of social goods (in comparison to private ones).

As for the second version of Wagner's Law, as a whole, most researches prove that it is true on the basis of analyzed empirical data. Only a few researchers do not find empiric grounds for this version of Wagner's Law.

Although empirical research in relation to Wagner's Law is not categorical, many countries, and according to Wagner's Law, widely use the measures of fiscal stimulation to support their economies in crisis periods. At the same time, the available results of research studies about how fiscal stimulation affects economic growth do not allow one to define categorically the nature of such influence. When one evaluates the feasibility of fiscal tooling use for stimulation of the Russian economy, one should not forget about a danger of a wrong evaluation.

This instrument, if used in times of recessions, can bring about erroneous conclusions referring to the time of early economic growth and the size of required financing for realizing a set of fiscal measures, which challenges the efficiency of this tooling.

Moreover, most countries cannot virtually increase the tax rates or the size of public debt to finance the growing budget expenditures. So, in order to ensure the required economic growth rate, reforms should be initiated, which are aimed at restricting the growth of state spending with simultaneous increase in its efficiency.

“Structural” Efficiency of the Russian Federation’s Budget System Expenditures

The efficiency of state spending as a tool for growth stimulation, apart from structural and time factors, also depends on how it will be used. Thus, for example, one should note the paper by E.C. Wang, E. Alvi (2011), where the data is given referring to the relative efficiency analysis of state spending and factors affecting it are revealed. The research study by Rahmayanti Y., Horn Th. (2010) seems interesting too. It is dedicated to the influence of state spending on economic growth and proves, based on the analysis of macroeconomic indicators in 63 developing countries (throughout 1990–2004), that there is a certain critical level of efficiency of state spending when it exerts the maximally positive impact on the rate of economic growth. The results of the research show that if the efficiency of state spending is lower or higher than this level, the state does not use the budget funds optimally, which, in turn, brings about losses of potential capabilities for economic growth.

The data on the efficiency evaluation results of the state action in the economy shows that the expenses related to maintenance of the state sector are growing and its efficiency is reducing. For example, over the last 15 years in the Russian Federation the total volume of expenses of the budget system has grown from 34.3% to 40.8% of GDP, and there is no visible improvement by the majority of indicators, which characterize the results of the state policy. Thus, over several latest budget cycles, social expenditure has grown considerably. For instance, if in the year 2000 retirement expenditure and social benefits accounted for 7.3% of GDP (21% of expenditure of the budget system), then in the year 2015 this indicator reached 12.3% of GDP (32% of expenditure of the budget system). At the same time the efficiency of expenditure of the RF budget system on social policy remains low, since despite perpetually growing state spending, the poverty level of Russians is reducing very slowly. The audit of budget expenditure efficiency in the period 2013–2015 showed that among Russians who get social benefits more than 50% do not belong to the category which needs this aid. At the same time, less than 50% of the citizens who need social support get benefits. Thus, the more budget assignments are sent to the social support system, the greater is social inequality and the lower is the efficiency of expenditure in this area.

There are other similar examples of functional inefficiency of expenditure, which together confirm that there is a system limitation related to the quality of state administration in Russia.

According to the international experience, in the middle-term period, fiscal consolidation stimulates sustainable economic growth due to more efficient distribution of all sorts of resources, lower uncertainty and reduced real interest rates. These conclusions are true for quite a number of economies with a developed raw material sector, comparable to Russia, like, for example, Mexico, Malaysia or Chile.

At the start of 2015 the Russian government, through one-time correction of the currency exchange rate and the level of prices, initiated a mechanism for the economy to adapt to macroeconomic shocks. Consequently, the effect of monetary policy on inflation dynamics began to reduce. However, the indexation of

the main social benefits (pensions, allowances, salaries in the budget sector of the economy) by consumer price index (actual or projected inflation rate), which has been conducted according to the requirements of the Russian legislation, results in the neutralization of the adaptation mechanism and may unwind the inflation spiral. At the same time, the major cause of the continual growth of budget expenditure is the large share of the state in the Russian economy. It slows down its recovery growth and does not allow for realizing the available potential.

