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The Public Administration and Policy – An Asia-Pacific Journal (*PAP*) is a semi-annual refereed journal jointly sponsored by the Hong Kong Public Administration Association and SPEED, The Hong Kong Polytechnic University. The Journal is devoted to the integration of theories and practice of public administration and management, with special emphasis on the Asia-Pacific region. *PAP* seeks to play a useful role in contributing to the improvement of public sector management by highlighting issues, problems and solutions through efficient and innovative management of public services. Academics, students, current and retired government officials, and practitioners in public administration and related fields are welcomed to contribute papers to this journal.

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# Public Administration and Policy

Volume 23 Number 2 2020

Special Issue on Public Governance, Integrity, Performance and Inclusiveness in Asia

Guest Editors: *Ahmed Shafiqul Huque and Habib Zafarullah*

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# Editorial

## Preface to the special issue

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Hong Kong Public Administration Association (HKPAA) was established in 1990 to promote and enhance the quality of research and practice of public sector management in Hong Kong and the region. It provides forums for discussions of important issues in public policies and management through regular dinner talks, seminars and conferences by renowned leaders in both public and private organizations.

Starting in 2020, four renowned international scholars and officials from the region have been invited to serve as the Association's Honorary Advisors to provide advice to guide its development in the third decade of the twenty-first century. They are Professor Jiang Wu of the Chinese Academy of Personnel Science, Ministry of Human Resources and Social Security of China; Professor Siu-kai Lau of The Chinese University of Hong Kong in the Hong Kong SAR; Professor Jon Quah, an Anti-Corruption Consultant from Singapore; and Professor Pan-suk Kim of Yonsei University from South Korea.

A new website for the Association has been launched in 2020 to mark the 30<sup>th</sup> Anniversary of HKPAA. It features new icons on speeches of top leaders given at our luncheons, dinners and conferences, full PDF versions of all issues of the PAP journal as well as photo albums of all our activities.

Since 2018, PAP has been published online in open access on the Emerald Insight Platform. In order to have the journal indexed in ESCI and SCOPUS as soon as possible, PAP now publishes three issues with at least one special issue per year. To maintain a high academic standard, a new Asia-Pacific Editorial Board has been set up with top academics from the region. In addition, an International Editorial Advisory Board consisting of renowned scholars from leading universities in the United States, Canada, United Kingdom, Switzerland, and Australia has also been formed.

In this special issue on "Public Governance, Integrity, Performance and Inclusiveness in Asia", we are grateful to have Professor Ahmed Shafiqul Huque from McMaster University, Canada and Professor Habib Zafarullah from University of New England, Australia as guest editors. With their academic expertise and wide networking, seven papers on Hong Kong, Thailand, Nepal, United Arab Emirates, Sri Lanka as well as other Asian and African countries written by scholars and practitioners from Canada, Thailand, Nepal, Australia, Norway, Bangladesh, Brunei, United Arab Emirates, Sri Lanka, and Ghana are included in this special issue. We hope these papers will make significant contributions to the understanding of various issues on public sector governance in Asia.

**Peter K.W. Fong**

*Editor-in-Chief, PAP Journal*

*President, Hong Kong Public Administration Association*

**HKPAA**



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**About the Editor-in-Chief**

Professor Peter K.W. Fong, PhD (New York University), is President of Hong Kong Public Administration Association and Editor-in-Chief of PAP Journal; and Managing Director of Peter Fong & Associates Ltd. He teaches Strategic Management and supervises DBA students' dissertations of the University of Wales and teaches Public Policy at The Chinese University of Hong Kong. He also holds advisory and visiting Professorships in several Mainland China universities, namely Tsinghua, Renmin, Tongji, and Tianjin Universities. He is a member of Hong Kong Institute of Planners, Planning Institute Australia, and Chartered Institute of Logistic and Transport. He was formerly a Teaching Fellow, Judge Business School, University of Cambridge; Director of EMBA programme, HKU Business School; Associate Professor, Department of Urban Planning & Urban Design, HKU; Executive Vice President & Professor, City University of Macao (formerly AIOU); Head, Centre for Executive Development, HKU SPACE; Honorary Professor, China Training Centre for Senior Civil Servants of Ministry of Human Resource & Social Security, PRC; Studies Director, Civil Service Training & Development Institute of the HKSAR Government; Visiting Scholar, MIT; and Consultants, the World Bank and Delta Asia Bank in Macao. Peter K.W. Fong can be contacted at: [fongpeter@netvigator.com](mailto:fongpeter@netvigator.com)

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# Introduction to the special issue

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We would like to express our gratitude to Professor Peter K.W. Fong, Editor-in-Chief, for giving us the opportunity to serve as Guest Editors for this special issue of *Public Administration and Policy* on “Public Governance, Integrity, Performance and Inclusiveness in Asia”. The nature and shape of public governance have been changing since the 1970s and taking on new patterns of interrelationships embracing structural, functional, behavioural and ethical elements. The realization of the goals of productive public governance has been an indispensable condition in most government initiatives aimed at public sector reform. National governments and international organizations, along with citizens and civil society, have articulated the urgency for establishing and practising sound governance to ensure the integrity of the systems, effective performance of the civil service, and inclusiveness of institutional processes to contribute to better management of state activities and improved conditions of living.

Continuous analyses and new interpretations of public governance take place in response to domestic demands and global changes, and they help identify the causes of weak governance in Asian states. Corruption is a major factor affecting almost all aspects of governing, while the lack of capacity of governments to perform expected tasks is another area of concern. Despite some progress in developing the framework of governance, the inclusion of various stakeholders remains a challenge. The articles in this special issue explore the state of public governance in the context of developing countries and are expected to contribute to discussions and debates to promote understanding of this vital issue.

The articles explore diverse issues related to governance. Ahmed Shafiqul Huque and Patamawadee Jongruck compare the history and strategy of civil service reforms in Hong Kong and Thailand and conclude that different strategies were adopted to achieve similar goals. Keshav Kumar Acharya and Habib Zafarullah examine the process of institutionalizing federalism in Nepal and find the process of operationalizing the power of local government bodies as conventional and hierarchic with federal government constraining fiscal control over resource mobilization. In another study on Nepal, Ishtiaq Jamil and Hasan Muhammad Baniamin examine the extent of representativeness in the bureaucracy and find that high caste Hindus still dominate the process while other ethnic communities remain under-represented.

Akm Ahsan Ullah and Faraha Nawaz identify the loopholes in surrogacy policy based on interviews with surrogate mothers and commissioning parents and argue for the adoption of a uniform policy to define and improve the surrogacy programs. Abu Elias Sarker and Mohammad Habibur Rahman explore initiatives of social engineering by the government of the United Arab Emirates for enhancing the participation of indigenous Emiratis in the labour market and register concern over the gaps between the targets and accomplishments in the private sector.

Ramesh Ramasamy examines the trends of governance and public administration in Sri Lanka and finds a mixture of paternalism and alliance of political dynasties, kinship,

**HKPAA**



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ethnicity, religion and elitism that impact political and administrative commitment and quality of governance. Finally, King C.T. Duho, Mark Opoku Amankwa and Justice I. Musah-Surugu consider the determinants and convergence of government effectiveness in a large number of African and Asian countries and identify positive and negative factors that impact their performance.

Let us thank all the contributors to this special issue of *Public Administration and Policy*. They are a diverse body of scholars from different countries with a keen interest in the study of public governance in Asia. Their contributions will advance our understanding of the complexities and challenges of public governance in the region. We also owe our gratitude to the peer reviewers for their thoughtful comments and useful suggestions that helped fine-tune the articles. Finally, we would like to put on record our deep appreciation for Professor Peter Fong, Dr Alice Te and Dr Franky Choi—all members of the excellent editorial team, for their support in publishing this special issue.

**Ahmed Shafiqul Huque**

**Habib Zafarullah**

*Guest Editors*

# Civil service reforms in Hong Kong and Thailand: similar goals, different paths

Civil service reforms in Hong Kong and Thailand

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Ahmed Shafiqul Huque  
*McMaster University, Hamilton, Canada, and*  
Patamawadee Jongruck  
*Chiang Mai University, Chiang Mai, Thailand*

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## Abstract

**Purpose** – The purpose of this paper is to examine the strategies of civil service reforms in Hong Kong and Thailand. It seeks to identify the drivers of reforms in the two cases and explain the divergence in processes that were intended to achieve similar ends.

**Design/methodology/approach** – This paper adopts a case study approach along with a thorough review of the literature. It is based on secondary materials, including academic studies, government publications and websites, and media reports. It compares approaches, strategies and outcomes of civil service reforms in Hong Kong and Thailand.

**Findings** – Civil service reforms in Hong Kong focused on improving management through the implementation of New Public Management (NPM) principles, while governance values were prominent in civil service reforms in Thailand.

**Originality/value** – This paper compares civil service reforms in two dissimilar Asian cases. It highlights the impact of global trends on traditional bureaucratic organizations and reform strategies, and recognizes the impacts of traditions, culture and capacity on civil service reforms.

**Keywords** Civil service reforms, New Public Management, Governance, Hong Kong, Thailand

**Paper type** Case study

## Introduction

The traditional approach to public administration came under criticism for its mechanical and process-based orientation that resulted in continuous growth in the size of the bureaucracy, along with a decline in productivity. There were criticisms over escalating costs, and the lack of accountability and transparency affected the quality of services. Rhodes noted that traditional public administration “was seen as the problem, not the solution” (2016, p. 639). These circumstances ushered in significant changes in the form of New Public Management (NPM). The objectives were to reduce expenditure, improve service delivery, and incorporate flexibility to enhance performance in public sector organizations that represented a clear shift from traditional public administration; consequently, far greater attention focused on the achievement of results and personal responsibility of managers (Hughes, 2012). The pressure to introduce changes in their civil services also influenced Hong Kong and Thailand.

While civil service reforms generally aim at changes for improvements, this paper argues that reforms are also influenced by societal values, ideology and political preferences of



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regimes. Also, the nature of the state, strength of the bureaucracy and the capacity of governments determine the direction of reforms. This paper examines civil service reforms in the Hong Kong Special Administrative Region of the People's Republic of China and the Kingdom of Thailand. The influence of NPM was prominent more in rhetoric than substance in most Asian countries. However, Cheung (2011) noted that NPM faced a legitimacy crisis as countries sought to adopt alternative development models. This paper argues that civil service reforms in Hong Kong were influenced by NPM principles and oriented toward efficient management with minimal attention to political and social implications. Thailand, too, intended to achieve efficiency, but the values of democracy and governance emerged as important elements in Thai civil service reforms.

This paper adopts a case study approach because it is appropriate for closely examining data within a specific context. It undertakes a review of the literature to identify the nature of civil service reforms and the causes of divergence in strategies adopted by Hong Kong and Thailand. The discussion is based on secondary materials obtained from academic studies, information from the two governments, relevant websites, and media reports. These sources provide information on the history, tradition, and developments of civil services as well as substance and trends of reforms. The arguments are established by comparing approaches, strategies and outcomes of civil service reforms in Hong Kong and Thailand. The two units share a similar characteristic of a robust bureaucratic structure. Another point of commonality is that the reforms were motivated by global trends and pressures. However, Hong Kong and Thailand are strikingly dissimilar in all other respects. They were selected to demonstrate that there are common objectives across countries, and they influence the design of reforms. At the same time, the two cases help strengthen the argument that despite designing reforms with similar goals, additional factors such as traditional, societal and political forces result in the adoption of different strategies.

### **Civil service reforms**

The role of civil service entails several complex and interrelated activities that are coordinated to ensure good governance through a network of transparent, accountable and efficient arrangements. This is critical because public administration "must provide a framework of organizations as well as a body of capable personnel to enable the government and the citizens" to achieve the objectives of the state, and it "is obvious that more emphasis is placed on the personnel than the structures, because the former determines, to a large extent, the outcome of the latter" (Huque, 1990, p. 55). Thus, civil service reform is an important, yet challenging task for governments in every country. It generally includes reforms in areas such as remuneration, human resources, downsizing and operational efficiencies; however, it has received inadequate attention in comparison to other types of reforms in the public sector (Repucci, 2014).

Powerful countries, international agencies, and financial institutions have a strong influence on reform goals and processes. The wave of NPM reforms initiated in the developed world in the late 1980s influenced civil service reforms in many countries. NPM has two main dimensions: on the one hand, it aims to improve the quality of public service delivery by introducing the concept of managerialism; on the other hand, it emphasizes the need to downsize the public sector (de Vries and Nemeč, 2013). The experiences of NPM reforms in the 1990s and 2000s, especially from some developing countries, illustrated its limitations and unanticipated consequences. Moreover, concerns about social inclusion, poverty reduction, and sound government underlined the need for an alternative reform ideology (Brinkerhoff and Brinkerhoff, 2015).

Good governance is another prominent factor that influenced civil service reforms in developing countries. Promoted by international donors, good governance is illustrated by several characteristics: participation; rule of law; transparency; responsiveness; consensus-

orientation; equity; effectiveness and efficiency; accountability; and strategic vision (UNDP, 1997). Good governance and human development are intimately related, and one cannot be sustained without the other (UNDP, 1997). Although it rapidly became popular, Grindle (2017) pointed out that good governance is merely a normative concept that requires many resources as well as the capability of governments to achieve those ‘good’ qualities but with little understanding of how to get there. Moreover, it encourages a one size fits all approach to governance, without taking into consideration the contexts of specific countries. Civil service reform is indeed an ongoing process - one which needs to be tailored to each country’s needs to find the most suitable approach for their context.