Hence for the year 2017, the target share of consolidated budget expenditure in GDP was set as 35%, which is 3% lower in comparison to the year 2014 (38.1% of GDP). This value is close to optimal (33% of GDP), defined subsequent to the results of variants calculations of real economic growth rate dependence on the share of state spending in GDP. According to this, the main objective in the current budget cycle (years 2018–2020) should be the limitation of budget expenditure growth rates, including expenses for social projects. The share of state spending in GDP is expected to diminish, primarily, due to a reduction of inefficient spending.

However, the optimization measures aimed at balancing the federal budget with the current amount of social obligations and the position about security and defense expenses can end up in a situation when, under the structure of state budget expenditure in the period 2018–2020, this inertia may become stronger and thus, recovery capabilities of the budgetary policy will be even more hindered. According to the results of long-term economic growth simulation, the share of budget expenditure in GDP is inversely proportional to the rate of potential economic growth.

The situation is also aggravated by the fact that the share of unproductive expenses, i.e. social policy expenditure (including retirement system expenses) and expenses for the state machine maintenance (including defense and security) have grown between 2008 and 2018 from 49% to 59%. This change in the structure of expenses contradicts with the solution to the problem of economic growth activation. In the expenditure structure of the budget system, by sections of functional classification in the year 2017, the major share of expenses still includes expenses for social policy (13.5% of GDP), national defense (3.3% of GDP), national economy (4.4 of GDP), education (3.6% of GDP), national security and law enforcement (2.4% of GDP). Moreover, according to the authors' forecast, the share of expenses for defense, security, social policy and public debt interest in the year 2019 could reach 72%.

In today's conditions some principle aspects, on which the "structural" efficiency of budget system expenditure depends, must be identified.

Firstly, an optimal size of defense expenses should be defined. The share of defense expenses in the RF is higher than the average level in OECD and BRICS countries – more than 4% of GDP in comparison to the values of about 1–2% of GDP for both groups of countries.

Secondly, the existing budget resources should be distributed in a balanced way between the current (as a rule, social) expenses and expenses for development (in a broad sense – infrastructure, education, health care and support of innovations).

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MODERN MODELS OF NATIONAL DEBT MANAGEMENT IN THE RUSSIAN FEDERATION (FINANCIAL-LEGAL ASPECT)

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Abstract

Financial and legal aspects in the formation of models of national debt management in the Russian Federation have become a topic of research. Having shown that the current state of legal regulation in national debt management is not effective due to the lack of legislative adherence to this concept and failure to take advantage of the various organizational models of national debt management, the authors offer a number of suggestions for the improvement of the budget legislation regulating questions of national debt management. A definition is given to the concept of “national debt management” and its standard and legal adherence in the Budget code of the Russian Federation and also three models of national debt management – traditional, alternative and mixed – are entered. National debt management is understood as a set of financial actions of the state represented by its authorities on the regulation of the size, structure and cost of servicing central government debt, and which are carried out at the strategic and tactical levels with use of a set of legal methods of regulation. It is pointed out that it is necessary to take into account the optimum scenario of social and economic development of the state – target (forced), influencing efficiency in national debt management. In practice, it has been proved that it is necessary to use the international experience in the sphere of national debt management, namely, to transform the traditional model of management into alternative, allowing it to exercise similar control of the independent subject, combining powers of public authority and financial economic entity. As a similar subject, Vnesheconombank of Russia is offered. The importance of the interrelation of national debt management model with methods of central government debt management is emphasized.

Keywords: central government debt; budget; management; budget legislation; models.

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Introduction

The central government debt exerts a certain impact on the social – economic and political – and legal life of society and state, which means that the state has debt management functions. Now the central government debt is an integral component of the financial systems of the vast majority of the countries of the world, therefore priorities and the direction of debt policy, questions of national debt management, and its legal regulation are of particular importance. Today, according to different statistical data, only a few countries have no central government debt, traditionally they include Alao, Macau, Brunei, periodically – the British Virgin Islands, Liechtenstein and Libya.

The need for improvement in the national debt management of Russia statifies the problem of an increase in efficiency of planning and forecasting of dynamics and structure of debt obligations. In this regard, the Government of the Russian Federation developed the “National debt management and the state financial assets of the Russian Federation” sub-programme within the “Management of public finances and regulation of the financial markets” state program whose implementation is planned until December 31, 2020¹.

To ensure the optimization of the national debt management of the Russian Federation, at the implementation of this program the application of the measures aimed at providing an acceptable and economically reasonable volume and structure of central government debt, reduction of the cost of service and improvement of the mechanism of national debt management, and increase in effective management of foreign financial assets of the Russian Federation is provided.

For this purpose in the sphere of national debt management it is necessary to solve the following problems: a) ensuring an economically reasonable volume and structure of central government debt on condition of the minimization of the percentage on loans; b) maintenance of credit ratings at the average level and also the creation of prerequisites for an increase in ratings in the long term; c) implementation of the means to ensure the fulfillment by borrowers of financial liabilities to the Russian Federation according to the concluded international agreements; d) ensuring safety of means of the budgetary funds and stable level of income from the management of them in the long term (this task was not feasible under modern conditions of the budgetary policy of the state of rather Reserve fund); e) development of the perspective directions of public policy in the sphere of a central government debt of territorial subjects of the Russian Federation.

Following the results of the implementation of this subprogramme achievement of the following results is provided:

- preservation of volume of a central government debt of the Russian Federation at the level of no more than 20% of GDP;
- creation of a reliable source of financing of the federal budget deficit and support of the pension system by means of ensuring safety of means of the budgetary funds and obtaining a stable level of income from their placement;

¹ About the approval of the state program of the Russian Federation “Management of public finances”: Resolution of the Government of the Russian Federation of April 15, 2014, no 320.

- creation of conditions for the implementation of a debt policy of financial and steady territorial subjects of the Russian Federation.

Effective implementation of all of the specified tasks will depend on economic development of Russia in the near future. If one is to address the forecast of the long-term social and economic development of the Russian Federation until 2030 presented by the Ministry of Economic Development of the Russian Federation, then it is possible to see three scenarios of social and economic development in this prospect – conservative, innovative and target (forced).

The conservative scenario is characterized by moderate long-term growth rates of the economy on the basis of modernization of the raw sector of the Russian economy at the preservation of an insignificant level of lag in hi-tech sectors. GDP growth in such a scenario is predicted at the level of 3.0–3.2% during 2013–2030.

The second scenario – innovative – represents a strengthening of the investment orientation of economic growth connected with the creation of modern transport infrastructure and hi-tech production in parallel with the modernization of the raw sector of economy. According to this scenario it is provided that average annual growth rates of the Russian economy are estimated at the level of 4.0–4.2% in 2013–2030 that will allow for an increase share for Russia in global GDP to 4.3% by 2030.

The target or forced scenario is based on the second scenario, but at the same time priority is given to the creation of the large-scale non-oil export sector and considerable inflow of foreign investments².

According to the experts, the total amount of Russian central government debt by 2030 in relation to GDP will have the smallest value only according to the third scenario which is submitted as the most optimum and preferable from the point of view of social and economic development and preservation of the minimum debt load on the budgetary system. This indicator is rather important as it represents one of the criteria for the evaluation of the condition of the state's homeland security.

In this regard, at the implementation of national debt management in the Russian Federation it is necessary to consider contents of the target scenario of the social and economic development of the state and to select a certain model of national debt management.