### **Hong Kong and Thailand: contexts and contrasts**

Hong Kong has a land area of 1,106 square kilometres, with a population of approximately 7 million. Thailand, on the other hand, has a land mass of 513,120 square kilometres and a population of roughly 69 million. While Hong Kong is administered centrally with some input from 18 local districts, Thailand has several levels of administration at central, provincial and local government levels. The two cases of Hong Kong and Thailand have different traditions of managing the civil service. The divergence is understandable between an ancient kingdom and a former colony of Great Britain that was eventually designated as a Special Administrative Region of China. Although their reform strategies and trajectories differed due to culture, history, traditions and practices, the goals in both cases were similar.

In Hong Kong, a simple structure of government was facilitated by the absence of strong political forces and a high degree of acquiescence by administrative officials in implementing reforms (Lee and Huque, 1996). The government adopted the strategy as it sought to administer Hong Kong as a colony, and the Governor (retitled as Chief Executive in 1997) exercised complete control over the territory. Many of the arrangements established before the handover to China continued after the termination of colonial rule, and the same administrative culture persisted.

The civil service is the largest employer in Hong Kong, with a total strength of approximately 174,900, amounting to about 4.4 percent of the Hong Kong workforce (Hong Kong Government, 2018). “It supports the government in formulating, explaining and implementing policies, conducting administrative affairs, delivering public services, and undertaking law enforcement and regulatory functions” (Hong Kong Government, 2018). In the absence of a strong representative mode of governing, civil servants leading 13 policy bureaux and 56 departments enjoy considerable power. Initially, the Central Policy Unit was expected to undertake research, analyse policy issues, and recommend government action. Later, the emphasis shifted to “the government’s commitment to improve services to the community and to enhance openness and accountability by formulating, securing support for, and overseeing, the implementation of public sector reform” (Hong Kong Government, 1996, p. 19).

In contrast, Thailand was never colonized, and the establishment of western-style ministries in 1892 was a strategy to avoid colonization (Brown, 1992). A system based on the merit principle was introduced with the promulgation of the first Civil Service Act in 1928 (Bowornwathana and Poocharoen, 2005). Thailand was described as a ‘bureaucratic polity’ in which ministers were more responsive to the interests of their bureaucratic subordinates than the needs and demands of other groups (Riggs, 1966). Tjiptoherijanto (2018) noted that the power of civil servants stemmed from the reliance of the military on the bureaucratic elite and described them as permanent members of the political class. Moreover, the bureaucracy retained control over the polity as well as administration because coalition governments were generally weak and indecisive (Bowornwathana, 2001).

The number of civil servants in Thailand – excluding the Ministry of Defence – was approximately 2 million in 2018. This is equivalent to 3.15 percent of the country’s population

and 5.45 percent of its workforce (OCSC, 2019a). The majority of civil servants work in the central and provincial administration and constitute 81.89 percent of the officials. The Office of the Public Sector Development Commission (OPDC) found that the Thai public sector was too large and complex, and its management was ineffective, inefficient and unresponsive to citizen needs. The large number of officials was a challenge in managing the bureaucracy (Worragi, 2003). Bowornwathana (2001, p. 298) described the Thai bureaucracy as “wasteful, ineffective, non-responsive, unfair, not accountable, slow, corrupt and unethical”. Therefore, there were pressures from internal and external sources for introducing reforms in the civil service of Thailand.

### **Civil service reforms in Hong Kong**

The nature and philosophy of the civil service under colonial rule are markedly different from those of independent states. Hong Kong was administered through a simple and centralized system of administration. This was facilitated by the fact that the public in Hong Kong had accepted such a system of rule and remained apathetic to public affairs under British rule. The economy performed well to produce a gradual growth of affluence. With no public demand for change, the government was satisfied with making minor adjustments to existing administrative agencies and practices, and the civil service system remained unchanged for a long time. The government aimed to ensure control and political stability as well as the robustness of the economy. The social aspect of public administration was neglected as Hong Kong progressed on the road toward economic prosperity.

A major civil unrest in Hong Kong in 1967 and problems with corruption sparked demands for reforms in the civil service. An investigation into the public discontent indicated that there was great dissatisfaction with the arrangements for social welfare and employment, and significant improvements had to be brought about in those fields (England and Rear, 1981, p. 17). Following the unrest that took place in the wake of the Cultural Revolution in China, the government introduced “a number of piecemeal structural reforms” (Scott, 1984, p. 6). A key step was opening the space for citizens’ participation in public affairs and preventing the possibility of abuse of power, maladministration, and overstepping of jurisdictions by public servants (Huque *et al.*, 1998).

The Independent Commission Against Corruption was established in 1974 to detect and investigate corruption (Scott and Ting, 2019). In 1988, an Office of the Commissioner for Administrative Complaints was created to investigate and report on complaints lodged against public organizations (So, 1995). The agency was later renamed ‘Office of the Ombudsman’ and it provides citizens with “a means through which an independent person outside the civil service can investigate and report on grievances arising from administrative decisions, acts, recommendations or omissions” (Hong Kong Government, 1998, p. 22). It was expected “to redress grievances arising from maladministration in the public sector through independent and impartial investigations to improve the standard of public administration” (Hong Kong Government, 2010, p. 27). The Efficiency Unit was created in 1992 to facilitate the enhancement of efficiency, economy and effectiveness. It “provides internal management consultancy services to government agencies intending to improve the quality and value of public services” and “helps to develop new service models and the application of design thinking for more engaging and effective public services” (Hong Kong Government, 2014).

In this way, the civil service in Hong Kong has been reformed by piecemeal and incremental efforts. Despite attempts to make the civil service accountable and responsive, the structure remained monolithic but simple, and the power has not shifted from the highest office, that of the Chief Executive. New agencies such as the Ombudsman, Consumer Council and Efficiency Unit were set up to reflect changes in line with other parts of the world. However, the guiding philosophy and orientation of the civil service remained unchanged.

After establishing the underlying mechanisms for ethics and integrity in the public service and responsiveness to the citizens' needs, the next round of reforms in the civil service of Hong Kong concentrated on the improvement of financial management and service delivery. Regular and systematic reviews of public expenditures, a proper system of policy and resource management and precise definitions and delegation of responsibility for policy implementation were emphasised. The initiatives included the establishment of self-accounting trading funds, rationalisation of public corporations and non-departmental public bodies, devolution of resource-management responsibilities, emphasis on the policy management functions of central policy branches, procedural and structural changes within the civil service to promote awareness of costs and results, and transformation of civil servants from administrators into managers (Finance Branch, 1989). However, these reforms cannot be considered as comprehensive since they focused only on financial management in the public sector (Cheung, 1992, pp. 141-142). This period also witnessed efforts to prepare comprehensive plans to ensure social welfare services because "societies have an obligation to assist their members to overcome personal and social problems and to fulfil their role in life to the optimum extent in accordance with the particular social and cultural development of their society" (Hong Kong Government, 1995, p. 3). Thus, the approach to civil service reforms changed from 'ruling' in the 1970s to 'administering' in the 1980s to 'governing' in the 1990s to reflect the gradual transition toward governance (Huque, 2002, pp. 14-15).

Reforms in the Hong Kong civil service were carefully planned with specific objectives in mind. Earlier, the objective of the government was to keep public expenditure under control, prepare and implement a balanced budget, ensure the maintenance of law and order, and get the voluntary sector to participate in the delivery of public services, wherever possible (Scott, 1986, p. 455). The distinctive features of Hong Kong were "minimal government, deference to authority, formality in administrative practice, and a high degree of centralization" that did not allow scope for deviance from rules and regulations (Lee and Huque, 1996, p. 14).

Civil service reforms in the 1990s were more radical in nature and strongly influenced by the tenets of NPM. The Civil Service Bureau released a document titled the *Civil Service in the 21<sup>st</sup> Century* in 1999, which sought to "align Hong Kong with public sector developments elsewhere in the world" (Common, 1999, p. 37). "Poor health of the economy, unemployment, rising expectations of the public from the government, and the inefficient handling of several events after 1997 provided the impetus to review the administrative system" (Civil Service Bureau, 1999, p. 5). The purpose was to develop an open, flexible, equitable and structured civil service framework, an enabling and motivating environment for civil servants and a proactive, accountable and responsible culture (Huque, 2002, p. 13). However, the change of regime with the reintegration with China was followed by budget deficits and economic recession and demonstrated the importance of traditional civil service value of fiscal prudence (Burns and Wei, 2015, p. 541).

Subsequent civil service reforms in Hong Kong aimed to streamline public management through maintenance of a lean and efficient civil service, review of pay and benefits, improvement of the 'entry' and 'exit' system, provision of diversified training for public officials, and reinforcement of performance and ethical conduct. These steps were considered essential for developing and maintaining a public service that would spearhead the process of effecting improvements in the system through responsible, responsive and ethical management. Besides, the Civil Service Bureau and the Independent Commission Against Corruption introduced a joint ethical leadership program that is intended to instil a culture of probity in the civil service (Hong Kong Government, 2010, p. 26). Thus, civil service reforms in Hong Kong have targeted at increased economy and efficiency with concessions on citizen involvement and emphasis on ethics to demonstrate sensitivity to the changes in the society.

To sum up, the key themes of civil service reforms included structural changes to restore trust in the government by opening channels of communication between the government and

citizens. Effective anti-corruption measures and a redress mechanism sought to facilitate public participation. Reforms aimed to ensure prudent financial management and the attainment of economy, efficiency and effectiveness through agencification, market-testing and corporatization. Eventually, public-private partnerships and performance-based budgeting were adopted as well as the enhancement of integrity and ethics in the civil service.

### **Civil service reforms in Thailand**

Thailand has a much longer history of civil service reforms. The first Civil Service Act of 1928 introduced a merit system based on competence, equity, security, and political neutrality (OCSC, 1993). A change from absolute monarchy to democracy in 1932 shifted power from the royal family to the bureaucrats, including the military officers. From 1932 to the early 1970s, administrative power was mainly in the hands of military dictators who preferred to have authority centralized. The roles of the bureaucrats and politicians could hardly be differentiated during this period, as most politicians had backgrounds as high-ranked officers in the ministries and/or the military. The bureaucracy was strong and the political system unstable, and this enabled the civil servants to resist reforms and only minor adjustments were made to the existing structure and practices (Painter, 2004).

During the 1970s, a movement for democracy and confrontation between the citizens and the military resulted in civil unrest. Bowornwathana (2013) pointed out that improving bureaucratic performance became a secondary goal when the regime was unstable and bureaucrats continued to exercise power. The political situation stabilised in the 1980s. During this period, elected governments were concerned about improving service provision to citizens that had not featured in the earlier reforms. Several reforms were introduced such as anti-corruption practices, efficiency enhancement, service delivery, private sector involvement, budgeting, and compensation of public officials (Worrage, 2003). This trend was influenced by global reform trends that aimed to enhance the performance and quality of civil service throughout the 1980s.

In the 1990s, the focus of reforms remained on, among other areas, service delivery improvement, equity in accessing public services, and public participation (Worrage, 2003). The Third Civil Service Act of 1992 concentrated on the democratic, managerial and strategic elements. This Act highlighted the importance of encouraging performance through compensation and rewards (Sivarak, 2011). The Eighth National Economic and Social Development Plan (1997-2001) guided the direction of reforms in the late 1990s. The Plan included strategies of administrative downsizing and reorganization; shifting the role of government from controlling to facilitating; improving administrative systems at the central administration; decentralizing decision-making authority to lower levels of administration; and a more flexible budgeting system (Painter, 2006). The prominent influence of NPM was evident in this round of reform.

A democratic constitution for Thailand was promulgated in 1997, and it had a strong influence on civil service reforms in the late 1990s. The Constitution promoted democratic governance practices such as accountability, integrity, citizen empowerment, and decentralisation. The role of the central government was hollowed and there were attempts to downsize through early retirement schemes (Painter, 2006). Decentralisation of functions and budget to local governments received prominent attention in this Constitution (Jongruck, 2014).

The financial crisis in 1997 encouraged, if not mandated, the incorporation of good governance principles into the Thai public sector (The World Bank, 2003; Bowornwathana, 2005). Seven elements of good governance were identified to maximise benefits for citizens: achieving public goals; emphasizing efficiency and value for money; streamlining work processes; reviewing periodically to ensure relevance; satisfying citizens' demands; and monitoring and evaluating performance (OPDC, 2018a). A number of autonomous public

organizations and independent watchdogs, such as a Constitutional court, anti-corruption commission, and audit commission, were established (Worrugi, 2003).

The political situation in Thailand was stable after Thaksin Shinawatra won a landslide victory in the 2001 and 2005 elections. Several radical civil service reforms were introduced during this period. The managerial reform rhetoric was prominent, and the government attempted a shake-up of bureaucratic structures and positions through a political process (Painter, 2004). Some major reform programs included, for instance, ministry restructuring, performance-based management, and the CEO-provincial governor.