Now standard fixing of the term “national debt management” in the financial legislation does not exist. The budget code of the Russian Federation (further BC – the Russian Federation) in Article 101 defines only authorities which exercise national debt management of the Russian Federation, the territorial subject of the Russian Federation and also a municipal debt³. The BC of the Russian Federation acting before acceptance, the act of the Russian Federation “About the central internal government debt of the Russian Federation” also contained only the list of certain actions of the state indicating administrative functions of the state

² Forecast of long-term social and economic development of the Russian Federation until 2030: the expanded version of the long-term forecast approved by the Government of the Russian Federation with additional working materials.

³ See: Budget code of the Russian Federation. Russian Federation Code. 1998, no 31, Art. 3823.

concerning central government debt: definition of an order, conditions of release (delivery) and placement of debt obligations⁴.

In legal literature problems of national debt management are considered from different points of view and represent approaches concerning distribution of powers on the management of finance between various subjects (Tarasov, 2004), sets of actions of the state for payment of income to creditors, repayment of loans and also orders, to conditions of delivery and placement of debt obligations (Gracheva & Sokolova, 2001; Pokachalova, 2007) and also the set of operations influencing the structure and composition of central government debt (Proshunin, 2003) and so forth.

Proceeding from the aforesaid, generalizing various approaches to this institute, it is necessary to determine national debt management as a set of financial actions of the state represented by its authorities by regulation of the size, structure and cost of servicing the central government debt which are carried out at the strategic and tactical levels with the use of set of legal methods of regulation.

In this definition it is necessary to include Article 101 BC of the Russian Federation supplementing it with one item, increasing their total number to four. Therefore, the new version of Article 101 can be this:

“Article 101. Management of the central and municipal government debt.

1. National debt management is a set of financial actions of the state represented by its authorities on the regulation of size, structure and cost of servicing the central government debt which are carried out at the strategic and tactical levels with the use of set of legal methods of regulation.
2. National debt management of the Russian Federation is exercised by the Government of the Russian Federation or the Ministry of Finance of the Russian Federation authorized by it.
3. National debt management of the territorial subject of the Russian Federation is exercised of the supreme executive authority of the government of the territorial subject of the Russian Federation or financial authority of the territorial subject of the Russian Federation according to the law of the territorial subject of the Russian Federation.
4. Control of a municipal debt is exercised by the executive administrative authority of a municipal unit (local administration) according to the charter of the municipal unit”.

If we refer to the proposed new edition of the RF Budget Code, it should be noted that the legislator decides to close the gap in the budget legislation and the chapter devoted to the regulation of public debt begins with Article 151 “Management of the central (municipal) government debt” in which item 1 provides the following definition of this concept: “Management of the central and municipal government debt – the activity of authorities of the government (local government authorities) aimed at providing needs of public education for loan financing, timely and full execution of debt obligations at minimization of expenses on debt servicing, maintenance of volume and structure of the obligations excluding their non-execution”⁵.

⁴ About the central internal government debt of the Russian Federation: Law of the Russian Federation of November 13, 1992 No. 3877-1. Sheets of the UMP and Russian Armed Forces. 1993, no 1, Art. 4.

⁵ Quote. on: New edition of the Budget code of the Russian Federation. The text was not published.

The definition of the concept of “national debt management” and its legislative adherence is necessary in order that the optimum model of similar management was in practice created.

In addressing the international experience in the sphere of national debt management, the different models of organizational structure of this management, including public authorities of the general competence and special public authorities on national debt management function, should be noted.

The analysis of the central government debt authorities allows us to allocate three institutional and organizational models of national debt management: traditional, alternative and complex (Tsaregradskaya, 2013).

The traditional model of the creation of a system of public authorities connected with national debt management assumes the Ministry of Finance or Treasury having the leading role. In a number of the countries (the USA, France, Canada, Germany, etc.), these authorities form separate divisions (offices), the main functions of which come down to national debt management. The office of national debt management (Debt Management office) is a legal entity in the form of a state-financed organization with separate signs of a commercial structure. For example, in the USA, the bureau of central government debt is within the structure of Federal Treasury, in France – special division of Department of Economic Affairs and Finance, in the Russian Federation – a special department of the Ministry of Finance of the Russian Federation – Department of central government debt and state financial assets.

The alternative model of the organization of a control system of central government debt assumes delegation of powers on the loan of money to rather independent authorities – national debt management agencies. Similar agencies exist in Azerbaijan, Sweden, Ireland, New Zealand and other countries. These debt agencies are accountable to the Minister of Finance who carries out general observations of the activity of the agency and establishes a strategic framework of debt management in the country on the current prospect. Direct management of the activity of the agency is assigned to an individual authority of this subject. For example, in Sweden, management of government debt is assigned to the National Debt Administration (NDA) which is semi-independent structure within the Treasury (Shokhin & Makhmutova, 2002).

The third model – complex, assumes the division of functions according to national debt management between the Ministry of Finance and the Central Bank. This approach is found in practical embodiment in Italy, Holland and Great Britain.

In Italy, national debt management is exercised by a specially created Advisory Council on external debt, in Holland the equivalent is the Agency on National Debt Management of the Ministry of Finance, and in Great Britain it is the Office of National Debt Management whose powers are fixed by the Memorandum between the Ministry of Finance of Great Britain and the Office of National Debt Management (Memorandum of HM Treasury, UK Debt Management Office, national savings and national investments and credits of Office) establishing the competence of the Office of National Debt Management and the Bank of England in the sphere of public debt⁶.

⁶ See: Memorandum of HM Treasury, UK Debt Management Office, national savings and national investments and credits of Office.

Today the traditional model of national debt management existing in the Russian Federation has a number of shortcomings involving a decrease in management efficiency in this sphere. Such disadvantages include:

- debt dependence of the Ministry of Finance of the Russian Federation on the Central Bank of the Russian Federation;
- the dissociation of accounting policies of the Ministry of Finance of the Russian Federation and Vnesheconombank concerning external debt generating a difference when determining its volumes and as a result unreasonable claims from creditors;
- separate accounting of internal and external debt that does not allow one to carry out the mutual replacement of internal and external debts.

There are similar “conflicts of interests” – failure to coordinate interaction between public authorities, duplication of functions by different subjects of these relations, interference with the effective management of central government debt in Russia – therefore it is necessary, having analysed foreign experience, to differentiate between the competence of the public authorities having powers in this sphere, having built an optimum organizational model of management and improving the legislative mechanism of coordination debt and monetary policy.

In our opinion, for the most effective organizational model of national debt management, it is necessary to consider an alternative model as functions in this sphere are rather transferred to an independent agency which will be able to carry out transactions of debt obligations more objectively and independently, which is not always the case with the traditional model. Therefore we consider a justified option to be the creation in Russia of the Federal Agency on national debt management whose idea has been present for a long time in the theory of public debt management.

Creation of a similar subject in our country was undertaken in the mid-nineties in the form of the Commission on external debt and financial assets by the Government of the Russian Federation. The main objective of its creation consisted in conducting the interdepartmental examination of central government debts. This authority existed until 1997 in which it held its last meeting. After that, therefore national debt management remained under the competence of the Ministry of Finance which is compelled, generally, to concentrate its powers on the solution of operational tasks mainly connected with distribution of the available financial means. For this reason, the policy of loans pursued by the Ministry of Finance submits to the current requirements to a large extent, without providing the solution to strategic tasks of management of the obligations of the state in due measure.