The restructuring of the central ministries was a radical reform; however, it did not apply to lower levels of the government. Interestingly, the number of ministries and departments was increased from 14 to 20 in 2002 (Painter, 2006). Bowornwathana (2013) noted the common practice of democratic government in Thailand to establish a larger number of administrative domains to create new cabinet positions. A performance-based approach was introduced for personnel management and budgeting. Nevertheless, the performance evaluation system was, by and large, ineffective because of the lack of reliable information on performance output and outcomes (The World Bank, 2003). Another reform was the empowerment of the provincial governors who were designated as “CEO-provincial governors”. The CEO-governors report directly to the Prime Minister and the arrangement helped concentrate administrative power in the hands of the political executives. During this rare occasion, when Thailand experienced strong political stability, the autonomous bureaucracy experienced high intervention from politicians and became subjected to political control (Bowornwathana, 2005; Painter, 2006).

Civil service reforms received little attention during 2006–2013 due to political unrest. Some significant reforms during this period were the enactment of the 2008 Civil Service Act and the introduction of a new classification system which identified four types of positions in the civil service, namely: executive, managerial, knowledge worker, and general positions. Additionally, the government launched a minimum pay reform for civil servants in 2013 by raising the minimum monthly salary to 15,000 Baht (approximately US\$420) to boost the morale of government officials and to attract new graduates to work in the public sector (TDRI, 2014).

Thailand experienced another coup in 2014, and the military government ruled the country until 2019. Reforms during this period limited the role of politicians and strengthened the position of the civil servants and military officers. A 20-Year National Strategy (2017–2036) was introduced in 2017, and all governmental agencies were mandated by the Constitution to follow the plan. The Office of the Civil Service Commission (OCSC) has accordingly launched a Strategic Plan of Human Resource Management for government agencies (2017–2036). The plan aims to respond to the needs of citizens in terms of effectiveness, efficiency, worthiness, transparency, fairness and adaptability to current social and economic changes (OCSC, 2019b). It is evident that good governance principles have persisted in the civil service reform preference in Thailand over the past decade. The government also launched the ‘Thailand 4.0’ scheme to shift the country’s economy to a technological and innovation-driven system. The ‘Government 4.0’ is a response to the Thailand 4.0 scheme, which aims to make service delivery easier, cheaper, faster, and smarter. The government innovation lab, participatory governance, and Good Governance 4.0 are also parts of the Government 4.0 reforms (OPDC, 2018b). The latest wave of civil service reforms in Thailand clearly focuses on modernizing the bureaucracy with innovation and technology.

In summary, the role of the civil service has been dominant in Thailand since its establishment and has become stronger over time as political instability persisted. Most of the reforms before the 1980s were piecemeal and incremental in nature. Attempts to improve service delivery have always been included in the reform agenda. At the same time, the managerial approach was adopted in the 1990s because of the influence of the global NPM-

driven trend, although the strategy of downsizing was not apparent in Thailand. Following the financial crisis in 1997, Thailand adopted the good governance agenda for public sector reforms, and this meant increased attention to the values of participation, accountability and integrity. Civil service reforms tended to be radical under a strong political executive, but the bureaucracy gained the upper hand during periods of political unrest. This suggests that civil service reforms in Thailand were largely dependent on the political will of the regime. Although there have been several attempts to modernize the civil service system, the results of the reforms remain unclear.

### **Outcome and impact of civil service reforms in Hong Kong and Thailand**

Civil service reforms in Hong Kong shifted from tinkering with structures and arrangements to an approach of inculcating a new set of values and orientation, with emphasis on accountability, economy, efficiency and performance. The government claimed that the Enhanced Productivity Programme helped reduce costs through reorganization of structures, redistribution of duties, an adjustment in levels of service in line with demands and utilisation, use of contracting-out, and saving on allowances (Hong Kong Government, 2002). The civil service establishment was streamlined through a review of pay and benefits, improvement of the system of entering and leaving service, diversification of training and reinforcement of performance and proper conduct (Civil Service Bureau, 1999). These were basically efficiency-oriented measures in the sense that the same or higher amount of work and service was expected from the efforts of fewer civil servants. The number of employees was reduced through re-engineering of processes, organizational review, outsourcing and voluntary retirement (Huque, 2010, p. 278).

Cheung (1999) criticized the idea of following the private sector practice in measuring and rewarding performance. Perry and Frederickson were, however, optimistic about the success of reforms only if they “were implemented with careful attention” (1999, p. 68). Thus, the analysts were concerned over the assumptions, rationale and operational issues of reforms (Huque, 2002, p. 16). Nevertheless, streamlined rules on the award or stoppage/deferment of salary increments were intended to elicit the best performance from civil servants. The stated objective of the government was to “provide the necessary flexibility and capability to allow the Civil Service to respond quickly to community needs; to provide a more motivating and positive work environment; and to further a performance-based service-oriented management culture” (Civil Service Bureau, 2009). Despite claims for aiming for broad-based governance values, the emphasis remained on enhancing efficiency and maintaining competitiveness.

The major reforms in Thailand can be categorized in terms of structural, managerial, and good governance objectives. In terms of structural reform, the outcome in Thailand did not result in the downsizing of the public sector. The Thailand Future Foundation (TFF) reported that the civil service had become larger after the structural reform in 2001, and the number of departments and offices increased from 168 in 2002 to 181 in 2015. The total number of government officials grew by 50 percent from 2004, from approximately 1.5 million to nearly 2.2 million in 2014 (TFF, 2015). The size of the civil service remains almost at the same level as in 2018 (OCSC, 2019a). Although the number of long-tenured civil servants (*kha-raja-garn*) was reduced, a much more significant increase can be found among other types of government officials, such as state employees.

The increasing number of state employees added to the financial burden of the country. Expenditure on personnel increased dramatically after the minimum pay reform in 2013 that enhanced the salary of government officials to make their compensation higher than that in the private sector (TFF, 2015). Despite several attempts to reform the civil service over the past four decades, there is little evidence of success.

There are interesting parallels and contrasts between civil service reforms in Hong Kong and Thailand. Following the global trend, most countries jumped on the NPM bandwagon, and Hong Kong and Thailand were no exception. Earlier, some common problems affected public administration and resulted in the concentration of power in huge bureaucracies, lack of transparency and accountability, rigid and unresponsive approach, and scant regard for the cost that contributed to the loss of trust in governments. The responses were manifested in a series of reforms in the two cases.

The status of Hong Kong as a British territory before 1997 and a Special Administrative Region of China afterwards have produced a unique context for introducing civil service reforms. While reforms are generally proposed, designed and adopted under political leadership in most countries with approval from the legislature, Hong Kong followed a different route. It is described as an “administrative state” that possesses legislative and judicial organs, but in which administrative organization and operations are prominent” (Harris, 1988, p. 70). In the absence of a political elite and fully elected legislature, proposals for civil service reforms were prepared by the Civil Service Bureau and endorsed by the government. In other words, the bureaucracy decided on the nature and direction of reforms and, understandably, the interest of the civil servants remained protected.

Similarities in terms of power exercised by the bureaucracy can be identified between the “bureaucratic polity” of Thailand (Riggs, 1966) and the “administrative state” of Hong Kong (Harris, 1988). NPM principles were the driving force in both cases, and Hong Kong was able to implement them effectively due to the tradition of colonial style of administration, the small size of the territory, an efficient and powerful bureaucracy, and lack of a normal political system for providing checks and balances. On the other hand, the tradition of administration in a kingdom, combined with starkly different societal and political dynamics allowed Thailand to adopt these principles only at a rhetoric level. The market-oriented approach was more easily adopted to enhance efficiency and productivity in Hong Kong, while the managerial label was used for political purposes to centralize power and control by the bureaucracy in Thailand.

The managerial approach appeared to be suitable for Hong Kong because it has had a history of a hierarchical and centralized system of public sector management. The territory was built on the hard work of inhabitants who are committed to efficiency, adherence to the rule of law and obedience to authority. The crisis of governance and political legitimacy in Hong Kong after its reintegration with China made the government scramble for performance legitimacy and that could only be attained with higher efficiency in the civil service. The problem of legitimacy added to the complexity of designing and sustaining civil service reforms. Moreover, Hong Kong was hit by a series of problems initiated by bird flu, the Asian economic crisis, and other issues (Huque and Lee, 2018). These incidences revealed weaknesses in the existing arrangements for management in the public sector, but it was left to the bureaucracy to determine strategies for dealing with them.

Thailand, too, encountered several challenges after the economic crisis of 1997. While Hong Kong preferred to employ the managerial approach to deal with emergencies, Thailand was encouraged by international organizations to incorporate good governance principles in its reforms. However, no radical change resulted in practice apart from the promulgation of some legislation on good governance. In short, civil service reforms in Thailand were superficially guided by a combination of NPM and good governance strategies.

Apparently, reforms in Hong Kong were intended to enhance efficiency, reduce expenditure, improve the quality of public service and bring the civil service in line with the demands of the contemporary world. They also reflected the changing relationships between the government and society as Hong Kong constructed the base for a strong economy, expanded social services and faced increased demands for participation. Pressure from the international community to conform to standards of environmental protection,

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human and intellectual property rights, and trade and commerce practices prompted further adjustments in the civil service. Changing mood in the territory, the undercurrent of democratization and increasing public awareness opened up opportunities for a push toward good governance, and the civil service was expected to become more responsive to the needs of the citizens who would have an opportunity to participate in public affairs (Huque, 2010, p. 280).

While the outcome of reforms may be considered moderately successful in the case of Hong Kong in terms of better service delivery, the case of Thailand seems to have contradictory results. Reform attempts over the past four decades have resulted in the expansion of the public sector, declining performance, and the problem of corruption persists. The contrast points to the relevance of traditions and capacity of governments, and also raises questions about the relative importance of management and governance principles in civil service reforms.

### **Conclusion**

A comparison of civil service reforms in Hong Kong and Thailand suggests that there is no single path to successful reforms. Although the two units have dissimilar historical backgrounds and political systems, the expected outcomes of planned reforms were closely aligned with global trends of NPM and good governance. Understandably, they were keen on downsizing governments, reducing public expenditure, and instituting a performance-based culture to overcome the problems encountered in the traditional model of civil service. In addition, reform efforts sought to emphasize merit, accountability, transparency, public participation and empowerment. Therefore, there were common objectives and similar goals were included in the reform designs. However, the values held by the regimes in power led to the adoption of different strategies for civil service reforms in Hong Kong and Thailand.

Civil service reforms in Hong Kong focused mainly on management by applying strategies of streamlining procedures, restructuring organizations, and strengthening financial management to ensure economy and efficiency. But in the case of Thailand, governance values such as integrity, capacity, transparency and accountability emerged as preferred targets and therefore the reform approaches were different. Over this period, Hong Kong prepared to depart from its colonial status and establish the city as a special administrative region of China, while Thailand struggled to overcome the problem of intermittent military takeovers.

Civil service reforms in Hong Kong could be accomplished at lower risks because the number of civil servants was small, and the government was able to exercise control over the process. It was easier to follow the NPM prescriptions as there was no conflict with the regime values. In Thailand, it was a much more ambitious and complex undertaking with a huge bureaucracy operating at several levels. Governing the country entailed appreciation of diverse needs of different groups. This called for adjustments to existing civil service structures and relationships while maintaining the advantages of its economic progress.

Hong Kong was strongly influenced by the British reform approach and embraced principles following its introduction in the United Kingdom. It was relatively successful because the changes were conceived and designed by the Civil Service Bureau after limited consultation with the public and members of the Legislative Council. The bureaucracy played a dominant role in the process and helped implement them without resistance. On the other hand, reforms in Thailand were influenced by diverse forces and, on occasions, there was a confrontation between the bureaucracy and political elite as well as citizens. While the international trend and pressures could not be resisted entirely in Thailand, indigenous conditions posed substantial obstacles to radical changes. The directions of reforms were usually determined by senior bureaucrats who preferred to mimic efforts in Western developed countries. Consequently, the reforms could not be planned with a united vision and turned out to be rhetorical in nature. Finally, Hong Kong and Thailand chose to take different

paths to arrive at the same ends, but social, economic and political circumstances led them to different outcomes.

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#### About the authors

Ahmed Shafiqul Huque, PhD (University of British Columbia), is a Professor in the Department of Political Science at McMaster University, Canada. His research interests are in the areas of governance, public policy and administration, and development. Prof. Huque is the co-author/co-editor of several books including *The Civil Service in Hong Kong* (Hong Kong University Press), *Managing Development in a Globalized World* (CRC Press), *International Development Governance* (CRC Press), *Public Administration in the NICs* (Macmillan), and *Social Policy in Hong Kong* (Edward Elgar).

Patamawadee Jongruck, PhD (University of Manchester), is an Assistant Professor of Public Administration in the Faculty of Political Science and Public Administration at Chiang Mai University, Thailand. She conducted research at the Institute for Development Policy and Management (IDPM) at the University of Manchester, UK. Dr. Jongruck's research interests are in the areas of public sector reform, network governance, good governance, decentralization, and illicit drugs control policy in developing countries, and Thailand in particular. She has presented papers at a number of international and national conferences. Patamawadee Jongruck is the corresponding author and can be contacted at: [patamawadee.j@cmu.ac.th](mailto:patamawadee.j@cmu.ac.th)

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# Institutionalising federalism in Nepal: operationalising obstacles, procrastinated progress

Institutionalising  
federalism in  
Nepal

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Keshav Kumar Acharya  
*German Development Cooperation, Kathmandu, Nepal, and*  
Habib Zafarullah  
*University of New England, Armidale, Australia*

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## Abstract

**Purpose** – The purpose of this paper is to explore how local government bodies in Nepal are empowered to play their constitutional roles and engage in activities to deliver public services at the doorsteps of the people effectively. The focus is on the institutionalisation of federalism, its implications for local governance, and capacity development of local authorities.

**Design/methodology/approach** – Ideas of decentralisation, governance and public management have been used to interpret findings based on qualitative research methods by key informant interviews, focus group discussions and personal observations conducted in five selected municipalities in Nepal.

**Findings** – The process of operationalising the power of local government bodies is more conventional and hierarchic. At the same time, the formulation and implementation of inclusive plans and budgeting are confined with certain formalities that do not necessarily allow citizens the space for voices. Federal government grants constrain fiscal jurisdiction and control over resource mobilisation. The mere preparation and administration of local government legislation and relevant by-laws have weakened the capacity of local government bodies.

**Originality/value** – From interpretation of first-hand data, this paper has identified the pitfalls of the federalisation process, the constraints deter the devolution of power to local bodies as well as the transformation of local governments into autonomous institutions in Nepal.

**Keywords** Federalism, Decentralisation, Local governance, Institutional capacity, Nepal

**Paper type** Research paper

## Introduction

Developing societies in the post-World War II period were beleaguered with a range of problems in political/public management, including dysfunctional administration, bureaucratic pathology, disordered public institutions, and organisational and functional complexities in public service delivery (Escobar, 1988). By the late 1970s, several structural and pluralist approaches had emerged to address institutional problems and inefficiencies in local governance (Campbell, 1972; Peters, 2001, pp. 3-12). However, these approaches heightened state-centrism and concentrated greater administrative and legislative powers in the central government (Pankaj, 2007). The efficiency of the administrative system was impaired, and the top-down decision-making process bolstered upward accountability in the institutional structures. Simultaneously, corruption, cronyism, political interference, and infraction of the rule of law and human rights became systemic (Zafarullah and Huque, 2001). In the 1970s, it became apparent that the existing hierarchical system was unable to deliver

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goods and services and maintain accountability due to over-bureaucratisation and rent seeking in the governmental process (Zafarullah and Huque, 2001; McCourt, 2012).

Federalism was established in most of the developing countries such as in Africa in the post-colonial period not only to promote national unity but also to institute a system of governance. Nonetheless, the practices of federalism in Africa did not appear to have positive effects (Eghosa-Osaghae, 2004). Despite that, the concept of federalism became popular in both developed and developing countries after World War II in balancing the power structure between federal and state or lower-level governments, maintaining a governing system, and strengthening institutional capacity (Keating, 2007). Welch *et al.* (2012) express that much as half of the world's territory was governed by federalism by the end of the 1960s. As a result, all levels of government were able to coordinate their actions in resolving national problems like the economic crises and the civil rights struggles. By the mid-1980s, innovative methods of governance, including decentralisation and people's participation, emerged as dominant paradigms (Hood, 1995; Moore, 1995; Dunleavy *et al.*, 2006; Stoker, 2006; Pollitt and Bouckaert, 2011). These allowed citizens and governments to work together in implementing policies and programs and supporting networks and linkages.

Paudel and Sapkota (2018) state that each country gradually adopted federalism to serve different purposes. For example, the United States adopted the federal principle to safeguard the population from external attacks and to create wealth by increasing trade. Switzerland implemented it to exercise participatory democracy by establishing a representative system at the local level. Likewise, Brazil decentralised the functions of the existing centralised state. In Nepal, the space for federalism expanded after the implementation of the Comprehensive Peace Accord in 2006 envisioning to promote power-sharing, address ethnic and caste-based discrimination, integrate development programs, and scale-up local economic growth (Acharya, 2018a). Nepal is now devolving power to the federal, state, and local levels by launching participatory democracy. This has contributed to ending discrimination based on ethnicity, language, gender, religion, class, and regional and local imbalances.

In 2015, the federal Constitution was promulgated, which projected new forms of competition, created new methods of public management, and generated new governing codes for central-local relations (Acharya, 2018b). The constitution allows three levels of governments: federal, province, and local to facilitate the devolution of power to the local government system (LGS) and other state organisations and specify local governments as the units closest to the grassroots (Government of Nepal, 2015). In 2017, the Government of Nepal decided to implement a major territorial reform of LGS by creating over 700 local government units (LGUs) based on the 'principle of subsidiarity' and 'economies of scale.' Besides, these LGUs were granted autonomy to undertake constitutionally mandated legislative, executive and judicial functions encompassing 22 exclusive and 15 concurrent rights (Government of Nepal, 2015). To execute these, the government conducted local level elections and promulgated a new Act – "Local Governance Operation Act 2017" (LGOA) to drive the local government effectively. These practices, to a substantial extent, helped improve the quality of life, reduce social and economic inequalities, and enhance rapport between people and public institutions (Dhungel, 2017). However, the protracted absence of elected representation and extended control of the central bureaucracy have dampened power-sharing and constrained service delivery at the local level. Similarly, the capacity of LGS to operationalise the constitutionally sanctioned powers and the LGOA 2017 was depleted due to the protracted political transition from monarchy to a republic and low institutional and human resource readiness and efficiency of the LGSs. The functional capacity of local governments appeared fairly weak, which is particularly remarkable in intergovernmental relations. There has also been inadequate legislation and institutional frameworks, human resources management, accounting and procurement systems, and revenue administration (Acharya, 2018b). In this backdrop, this study aims to explore if the local government units are empowered enough to

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play their constitutional roles and engage in development activities at the grassroots. The focus is on the institutionalisation of federalism, its implications for local governance, and the capacity of local authorities to effectively deliver public services at the doorsteps of the people.

### **Federalism, governance and service delivery: conceptual indicators**

Many authors (Burgess, 2005; Paleker, 2006; Elazar, 1995; Rath, 1978) explain that federalism is a mode of political association of different levels of governments and various interest groups and actors to co-ordinate and collaborate, yet function independently. Federalism seeks to divide the power structure in a planned manner within a comprehensive political system to maintain political integrity through negotiations and bargaining (Riker, 1964). Ostram (1991) illustrates that federalism is not just a form of government, but a method for solving problems. It is a way of life, which provides representational democracy with the scope for greater political participation and power-sharing among different levels of governments—federal, province and local. Each level has its own institutional set up independent of each other that directly concerns the people (Rath, 1978). Federalism is a prospect, a movement and an agreement for nation building. It provides for a self-sustainable and representational institutional mechanism, shared political understanding, harmonious “partnership,” and an enabling environment for peoples’ engagement in development and service delivery (Burgess, 2005; Shah, 2007).

In the neoliberal structure, federalism combines partial self-government with partial shared government through constitutional mechanisms, which encompasses more market-oriented public policies and distribute power vertically and horizontally between different levels of government, each with their respective roles and responsibilities. Its focus is on “self-rule,” “shared rule” and responsiveness to citizens’ demands and aspirations, historical traditions and social practices (Shah, 2007; Watts, 2002; Harnes, 2007).

Governance, on the other hand, is a system or a set of principles that regulates public affairs by applying approaches that are participatory, inclusive, responsive, and accountable (Gisselquist, 2012). Based on concrete policies and legal guidelines, it manages the societal, political, economic and administrative tasks of government (Rhodes, 1996). Governance is a response to disjointed, bureaucratised and politicised administrative structures and heightened corruption and clientelism within the political space (Zafarullah and Huque, 2001). In the 1980s, the move from the conventional public administration model to the New Public Management paradigm (Hood, 1991), sought to remove administrative dysfunctionality and apathetic bureaucratic behaviour through reform and revitalisation and to widen the governing space by shifting the emphasis from state control to alternative participants, such as non-state actors and institutions, the market and the private domain. This move not only elongated the perimeter of governance but also broadened the scope for interaction among networks across a range of sectors (Rhodes, 1996; Kim, 2006; Bouckaert *et al.*, 2010). This process contributed to a shift from government to governance because of the continued presence and activism of a diverse group of policy actors from the public and non-state sectors at several points in the policy process (Sørensen and Torfing, 2007; Osborne, 2010). The overwhelming rise of the third sector in the early 1980s compelled governments and global aid agencies to change their roles and cooperate with non-governmental agencies in improving ways of uplifting people’s livelihood at the local level in the developing countries (Lathaa and Kotte, 2011). This not only ensured citizens’ political rights but also enabled their participation in the service delivery mechanism (Acharya, 2014).

The multi-dimensionality of public sector governance in its multi-institutional and multi-layered avatar is also attributable to local governance for the pursuit of efficiency, effectiveness, transparency, accountability, rule-of-law and human rights (Zafarullah and

Huque, 2001). With blurred boundaries between the public and private domains, multiple actors in a pluralist setting at the local level can contribute their ideas, knowledge and resources to change governance from being state-centric to society-directed. In such an arrangement, reciprocal relations between institutions involved in collective action may be induced through autonomous self-governing networks (Rhodes, 1996; Stoker, 1998; Kim, 2006). Local government has the wherewithal to facilitate participatory democracy and connect citizens directly to issues that affect them, such as poverty reduction and better access to services (Stoker, 1998; Panday, 2018).

However, realities do not always follow the desired path as public administrators are influenced by complex constellations of institutions, intricate and often convoluted legal charters (Denhardt and Denhardt, 2000; Mongkol, 2011). Most governance practices are primarily based on the donor-driven bureaucratic apathy that do not cope with unpredictable market forces and unable to comply with regulatory directives (Fatile and Adejuwon, 2010). Archaic administrative practices, still in vogue in many developing countries, debilitate the delivery of services to the people (Sarker, 2005).

Local governance as an instrument to connect the people and the government focuses on decentralisation, i.e., transfer of authority and responsibility to the lower tiers for enhancing service performance and effectiveness (Turner, 2012). It underscores people's awareness of their role in society and their rights and obligations in social and political life. It seeks to ensure the social accountability of service providers, orders and demands transparency of their actions and calls for a high degree of effectiveness of public service delivery (Ahmad, 2008). Many developing countries have failed to cope with these issues and in transforming society from social, political and economic standpoints due to significant degree of bureaucratisation, politicisation, and over-influence of imported ideas and practices (Zafarullah and Huque, 2012; Acharya, 2018a). In such a situation, federalism enables the change of the governing structure from "government" to "governance," and generate power-sharing between each set of government (Levi-Faur, 2012). Even though Nepal's journey towards a "Federal Republic" has not been easy, the aspiration has yielded via the Constitutional Act of 1948 followed by the Interim Constitution of 1951. The first *Jana Andolan* (people's movement) 1990 brought a new avenue for the people to fulfil their hopes and aspirations (Lamsal, 2013).

Despite the new system of federalism and local governance creating more space for local democracy to foster and broaden people's participation in policymaking at different levels of government, the initiatives fell short of reaching the goals due to irregular or disorderly local elections for 'security' reasons. Consequently, local bodies continued to function as bureaucracies until 2017. In line with the new Constitution 2015, local authorities are bestowed with powers to set up additional functions, such as planning, taxation, registration and certification of births, marriages, etc. Nevertheless, the capacity of local government is weak or, at best, reasonable in terms of enhancing the rule of law, supplying quality service, and efficiently planning, monitoring and implementing local programs and projects. As a result, people have become doubtful about the effectiveness of local governance (Acharya, 2018a).

### **Research methodology**

This study is based on primary qualitative information, which was collected purposively from five selected municipalities in Nepal: Tulshipur, Lamahi, Chandragri, Dhulikhel, and Duhabi. The rationale for choosing the five municipalities was based on the delivery of functional services, public expenditure, preparation of local laws in conformity to constitutional obligations, and efforts at enforcing taxation as internal revenue. Responses to open-ended questionnaires were obtained from mayors, deputy mayors, ward

chairpersons and members (particularly women and Dalits), municipality office staff, and civil society representatives. The primary data collection methods included key informant interviews (KII), focus group discussions (FGD), and personal observation. Information collected through one method was cross verified. This strategy helped to triangulate the data and ensure its validity and reliability. To complement and supplement the research, the participatory observation method was also used to interpret the findings obtained from the other methods. It is essential to mention that one of the researchers being a native of Nepal had “access to a depth and breadth of the culture’s deep background” (Tracy, 2013, p. 107) but refrained from being biased in his reporting.

In total, 50 KII and 10 FGDs were conducted in the five municipalities in September–October 2019. Of KIIs, half were female to ensure gender balance. To measure the reliability of local-level responses, interviews and FGDs were conducted with 15 national level key informants, based on their contribution and experience in local governance and service delivery. These interviews designed to gather the opinions and commitment of the federal government towards local governance, capacity development, and local service delivery, focused on the existing power and functions of local authorities. Issues covered include: (a) organisation of the powers and functions of local government bodies; (b) formulation and implementation of inclusive plans and the budgeting process; (c) operationalisation of fiscal jurisdictions and effective resource mobilisation, and (d) preparation and execution of local acts and by-laws made by LGUs. The personal interviews were much easier to control—both in explaining the issues and extracting responses from participants. Interview duration averaged one hour, and the interviews were recorded electronically. Also, during data collection, one of the researchers was physically present and observed the modalities of local service delivery.

The rationale for the FGDs (two in each municipality) was to gain insight into people’s perceptions concerning power and functions, resource mobilisation, and preparation of local regulations. Each FGD lasted approximately 90 minutes, and proceedings were electronically recorded. Data from FGDs and in-depth interviews were transcribed and coded according to the issues covered. Factual data for the study were based on official documents.