Considering the current situation in the sphere of debt relations, in 2011 the Russian President Dmitry Medvedev gave an assignment to the Government of the Russian Federation to accelerate the creation of authority for Russian national debt management. Also it was supposed that this authority will operate the assets of the Reserve Fund and National Welfare Fund. According to the recommendations of the Russian President, the idea that the governing authority for central government debt will function as an open joint stock company (on a condition of the civil legislation for 2008) “The Russian financial agency” (further – RFA) begins to be worked out. The decision on the creation of the agency was made in 2008, and in August, 2011, in the document of the Ministry of Finance of the Russian Fed-

eration “The main directions of the public debt policy of the Russian Federation for 2012–2014”, assigned to this institute a part of the main subject who is responsible for interaction with investors and other participants from the financial markets⁷. The authorized capital of the RFA was supposed to be about 1.5 billion rubles⁸.

It was supposed that in the long term the functions of the main consultant of the Ministry of Finance of the Russian Federation concerning optimization of structure, a decrease in expenses on repayment, the servicing of the central government debt, and minimization of the percentage and currency risks of the federal budget will pass to RFA. Besides, RFA was charged with the authority to implement, on behalf of the Russian Federation, of internal and external state loans and for carrying out operations with these securities in the secondary market for the purpose of optimization of structure of the state debt portfolio.

In terms of the main direction of public debt policy of the Russian Federation for 2013–2015 it was noted that in the near future it will be necessary to create authorized capital of RFA, to carry out its state registration as a legal entity and to agree on requirements to the contracts signed by the Ministry of Finance of the Russian Federation with RFA on performance of functions of the managing director of sovereign funds and a central government debt agent⁹.

Besides, realization of the complexity of the organizational and regular and methodological measures connected with the development of RFA internal documents, program information support of its activity and interaction with the Ministry of Finance of the Russian Federation, Federal Treasury and the Central Bank of the Russian Federation, etc. was planned.

As the idea connected with the creation of the RFA had no unambiguous point of view, its embodiment in the Russian practice of national debt management still did not occur.

Considering the developed economic situation in the country, the creation of the new subject of national debt management can be regarded as not expedient therefore it is possible to offer the transformation of an alternative model to modern Russian realities by the reorganization of Vnesheconombank in the Federal State Unitary Debt Agency of the Russian Federation or investment of Vnesheconombank with the additional functions including an economic content which cannot be peculiar to public authorities in the sphere of national debt management.

The example offered gives Vnesheconombank the following authority:

- to carry out on behalf of the state, financial and debt operations (a swap, a repo, forward, future and option contracts, arbitration transactions) which are exchange transactions and which public authorities, in particular the Ministry of Finance, cannot carry out;
- to advise public authorities and credit institutions concerning the circulation of the state debt obligations, if necessary to coordinate their activity;
- to analyze conditions of the market of the state debt obligations for avoidance of its unbalance;

⁷ See: The main directions of the public debt policy of the Russian Federation for 2012–2014.

⁸ The Russian financial agency will receive all state accumulation, including the Pension fund.

⁹ The main directions of the public debt policy of the Russian Federation for 2013–2015.

- drawing up programs of the state internal and external loans;
- negotiating with creditors on the use of optimum methods of management of a central government debt and so forth.

Considering the tendencies to reform the budget legislation, it is possible to consider that questions of national debt management will be subjected to legal regulations taking into account the outlined changes in a long-term outlook, especially under the conditions of the gradual exhaustion of means of sovereign monetary funds of the state.

Summing up the results, it should be noted that the image of the Russian Federation as sovereign borrower in the international financial market will depend on effective management of central government debt. As of 2016, when the international rating agencies Standard & Poor's and Moody's began to improve forecasts for the Russian credit rating from "negative" to "stable", the choice of optimum model of national debt management has become more and more relevant. Until this time, the national credit rating had been underestimated to the so-called "speculative level" with the negative outlook by the same two rating agencies, most likely caused by various political reasons. In this regard it should be noted that the stable debt policy of the state will not allow for underestimation, by means of political tools, of the credit rating of the state which needs to be kept at least at the level of "BB+" which is the stable forecast and how best to bring a higher level of solvency that will help make the Russian economy investment attractive.

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