## Findings

### *Operationalising local governance*

Among other things, the 2015 Nepalese Constitution was designed to make LGS more responsive and participatory. Thus, to balance intergovernmental relations, the Constitution allocated 22 exclusive powers to local governments while assigning 15 concurrent powers to the federal, provincial and local levels (Government of Nepal, 2015). Furthermore, it provided for restructuring LGS resulting in the creation of over 750 local government units consisting of Gaunpalika (village government) and Nagarpalika (urban government). The justification for such power devolution is to create fair competition among and generate democratic practice in local government bodies, improve efficiency in local-level planning, reduce administrative cost, and make citizens more politically aware.

Complementing these constitutional entitlements, LGOA 2017 came into effect to create a strong legal foundation for institutionalising legislative, executive, and quasi-judicial practices in the LGS. These include organizing assembly meetings, setting management procedures, formulating plans and implementing them, carrying out judicial functions, and establishing financial jurisdictions. Also, coordination with other local, provincial and federal government bodies, monitoring activities of national and international non-governmental organisations, preparing budget and framing rules, regulations, and guidelines were covered.

From the interviews and FGDs, it became evident that the coordinator of the judicial committee prepared the list of community mediation centres and framed guidelines to resolve

issues. The ward chairpersons prepared the budget and plan of their wards, collected and maintained data of households and records of public property. They also recommended and certified various legal documents related to personal incidents, land, house, citizenship, reconciliation and relationship. Likewise, chief administrative officers of local government performed their assigned duties such as formulating and implementing annual budgets and programs and maintaining records of all income, expenditure and fixed and moveable assets at the local level.

Despite these accomplishments, the local councils' effectiveness was low to moderate because of the lack of capacity in mobilising both fiscal and technical resources, building essential infrastructure, and framing appropriate laws and regulations. The shifts in authority led to a great deal of confusion among local representatives regarding their roles in planning and implementing development initiatives, managing human and financial resources, and maintaining a working relationship between the three tiers of government. Other factors included slow political transition, capacity constraints, legal ambiguities, and resource restraints (Acharya and Zafarullah, 2019). Similarly, the lack of clarity and understandings between different government entities regarding the scope and rights of the local government bodies endured. Some ward chairs expressed their inadequate understanding and awareness of their duties and responsibilities. Some women and *Dalit* members felt dejected:

Nobody has educated and oriented us about roles and duties. We are not able to read and understand legal procedures. They [*sic*] usually make judgments demeaning our educational status, which we do lack, and so that they do not consult us in making any decisions. We are excluded. If we were of no functional utility, why do they have this provision of reservation?

#### *Formulation and implementation of inclusive plans*

The LGOA authorises local government units to formulate periodic, annual, strategic and sectoral plans for local development. To expedite the process, the federal government has directed them to go about this task with inputs from the people. Similarly, these units are to prepare the mid-term expenditure framework, project resource availability, formulate financial policies and principles, and submit outcomes to the federal and provincial governments for their review. Respondents and FGD participants reported that in the annual planning and budgeting process, all local governments prioritised the programs related to financial growth and poverty reduction, employment generation, local resources mobilisation, gender equality and social inclusion, and environment protection. Chairs, vice chairs, executive board members, ward committees, council members, and sundry staff were all involved through the deliberative process in plan formulation. Seven steps constituted the plan formulation process, seven fewer than the previous practice. Similarly, different sets of criteria were adopted in prioritizing projects, such as those focusing on economic development and poverty reduction; cost-effectiveness, public participation and volunteering; local knowledge, skills and resource building; initiatives benefitting women, minorities, and the disadvantaged; and sustainable development, environmental conservation and protection. Projects are categorised into economic development; social development; infrastructure development; forestry, environment, and disaster management; and governance and institutional development.

To complete the planning process, the federal government ensures a strict timeline at each step comprised of different activities (Table 1).

A participant in one of the FGDs elucidated the changed context and effectiveness of the planning process at the local level involving a road project:

No budget was allocated for this road for the last three years. In the past, the budgetary process was not transparent, and no one had faith in the local government planning. Our voices could not reach

Step	Period	Activity
1	January– mid April	Each local government units (LGUs) completes budget pre-preparation, submits a report on revenue projection and receives a budgetary allocation from the federal and provincial governments in mid-March and mid-April respectively
2	January– mid May	Based on the size of administrative area, size of population, human development index of the local governments, federal and provincial governments forwarded the budget celling to local governments by the Mid-of April. Local governments review the ceilings of federal and provincial governments, and project the overall sources of income, and allocate the budget according to the sector and settlement projects by mid-May.
3	Mid April– mid May	LGUs undertake settlement level projects in consultation with local people after obtaining approval from the ward committees.
4	Mid May – end May	Projects within each sector prioritised at the ward level and forwarded to the municipal budget and plan formulation committee for submission to the budget and plan formulation committee.
5	Mid May – 3 <sup>rd</sup> week of June	The budget and plan formulation committee collects all projects from the wards. It screens them according to five thematic sectors (Economic Development, Social Development, Physical Infrastructure Development, Forest environment and Disaster management, and Institutional Development). After rigorous discussions and consultations with stakeholders, the committee prepares a draft annual plan and forwards it to the municipal board.
6	Within 25 <sup>th</sup> June	Municipal boards conduct meetings of the executive board for discussions, updates and preparation of final draft.
7	4 <sup>th</sup> week of June	Municipal boards, after consultation with local citizens, sectoral officers, local organisations, and community groups, the deputy mayor/vice-chair or any member designated by the executive shall present the programme and budget estimates for the next fiscal year within 25th June of every year before the Assembly meeting. The Assembly complete discussion on the programme and budget tabled within 15 days by developing a schedule for it. Upon conclusion of the discussion, the assembly shall endorse the budget or send it to the executive along with suggestions. The executive board again review the programme and budget received along with suggestions from the assembly. Again, the programme and budget with necessary amendments are tabled before the assembly within five days. The assembly endorses the programme and budget submitted by mid-July of the same year.

**Table 1.**  
Planning process  
timeline of the Local  
Government Operation  
Act 2017

**Source:** Government of Nepal (2018b)

the local government decision-making mechanism, although I was invited to the meetings. Now, the villagers have the opportunity to participate in the settlement level project selection and prioritisation process. We identified the road project as a major priority, arranged the resources, and made a commitment to public participation during implementation and management. This process enabled local governance at the community level.

Despite the procedural tasks, the state of Nepalese LGS has been unsettling (Dhungel, 2017). Three critical aspects of local governance can be acknowledged here, as these encompass the question of how difficult it was to implement the tasks mentioned earlier. First, the capacity of LGS is moderate or weak in formulating inclusive plans and implementing them. Almost all LGS bureaucratic staff are relatively unskilled or unwilling to perform their tasks (findings from primary data). Secondly, the coordination among local entities, between local and provincial governments, and between local and federal governments is inadequate in terms of planning and implementation. Thirdly, the extent of public participation has not been significant and is bereft of real dividends. While the existing structure of local government

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was instituted on the principles of representative democracy, there is no mechanism to ensure the participation of those who lost elections. Nonetheless, the new situation has opened new ways of engaging ordinary people in helping implement developmental projects and delivering services at the local level.

### *Operationalising fiscal jurisdictions and resource mobilisation*

Fiscal policies and jurisdiction are vital constituents of fiscal federalism, and this includes the area covered, revenue sources, and inter-governmental financial relations (Bird and Vaillancourt, 2006). In Nepal, fiscal governance initiative was to strengthen LGS through efficient public resource mobilisation and create an enabling environment for private sector development. The 2015 Constitution authorised LGUs to formulate budgets and raise revenue through different forms of taxes (entertainment, advertisement, property, vehicle, house rent), land registration charges, intergovernmental fiscal transfer and others.

The local government bodies received funding from federal and provincial governments in various ways such as equalisation, revenue sharing, complementary (matching), and special grants, with the first two of these types being the most prominent. Current practice shows budget allocation to the local levels is based on the size of the administrative area (15 percent), size of population (70 percent), human development index (5 percent) and under-development indicator (10 percent). There has been a significant increase in central allocation for the newly established local government units in the national budget after the implementation of the federalisation process. The trend shows that the sampled LGUs mobilised over two billion Nepali Rupees (1 Nepali Rupee is equivalent to US\$0.0085) as internal revenues, consolidated funds, equalisation and conditional grants, and royalty distribution in FY 2016/17. This figure increased to nearly six billion the following year (Acharya, 2018b).

These practices made locally elected municipal, village and ward councils not only powerful but also adequately resourced them and prepared the mechanism to move the country towards fiscal federalism. The fiscal responsibilities ranged from inter-governmental fiscal transfers, tax, and revenue assignment to sub-national government borrowing and expenditure assignment.

Despite these practices, fiscal federalisation has been a daunting challenge in devolving fiscal decision-making powers from the centre to the provincial and local governments. Although the 2015 Constitution authorised every local government unit to identify their needs, collect revenue, plan projects, layout budgets and implement these within their jurisdictions, problems were faced by LGUs in the generation, distribution and mobilisation of revenue. Some LGUs reported encountering difficulty in utilising local natural resources for generating revenue. As a deputy mayor expressed:

When we tried to use natural-based resources like river stones and sand, the District Coordination Committee (district level local government) objected having received instructions from the central ministry to collect the revenue and royalty, even though Local Government Operation Act, 2017 and other related acts granted that authority to the municipalities. Ambiguity and inconsistency in policies such as this deprive us of generating the needed revenue for development activities.

### *Formulating and operationalising local legislations and by-laws*

To promote cooperation, coordination and coexistence at various levels, LGOA 2017 established the primacy of detailing the functions of local governments, including formulating laws relevant to the local context and needs. Thus, more than 30 local level Acts, by-laws and regulations have been formulated relating to a range of issues such as task execution, work division, decision-making, codes of conduct, public (rural and urban)

assembly, and local taxation. Also, various laws and guidelines on planning and budgeting, and the formation of local level user committees were prepared. However, these legal mechanics could not be correctly implemented due to technical reasons, lack of coordination among the central level ministries, and continued intervention of central agencies.

The three-member municipal judiciary committee headed by the deputy mayor is one crucial body to directly adjudicate 13 different kind disputes and resolve additional 11 issues through the mediation process at the local level. Since women hold over 90 percent of the deputy mayoral positions, the effective functioning of this committee can play a vital role in addressing women's issues. However, a deputy chair of a sampled municipality cast her doubt about its effectiveness:

Nyayik Samitee (Judiciary Committee) has not yet begun its work. Although the central ministry forwarded a model guideline for Nyayik Samitee's, these could not be effective due to a lack of knowledge among members about the legal language and procedures at the local level. We have no idea whether our actions will lead to any improvement or create another cumbersome phase at the local level. People have many expectations, and we are still not sure if we can meet them.

## Discussion

### *Institutionalising federalism*

In the past, the unitary state in Nepal failed to maintain local governance and public accountability, engage citizens to formulate and implement inclusive plans, make and enforce fiscal jurisdictions and revenue administration, and promulgate and enforce the local legislations and by-laws (based on interviews with officials). While people's expectations intensified and made them assume that the federal system would work and be a cure-all for their problems, delivering services and providing equitable opportunities to the people were impeded because of the ethnic, lingual and cultural diversity of society. Many authors (Gellner, 2007; Hobswam, 1990) believe that federalism has tremendous potential to manage ethnically diverse communities through political recognition of cultural and ethnic pluralism. In the case of Nepal, however, this is yet to be noticed.

Secondly, the 'decentralised' development units created in the past have remained centralised as power and authority are not fully devolved to the sub-national levels. Thus, development could not reach every nook and corner of the country (based on FGDs). Nevertheless, advocates championed the potential gains from a decentralised system as it can close the gaps between the state and the people. As de Vries (2000, p. 197), points out, "Local diversity allows more easily for experimentation and innovation. . . [and] overcoming the limitations of centrally controlled national planning by delegating greater authority to officials working in the field, closer to the problems." In many countries, federalisation process contributes to reduced corruption by ensuring greater transparency and accountability in the decision-making process (Fisman and Gatti, 2002). Thirdly, the unitary system was unsuccessful in mobilizing the resources for sustainable development. On the other hand, both the federal and sub-national governments are constitutionally protected and, thus, the possibilities for independent decision making are stronger under federalism (Zimmermann and Finla, 2006).

Thirdly, the monarchical democracy in Nepal had failed in enabling people's participation in the decision-making process at the local, regional, or central levels (Dhakal, 2013; FGDs). To address structural-procedural gaps, federalism was seen to provide the wherewithal to create opportunities systematically, ensure access and inclusion of the marginalised, poor, backward and exploited, and guarantee citizens' rights and security, and effectively manage human resources at all levels (Karki, 2014). Gurung (2009) believes that federalism can create an inclusive state and counter the exclusionary, non-participatory, non-representative, and

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discriminatory nature of a highly centralised state and provide protection to a multi-diverse population. The Constitution guarantees that different cultural groups are sovereigns of the country and have the right to be culturally included in the mainstream.

Following the essence of the Constitution, the government attempted to institutionalise federalism in Nepal. First, the state was restructured into seven provinces based on population, resources, capability and identity. The main objective was to devolve constitutionally granted exclusive and concurrent powers to the lower levels so that centrally acquired state resources, facilities and institutions can reach the local people. Secondly, to avoid the possible conflicts and discrepancies related to tasks and functions at the three levels of government, work division was undertaken by unbundling the exclusive and concurrent powers of the federation. Thirdly, a high-level Federalism Implementation and Administration Restructuring Committee, was assigned the task of making policies and rules and coordinating the restructuring process under the leadership of the highest-ranked bureaucrat in the country (based on interviews).

The restructure was to equip the lower-level governments with self-decision-making power to exercise executive, legislative and judicial functions and be responsible for a wide range of service delivery and development functions. However, *Madhes*-based political parties and some identity-related activists disagreed with the new Constitution and the federalisation process over the names and number of provinces, power and resources, electoral representation, affirmative action plans, constituency delineation, and citizenship-related issues. These pushed the *Madhesi* political parties to resort to violence and create a blockade along the Nepal-India border. The government faced stiff opposition in Parliament when it sought an amendment to the existing scheme (based on interviews with Elected Representatives).

#### *Local government capacity*

In Nepal, the constitution devolves 22 exclusive and 15 concurrent powers and responsibilities to the local governments. Both state organisations and non-state partners have been directly involved in carrying out these rights and functions. Concurrently, LGOA 2017 created avenues for capacity development relevant to people, institutions, and policymaking/implementation. This contributed to the formulation of policies, plans, and programs linked to local self-governance, rural and community development, operationalise local legislations, by-laws, fiscal jurisdictions and resource mobilisation, and other sector-related issues. Secondly, LGUs can now conduct training and research and mobilise people to partake in decision making and coordinating functions in the local government sphere. These have helped enhance the capacity of elected representatives in institutional development, management of information systems, and fiscal administration. However, these programs are run with incoherent strategies and inept coordination that thwart capacity for expansion. Furthermore, a considerable gap in terms of knowledge, skills, and power between the central and local government personnel lessened the confidence of LGU staff (based on FGDs). Consequently, local employees became passive service providers and unsuccessful in promoting democratic and inclusive development.

Although a plethora of laws, regulations, and directives was to pave the way towards effective implementation of executive, legislative and judicial functions and authorize the LGS to carry out a considerable number of listed tasks, the degree of confusion regarding duties and responsibilities remained acute among the local representatives (based on interviews with Local Councillors).

Currently, in Nepal, LGUs mobilise large chunks of resources through fiscal transfer (Khadka, 2016). However, this alone cannot deliver the desired results, until the capacity of LGUs are developed. Weak human capability and the absence of desired expertise in

implementing development programs result in poor work quality and delay in delivery. The development partners have urged the government to focus on enhancing local government capacity through training in local governance, leadership, accountability, office administration and management, and social inclusion (Government of Nepal, 2018a; interviews with officials in Nepal). However, the absence of concrete national policies and strategies, over-politicisation and political favouritism have stymied attempts to bring about a tangible impact on capacity development of local governance.

### *Commitment of actors*

The ongoing federalisation and governance process in Nepal have the support of political parties, bureaucracy, civil society, local communities and development partners (based on interviews). The political parties consider federalism as a system that requires the state to be more inclusive in creating trust between the people and the government. Most political parties pledged their commitment to federalism through their manifestos leading up to the various elections (Paudel and Pahari, 2020; interviews and FGDs). The political parties have articulated their commitment to setting up several federal units, ensuring equal representation of women and people belonging to different ethnic and language groups and regions in political positions, resource sharing, and devolution of power and functions.

Despite the post-1990 political upheavals, the commitment of political parties towards federalism has not abated. However, they are considered neophytes and inexperienced in implementing federalism. On the other hand, politicians suspect that the present state mechanism is merely a pocket fund that can be used or misused to their advantage. Power-seeking behaviour and political instability portray Nepal as a state in which political parties, through massive unlawful and non-transparent activities, can shape federalism to their advantage (Upadhyay, 2015).

As for the bureaucratic apparatus, to some extent, it is empowered to expand its reach, increase technical expertise, and tighten its control over information and resources. As a result, the bureaucracy has turned out to be overwhelmingly powerful due to its profound influence and control over political institutions (based on FGDs). On the other hand, the bureaucracy has exposed itself to unaccountable and unethical behaviour. Even though the bureaucratic role had been productive in-service delivery and managing the local governmental system before the establishment of elective bodies at the local level, it has now become imperative for the bureaucracy to embrace the newer practices of federalism to institutionalise the system firmly. The government is under pressure to manage about 87,000 civil servants in the restructured public sector. Many public servants are reluctant to move to the provincial and local levels, mainly due to the remoteness of their workplaces (Acharya, 2018b; interviews). On the other hand, they are also chided for being restrictive, weak and poor in performing their functions not only because of systemic deficiency but also for their self-centric mindset, demotivated approach, rent-seeking behaviour, status-oriented outlook, undeniable loyalty to political parties and for sheltering themselves from control and accountability regimes.

The role of the development partners in the past appeared both as enabler and inhibitor. Nevertheless, their contribution was quite remarkable before the new LGS came into operation when several development partners were collectively engaged in supporting the Nepalese government's initiatives at strengthening local democracy and promoting social mobilisation and inclusion. The people were encouraged to participate in the local governance process through Ward Citizen Forums and Citizen Awareness Centres (based on FGDs). Now, they are active in operationalizing federalism. Nepal's international development partners are committed to supporting the government in its work against corruption by helping improve transparency and accountability at all levels and organisations.

## Conclusion

Nepali society is undergoing enormous social, cultural, political, and economic changes. Such kind of change has been more rapid since the beginning of the new political order in 1990, followed by a significant period of change from 2006 to 2017. Apparently, this kind of change has given the people freedom of expression, strengthened human and socio-political rights, and increased people's access to public services. The ordinary people, now being more aware of their rights, privileges and obligations, can raise their voices against social and political malevolence and create more meaningful space in social, political, and economic affairs. These changes have contributed significantly to enhancing people's identity and broadening their political choices.

The Local Government Operation Act 2017 (Government of Nepal, 2018b) looks to promote cooperativeness, co-existence, and coordination among the different levels of governments. However, it is not without its flaws. It limits the sources of revenue, given the extensive number of functions local government bodies are supposed to perform. Secondly, it does not address the capacity-deficit among elected representatives and administrative personnel. Thirdly, some functions, which were unbundled by the federal government, lack clear description and local officials are insufficiently prepared to carry out the diverse range of activities. Finally, central control is firmly held through centrally appointed officers who are to provide leadership and direct local administration. They often lack the motivation and the temperament in providing directions to the field personnel involved in implementing decisions. Central-local relations, despite the reforms, is still lop-sided with regulating authority concentrated in the centre.

Given all the unsettled issues, federalism in Nepal is tottering through its journey. The implementation of the regulating statute is staggering; politicians are diffident in providing the required leadership and keen to maintain the status quo; bureaucrats are self-effacing and unwilling to take initiatives; development partners clamorous to get things done at a quick pace, while the people remain cynical about the government's seriousness in advancing governance at the grassroots. Structural, functional and behavioural issues have dented the federalizing process, which is moving at a slow pace amidst predicaments. A lot needs to be done to fully institutionalise the decentralised system as enshrined in the country's Constitution. On their part, the LGUs are expected to be more responsive to the demands of the community and fulfil their political and social obligations. Time will tell if federalism has been able to serve the purposes for which it was installed—whether it can create a non-centralised inclusive state with real autonomy enjoyed by the locally elected bodies to serve the people better.

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### About the authors

Keshav Kumar Acharya is a Local Governance and Capacity Development Advisor of German Development Cooperation of Nepal. His main interests are in governance, public policy, capacity development, result-based planning, service delivery, peacebuilding, community development, and disaster management. He holds a PhD from the University of New England. As a development expert, he worked in different projects of UNDP and other organisations in Nepal, Thailand, and Australia for more than 20 years. He has authored books, journal articles and research papers, which have been published in peer-reviewed international journals and as book chapters.

Habib Zafarullah is an adjunct faculty in the Division of Sociology at the University of New England, Australia. He has a PhD in Public Administration from the University of Sydney. His areas of academic interest are in democratic governance, comparative bureaucracy, public policy and administration, and international development and has published extensively in these areas. Some of his recent books include: *Colonial Bureaucracies* (2014), *Managing Development in a Globalized World* (2012) and *International Development Governance* (2006) (the latter two with A.S. Huque). He was the editor of *Politics, Administration and Change*, an international social science journal, for 25 years and currently is Editor-in-chief of the *Journal of Governance, Security and Development*. Habib Zafarullah is the corresponding author and can be contacted at: [hazafar@une.edu.au](mailto:hazafar@une.edu.au)

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# Representative and responsive bureaucracy in Nepal: a mismatch or a realistic assumption?

Representative  
and responsive  
bureaucracy

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Ishtiaq Jamil  
*University of Bergen, Bergen, Norway, and*  
Hasan Muhammad Baniamin  
*North South University, Dhaka, Bangladesh*

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## Abstract

**Purpose** – The purpose of this paper is to investigate, firstly, to what extent has Nepal's bureaucracy become representative in terms of reflecting the country's demographic composition, and secondly, has the bureaucracy become more responsive to citizens since the implementation of a quota policy in 2007.

**Design/methodology/approach** – This paper relies on factual and perceptual data in analysis. In order to analyze and interpret representative bureaucracy, this paper adopts factual data derived from the secondary sources, especially data generated by the Government of Nepal. Second, the perceptual set of data was collected through two rounds (2008, 2014) of a country-representative survey in Nepal.

**Findings** – The findings suggest that in terms of representativeness, the bureaucracy is still dominated by high-caste Hindus, while other ethnic communities, except the Newars, are utterly under-represented. Surprisingly, Dalits are represented in higher posts as per their percentage in the population, but they are still underrepresented in the civil service in general. Women's representation has also increased through participation in the civil service, but they still mostly hold junior or non-gazetted posts. Citizens' evaluations regarding responsiveness and processes of service provision are also mixed.

**Originality/value** – This paper is a unique attempt to understand the aspects of representativeness and responsiveness in relation to Nepalese Civil Service.

**Keywords** Representative bureaucracy, Responsive bureaucracy, Civil service, Nepal

**Paper type** Research paper

## Introduction

'Representative bureaucracy' has a positive impact on public administration due to its fostering of social equity and inclusion in policy performance. As a concept, it reflects the extent to which a nation's bureaucracy represents different segments of society (Kinsgley, 1944; Meier, 2019). The absence of representativeness can make a country's bureaucracy elitist and compromise neutral decision-making (Meier and Capers, 2014). A study by Jamil and Dangal (2009) shows that *afno manchhe* (favor towards one's own people) in the Nepalese Civil Service (NCS) discriminates between people on the basis of family, kinship, caste, and social relations. To address this problem and to ensure that people from diverse sections of the country are represented in the NCS, Nepal introduced an affirmative action or quota policy in 2007. The 'People's Movement of 2006' brought down the monarchy. One of its demands was to introduce inclusive and representative governance. Following this, the newly-formed government introduced an affirmative action policy. The second amendment of the "Civil Service Act, 2007" introduced 45 percent reservations for disadvantaged groups

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(Dong, 2016; Paudel, 2013). The affirmative policy has thus been functional for over a decade but remains controversial. This paper intends to analyze two aspects of this affirmative policy: the extent of representativeness and the degree of responsiveness in the NCS.

Another much-debated issue is whether, after the Civil Service Act of 2007, Nepal's bureaucracy has become more responsive in terms of service provision and in the processes involved. In the quest for a modern, effective, and professional bureaucracy, responsiveness in combination with representativeness has become crucial, even more so in the context of democracy and social inclusiveness. In Nepal, demands for an inclusive government have been high, especially when the country experienced a decade-long Maoist movement (1996–2005) that resulted in the termination of monarchism and the establishment of democracy. The question to be addressed in this paper is: to what extent has Nepal's bureaucracy become more representative and responsive since 2007? The paper draws from facts and figures related to the previous unitary system of government.

### **Representative and responsive bureaucracy**

According to the theory of representative bureaucracy, increased representation should ensure social equity and inclusiveness in accordance with the demographic features of a country. The argument is that when bureaucracy reflects a country's demographic composition, there is a likelihood that citizens will identify more with bureaucrats. This may, in turn, enhance citizens' trust in bureaucracy and their inclination to cooperate with bureaucratic initiatives (Atkins and Wilkins, 2008, cited in Meier, 2019). Representative bureaucracy can also promote fairness in public policy making and implementation and therefore enhance public organizations' legitimacy and acceptance in society.

While the concept of representative bureaucracy was initially understood in terms of power-sharing, it has now expanded to incorporate inclusiveness and responsiveness in line with democratic governance and New Public Management reform initiatives (Andrews *et al.*, 2016) to work for the betterment of society. Representativeness initially meant racial and ethnic inclusion, but it has now expanded to include women as a response to concerns for legitimacy.

Research on representative bureaucracy mainly focuses on passive and active representation. Passive representation points to a bureaucracy's similarity to the demographic composition of a country, while active representation indicates one group (the civil servants) representing the interests of another group (the citizens) (Mosher, 1968). According to Pitkin (1967, cited in Bishu and Kennedy, 2019), passive representation is about "being something rather than doing something." Here, doing something means acting on behalf of the people they are representing, in other words, being responsive to the need of those people. However, a representative bureaucracy may not always be responsive to those it represents, and an unrepresentative bureaucracy can be relatively more responsive; it all depends on the structural mechanisms for ensuring discipline and control, and the results-orientation of bureaucrats, leading to more socialization and the internalization of a public service ethos. All these factors play a role in making members of a bureaucracy think, feel, and act on behalf of citizens, regardless of their religion, caste, and so on.

An appropriate scenario is to have a representative bureaucracy which is also responsive to the needs of the people. An absence of this may make people feel excluded. Both representativeness and responsiveness are fundamental tenets of democracy. Representativeness ensures inclusion and entitlement of different groups in the administration of the country, while responsiveness makes different groups active participants in the process of governance, such as in policy formulation and implementation.

Representative bureaucracy was introduced in Nepal in 2007, and it has aspired to include an assortment of groups. In this paper, the analysis is two-fold. First, the authors look at the

extent to which Nepal’s bureaucracy has become representative in terms of reflecting the country’s demographic composition. Second, whether the bureaucracy is responsive to citizens is analyzed. Responsiveness is analyzed based on policy performance, that is, the extent of citizens’ satisfaction with the services that are provided, and the extent to which citizens perceive the processes of service provision as either problematic or pleasant. This paper seeks to discover the level of representativeness and responsiveness in Nepal’s bureaucracy, as outlined in Figure 1.

Figure 1 presents four scenarios that combine degrees of representative and responsive bureaucracy. In a democratic context, situation 4 is ideal: bureaucracy is both highly representative and highly responsive. Scandinavian bureaucracies may reflect such a scenario, given that women are well-represented in civil service. Scandinavian bureaucracies also attract a high degree of trust, which reflects their responsiveness and, thus, also legitimacy in society (Rothstein and Stolle, 2008). Situation 1 is the least desirable. Examples of it may be found in public administrations that operate on the ‘spoils’ or patronage system, or where civil servants are loyal to the kings and the nobility rather than to ordinary citizens. Situation 3 represents an elitist but responsive bureaucracy, as represented by the civil service in certain East Asian countries (Japan, Korea, Singapore), where most civil servants have graduated from top universities and display a high level of policy responsiveness and efficiency. This type of bureaucracy may be mostly responsible for the rapid economic growth that has transformed these formerly poor countries into affluent and developed ones (Evans, 2012). Situation 2 may be exemplified by several South Asian countries where, even though affirmative action policies have been introduced, the bureaucracies have remained elitist in their attitude and behavior, thus reflecting a legacy of the colonial past. This observation on South Asian bureaucracies is further assessed based on the Nepalese bureaucracy (Jamil *et al.*, 2013).

**Research methodology**

This paper uses two types of data: factual and perceptual. First, in order to analyze and interpret representative bureaucracy, the authors draw on factual data derived from secondary sources, especially data produced by the Government of Nepal. These data were collected and updated from various studies, relevant laws, policy papers, and official reports. Second, the perceptual data were obtained from two rounds (in 2008 and 2014) of a country-representative survey in Nepal known as the ‘Governance and Trust Survey’. Data from this survey has already undergirded published research such as Jamil (2019) and Baniamin *et al.* (2020). The first round of the survey was conducted right after the adoption of the quota policy, and the second was conducted six years later. Comparative analysis of these data will, therefore, reveal longitudinal change over time. The details of the survey’s methodology can be found in the book chapter by Jamil (2019).

The perceptual data fall into two categories: a) policy performance and b) processes of service delivery. Under policy performance, the data highlight key policy areas such as

Representativeness of bureaucracy (Passive)	Responsiveness of bureaucracy (Active)	
	Low	High
Low	1	3
High	2	4

**Figure 1.** Representative and responsive bureaucracy

health, education, energy supply, agriculture, law and order, and utility services. These indicators are measured on a 5-points scale, where 1 represents ‘Very bad’ and 5 ‘Very good’. Higher values on these indicators signify higher perceived policy performance.

Along with policy performance, various procedural aspects of service delivery are also measured. For this variable, service-enabling factors are measured through three indicators: promptness and efficiency, friendliness, and degree of equal treatment. Besides, the study also measured service-impeding factors through three indicators: corruption, public officials serving their own interests, and difficulty in getting access to public officials. The processes of service delivery are measured on a 4-point scale, where 1 represents “Strongly agree” and 4 “Strongly disagree”.

**Nepal and the NCS**

Nepal was never colonized – unlike its South-Asian neighbors. Its bureaucracy, however, is heavily influenced by its neighbors, particularly India. In 1951, the Butch Commission was headed by an Indian administrative expert, N.M. Butch, and his recommendations helped build the structure of Nepal’s current civil service (Dhakal, 2013). In 1956, Prime Minister Taka Prasad Acharya promulgated the Civil Service Act with the help of the Indian lawyer, G. Murdeshowr. This act stands as the cornerstone of Nepal’s current civil service, the modern NCS. Murdeshowr also formulated other regulations such as the Nepal Administrative Service Rules (1956) and the Nepal Administration Level Classification and Recruitment Rules (1956) (Shrestha and Paudel, 2019).

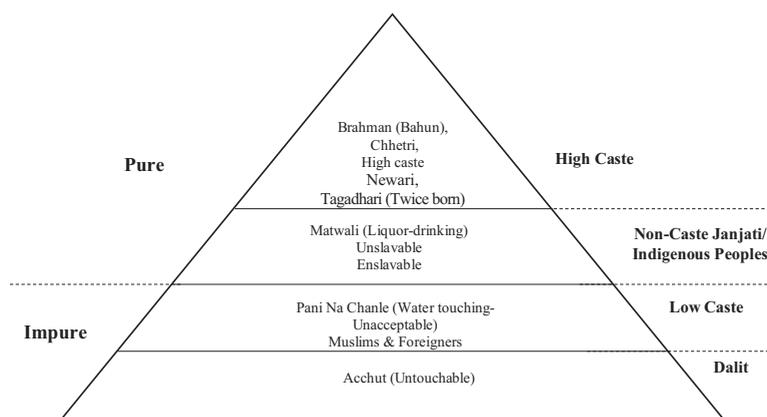
In Nepal, caste or *Jat* plays a decisive role in a person’s status in the social hierarchy and in choosing a profession (Jamil, 2019). Bhattachan *et al.* (2003) see the Hindu caste system and feudal rulers’ discretionary laws as the main elements undergirding exclusion in today’s Nepali society and the NCS. For example, the *Muluki Ain* or Country Code of 1854 brought all Nepalese people under a single legal system and created a hierarchy based on Hindu social stratification. Non-Hindus were also treated as subject to this hierarchical system (Dhakal, 2013). *Bahnus (Brahmin)*, *Chetri*, and *Newar* are still today identified as ‘pure’, placed at the top of the hierarchy, and considered a higher class. Muslims and foreigners are considered ‘water-unacceptable’ (i.e., pure caste people cannot accept water from them), and Dalits are considered ‘untouchable,’ both groups stigmatized low and impure (Bennet *et al.*, 2006) (Figure 2).

One of the key events creating social exclusion in Nepalese society happened in the 14<sup>th</sup> century, when King Jayashiti Malla introduced 64 vertical occupational caste groups among

Waves	1 <sup>st</sup> Wave	2 <sup>nd</sup> Wave
<b>Year of survey</b>	2008	2014
<b>Sample size</b>	1,836	2,404
<b>Selection of sample</b>	By using ecological and five development regions, 17 districts were selected out of 75 districts. From these districts, households were selected from municipalities and village development committees (VDC). For randomization and representative sample, every fifth household was selected from each area.	Used voter list; (20% of constituencies, i.e. 48 constituencies were selected to conduct survey on the respondents; one polling booth was randomly selected and from there, 50 voters were selected from each polling booth)

**Table 1.**  
Quick overview of the Governance and Trust Survey in Nepal

**Source:** NORHED Survey Documents (unpublished), cited in Baniamin (2019)



**Figure 2.**  
The Nepalese caste  
pyramid according to  
the Muluki Ain of 1854.  
**Source:** Bennett  
*et al.* (2006)

the Newar community. This went against Newar traditions and customs because they did not belong to any caste (Bhattachan, 2009, cited in Dong, 2016). Inspired by this caste system, King Prithivi Narayan Shah, when establishing the Kingdom of Nepal in the mid-18th century, adopted a policy whereby only certain castes would receive administrative employment: the *Panta*, *Bohora*, *Khanal*, *Aryal*, *Pandey*, and *Rana*. The first four are *Bahunss*, and the last two are *Chhetris*. This effectively excluded *Janajatis*, *Madhesis*, and *Dalits* from public employment (Bishwakarma, 2008, cited in Dong, 2016). Social exclusion was further nurtured during the Rana rule (1846–1951), when Nepal’s first National Legal Code of 1854 was adopted. This legal code ended up confining people in a single Hindu legal caste system (Dong, 2016).

Along with the caste system, languages were treated as grounds for social exclusion. In 1920, the government declared that in cases where languages other than Nepali were used for indenture/written agreements, such agreements could not be submitted as evidence in a court. The Nepali language became the only official language and the only one used in the education sector. It thus became a powerful instrument for subordinating diverse groups of people under Hindu norms, rules, and values (Hachhethu, 2009, cited in Dong, 2016). Still today, the exclusionary system affects Nepal’s society. Report on Gender and Social Exclusion Assessment (GSEA) of 2006 (Bennett *et al.*, 2006) identifies six dimensions of social exclusion in Nepal. According to this report, *Tagadhari* (denotes high caste and religious status in Hindu religion (Riaz, 2010) such as Brahmin and Chhetris who still comprise the dominant class in Nepal, while *Dalit* is the subordinate class. As Table 2 shows, women, no matter what their class, are more marginalized than men.

Social status	Gender	Caste	Ethnicity/ Race	Language	Religion	Geo-Political
Dominant	Men/Boys	Tagadhari: Bramhin, Chettris	Caucasoid	Nepali	Hindu	Parbatiaya: Hill Dweller
Subordinate	Women/ Girls	Dalit	Janajati/ Mongoloid	Others	Non- Hindu	Madheshi: Plain Dweller

**Source:** Bennett *et al.* (2006)

**Table 2.**  
Dimensions of  
Exclusion in Nepal

Table 3 indicates the dominance of Bahuns and Chhetris in the NCS. Although Bahuns comprise only 12.74 percent of the population, they occupy 72 percent of posts in the NCS; similarly, although Chhetris only make up 15.80 percent of the population, they have 15.89 percent of NCS jobs. These statistics also extend to upper-level (special and gazetted category) NCS jobs.

### Structure of the NCS

The current NCS is divided into three categories: gazetted, non-gazetted and classless (Dong, 2016). The word ‘classless’ itself may indicate that people who belong to this category are treated in an indifferent manner. Gazetted jobs, which are higher-level jobs and enjoy higher prestige, are divided into four subgroups: special, gazetted first, gazetted second, and gazetted third. Non-gazetted jobs also fall into four categories from gazetted first to gazetted fourth (Dong, 2016).

The NCS has 13 categories of services, for instance, General administration, Agriculture, Auditing, Education, and Health services. Nearly half of the country’s civil servants work in the General administration and about one-fifth work in the Health services (Paudel, 2018).

### Quota system in Nepal

To ensure the participation and representation of various marginalized groups in the civil service, Nepal introduced a quota policy in 2007. In the budget speech of 1995, affirmative action was introduced, and 16 social groups were categorized as oppressed (Dong, 2016). In 2003, the then-prime minister Surya Bahadur Thapa planned to reserve 35 percent of civil service posts: women would constitute 20 percent, Dalits 10 percent, and Janajatis 5 percent. Thapa also formed a committee to implement the reform, but due to political and governmental instability, it was unsuccessful (Dong, 2016). In 2006, after the fall of the monarchy, the newly formed government introduced affirmative action. The Interim Constitution of Nepal (2007) created various inclusive policies to ensure the participation of different groups in national life. Article 21 of this constitution states that women, Dalits, Adivasi Janajatis, the Madheshi community, downtrodden classes, poor farmers, and workers who are underprivileged shall have the right to participate in the state structure based on the principle of proportionate representation (Paudel, 2013). Later that year, through the second amendment to the “Civil Service Act, 2007”, the government introduced 45 percent reservations for disadvantaged people (Dong, 2016; Paudel, 2013). An overview of the Nepalese quota system is given in Table 6:

No.	Caste/Ethnicity	Population	Representation in the civil service
1	Bahuns	12.74	72.00
2	Chhetris	15.80	15.89
3	Newar Janajatis	5.48	7.14
4	Non-Newar Janajatis	30.83	1.64
5	Madheshis	12.32	1.17
6	Dalits	14.99	0.67
7	Muslims	4.27	0.1
8	Others	3.57	1.39
	Total	100	100

**Table 3.**  
Caste/ethnic  
representation in  
special and gazette  
class of the NCS

**Source:** Ministry of General Administration, cited in Dong (2016)

Types	Subgroups	Composition	Recruitment policy
Gazetted	Special class	Chief secretary, secretary, and others	The secretary and chief secretary are to be recruited by the Government of Nepal.
	Gazetted I	Joint secretary, joint zonal commissioner, director general, and others	10% are to be recruited through open competition, 35% through performance evaluation, 20% through internal competition, and the remaining 35% through seniority and performance evaluation.
	Gazetted II	Undersecretary, director, deputy director, assistant zonal commissioner, chief district officer, land administrator, land reform officer, district education officer, and others	Same as Gazetted I
	Gazetted III	Section officer, panchayat* and development officer, administrative officer of district office, and others	70% are to be recruited through open competition and the remaining 30% through seniority and performance evaluation.
Non-Gazetted	Class I-IV	<i>Naib Subba, Kharidar, Mukhiya, Bahidar</i> , and others	Different recruiting mechanisms such as open competition, internal competition, seniority, and performance evaluation.
Classless	-	Office assistant/messenger	Recruited on contract

**Table 4.**  
Composition of the Nepalese Civil Service and its recruitment policy

Source: Shrestha and Paudel (2019)

\*Note: This was during the Panchayat regime (1960–1990).

Categories	Percentage
General administration	46.30
Health	20.52
Engineering	9.95
Agriculture	6.16
Forestry	6.04
Others	11.03
Total	100

**Table 5.**  
Structure of the NCS

Source: Paudel (2018)

Category	%
Merit	55
Quotas:	45
1. Women - 33%,	
2. Adibasi Janjati - 27%,	
3. Madheshi - 22%,	
4. Dalit - 9%,	
5. Persons with disability - 5%	
6. People from the backward areas - 4%	
Total	100

**Table 6.**  
Quota distribution in the NCS

Source: Dong (2016)

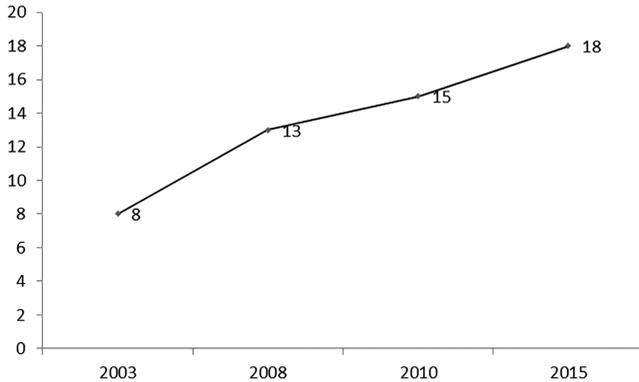
**Discussions on quota/representative policy in Nepal**

*Women’s share in the public sector*

With the introduction of a quota system in Nepal, the percentage of women in the public sector has gradually increased. Overall, however, it has not yet hit the expected 50 percent mark. Figure 3 shows that in 2003, before the introduction of the quota policy, women’s participation was around eight percent and increasing to 15 percent by 2010. By 2015, it further increased to 18 percent.

Table 7 indicates that women’s increased participation in the NCS is mostly at the ‘non-gazetted’ level. One fifth (21%) of female civil servants belong to this category. The presence of women in higher-level positions is still paltry, even after the introduction of the quota system. Table 7 also shows that in 2003, the percentage of women’s participation was 2 percent for ‘Special Class’, and one percent for ‘Gazetted I’ class; ‘Special Class’ participation only increased to three percent by 2015. In the ‘Gazetted I’ class, this has increased from one percent in 2003 to seven percent by 2015. At the Gazetted III level, the percentage of women doubled, that is, from six to 12 percent. In the long run, these women are likely to be promoted to higher-level positions, thereby forming a critical mass.

Table 8 shows that the percentage of women who applied for public jobs and passed the examination is increasing. In the year 2007–08, there were 39 percent female



**Figure 3.**  
Percentage of women in the public sector of Nepal.  
**Sources:** Adapted from Paudel (2018); Paudel (2013)

Rank	2003			2010			2015		
	Male	Female	Female (%)	Male	Female	Female (%)	Male	Female	Female (%)
Special class	41	1	2	67	2	3	63	2	3
Gazetted I	304	4	1	416	13	3	429	29	7
Gazetted II	1399	52	4	2474	113	4	3119	163	5
Gazetted III	4909	304	6	7129	593	8	12,451	1698	12
Non-gazetted	38,596	4224	11	34,813	7632	22	32,686	8774	21
Classless	23,885	1432	6	20,366	1446	7	19,175	1518	7
Total	69,134	6017	8	65,265	9799	15	67,923	12,184	18

**Table 7.**  
Women’s share in the public sector of Nepal

**Source:** Paudel (2018)

applicants; by 2012–13, it increased to 47 percent. However, there is a considerable mismatch between female applicants and the percentage that passed the civil service examinations. Although the percentage of women who passed the exams has increased from nine percent in 2007–08 to 12 percent in 2012–13, this is remarkably disproportionate to the percentages of both female and male applicants. Paudel (2018) attributes the increase in female applicants to the inclusion policy, which encourages women to apply for civil service employment. However, since few women passed the civil service exams, this may indicate that they still face a range of challenges. According to the Public Service Commission (PSC), around 250 posts could not be filled due to the lack of suitable candidates (Paudel, 2018).

*Geographically-based quota*

In Nepal, there are nine so-called “backward” districts for which some civil service positions are reserved. According to the Civil Service Act of Nepal, these are the Accham, Kalikot, Jajarkot, Jumla, Dolpa, Bajhang, Bajura, Mugu, and Humla districts. This may be a more effective strategy to target and include people from backward areas than the population-based geographical quota that used to be followed in Bangladesh. Nevertheless, the Nepalese quota policy is yet to achieve the intended representation from different areas. Table 9 shows that most of the civil servants come from the Eastern, Central, and Western regions while there is less representation from the Mid-Western and Far-Western regions. Further, if looking at the population size of these regions, it was observed that the Mid-Western and Far-Eastern regions are less represented in the NCS, even though all the backward districts fall inside these two regions.

Year	% of eligible applicants			% of applicants who passed the examination		
	Male	Female	Total	Male	Female	Total
2007–08	61	39	100	91	9	100
2008–09	62	38	100	94	6	100
2009–10	53	47	100	89	11	100
2010–11	56	44	100	89	11	100
2011–12	58	42	100	89	11	100
2012–13	53	47	100	88	12	100

**Source:** Annual report of Nepalese Public Service Commission (PSC) (2008–2014), cited in Poudel (2018)

**Table 8.**  
Success of female  
applicants in the public  
service exams

Development regions*	Secretary (%)	Joint Secretary (%)	Undersecretary (%)	Population (%)
Eastern	18	19	23	22
Central	42	39	34	36
Western	29	36	34	19
Mid-Western	8	3	5	13
Far-Western	3	3	4	10
Total	100	100	100	100
N	65	458	3,282	26.5 million

**Source:** Adapted from Ministry of General Administration (2014)

Note: \* The five development regions are now regrouped into seven provinces called Pradesh.

**Table 9.**  
Bureaucratic  
representation in the  
top level of the NCS,  
based on regions  
(Percent distribution,  
N = 3,805)

*Attribute/Ethnicity-based quota*

Interestingly, Table 10 indicates that since the introduction of the quota system, the representation of backward caste/ethnic communities at the higher official level has declined. For example, in the year 2006, there was 17.49 percent Janjati at the official level, but this decreased to 12.28 percent in 2012. During the same period, it was observed the increase of the category ‘Others’, which includes high-caste Hindus and Newars, in official positions. Some researchers have explained the discrepancy as being due to the downsizing of bureaucracy and the excessive time the recruitment process took (Paudel, 2013). Shrestha and Paudel (2019) blame the quota system’s ineffectiveness on the lack of human resource development activities.

Given that top-level bureaucrats (e.g., secretary, joint secretary) are important for policy formulation, implantation, and the allocation of resources, it becomes clear that the presence of different groups in these positions is a key to ensuring a representative and inclusive bureaucracy that may contribute to a balanced development of the country. Table 11 indicates that Brahmin and Chhetri still dominate these higher positions, and least represented by ‘indigenous nationalities’ and ‘others’ (including Muslim).

*Some key concerns regarding the Nepalese representative policy*

In terms of representation, Bahuns and Chhetris still dominate the NCS. This indicates that *Afno Manche* – that is, the cultural practice of discriminating against or favoring someone based on family, relatives, caste, and social relations – is still dominant (Dong, 2016; Riaz and Basu, 2010). Based on the current quota system, people generally perceive that 55 percent of jobs are reserved for Bahun/Chhetri and that the remaining 45 percent is reserved for others (Bishwakarma, 2008, cited in Dong, 2016). It is probably due to these cultural factors and the dominance of the higher caste that people from other ethnicities are still struggling to join the civil service. The quota policy does not address other forms of structural discrimination. For example, many marginalized people’s education is affected by poverty and language barriers, since the Nepali language is the main medium of study in educational institutions (Dong, 2016). Bennett *et al.* (2006) states that 52 percent of the population do not speak Nepali as their

**Table 10.**  
Representation of the  
different ethnic groups  
in the NCS (higher  
official levels)

	2006		2012	
	Numbers	%	Numbers	%
Janjati	1,416	17.49	1,593	12.28
Madhesis	805	9.94	1,068	8.23
Dalits	74	0.92	117	0.90
Others	5,801	71.65	10,193	78.59
Total	8,096	100	12,193	100

**Source:** Awasthi and Adhikary (2012)

**Table 11.**  
Bureaucratic  
representation in the  
top level of the NCS,  
based on caste/  
ethnicity. Percent  
distribution

Caste/Ethnicity	Secretary	Joint Secretary	Undersecretary	Population size
Brahmin (Bahun)	65	68	66	12.74
Chhetri	20	17	20	15.80
Indigenous nationalities	-	2	1	48.63
Dalit	15	13	13	14.99
Others (including Muslim)	-	0.4	0.4	7.84

**Source:** Adapted from Ministry of General Administration (2014)

mother tongue. This makes them disadvantaged in terms of access to education. Moreover, civil service exams (both written and oral) are conducted in Nepali. This report also indicates that the major cause of school dropout among the *Janajati* and *Tarai* people is that the curriculum is non-representative of Nepal's diverse ethnolinguistic population. Language, therefore, directly or indirectly affects many ethnolinguistic groups when they seek access to public services in Nepal (Dong, 2016; Lawoti, 2014). Due to this, people from marginalized groups struggle to succeed in public service examinations.

The recruitment procedure takes about 18 months (Paudel, 2018), so it is difficult for women and backward ethnic groups to wait for public service examinations. Furthermore, many women get married and never return to their job in the public sector. Similarly, marginalized ethnic groups get involved in other economic activities because they cannot afford to hold out with such a lengthy recruitment process. For these groups, it is also challenging to apply for the examination. However, if it became possible to apply online, this might ease the problem.

Due to the caste system, different groups face different challenges that may limit their possibilities to be promoted in the civil service; Dalits are seen as untouchable, while Buddhist Janjatis, due to their different religious beliefs, may receive less respect than Hindus and be discriminated against when they are up for promotion. Women may fail to be nominated for promotion due to existing patriarchal norms and values (Dong, 2016).

The objective of the 'lateral entry system' (horizontal recruitment) was to promote efficiency in the civil service. However, as of today, the provision is used mostly by those who are already in service. The provision of lateral entry fails to attract the best candidates from outside because the tenure of past service is not taken into consideration, and past-service tenure is essential when seeking promotion to higher-level positions and for retirement benefits (Shrestha and Paudel, 2019).

Jamil (2019) and Limbu (2009) identify several of the challenges some groups face when trying to join the civil service: the internal colonization of Hindu based-culture and language, the curriculum, the lack of political access, the centralized examination system, policy implementers' ignorance regarding the inclusive policy, some ethnic groups' lack of required education, insufficient interest in the civil service, and more interest and motivation among some ethnic groups to join foreign military services (i.e., the British Army and the Indian Army). The groups with a history of army recruitment are the Gurung, Magar, Rai and Limbu (Dong, 2016). Like any quota policy, the Nepalese policy is criticized for undermining the merit-based recruitment system. It is also criticized for promoting elite applicants from disadvantaged groups and for creating a dominant class within different ethnic communities (Dong, 2016).

### **The status of responsive bureaucracy in Nepal**

After analyzing the representativeness of bureaucracy in Nepal, attention is focused on the bureaucracy's responsiveness to citizens. Responsiveness is measured based on citizens' perceptions of two groups of variables: a) processes of service delivery; and b) policy performance.

First, citizens' trust in the NCS for two time periods was analyzed. Table 12 indicates that trust in the NCS in general increased from 2008 to 2015, as  $M = 2.56$  for 2008, and  $M = 2.77$  for 2015. Such differences are statistically significant, as the  $p < .001$ . This improvement is also visible for trust in the Chief District Officer (CDO). It cannot be claimed that such an increase in trust is due to the introduction of the quota policy, but since the first round of the survey was conducted immediately after the introduction of quota policy, we may get an idea of how the citizens tended to perceive the NCS at that time, and then how that perception changed or remained stable during the second round of the survey in 2015.

*Processes of service delivery*

In the second step, the authors analyze these two groups of variables in two time periods to see variations in citizens' perceptions. Table 13 presents citizens' perceptions of the processes of service provision, in other words, of their interactions with the bureaucracy. It was observed that there has been an improvement from 2008 to 2015 in the indicators for 'Service enabling' processes. Even so, such ratings are relatively low, as the mean scores in both periods are below 2.5. On a four-point scale, any score below 2.5 is considered below average. In this regard, it was observed that in both periods, the scores on these variables are below 2.5, indicating that citizens evaluated the service-enabling process as below average, despite slight improvement by 2015.

In regard to 'Service impeding' processes, it was observed that citizens' perceptions on whether bureaucrats are 'corrupt,' 'serve their personal interests,' and whether they are 'easily accessible' are somewhat negative. The scores on these variables are above 2.5 (on a scale from 1 to 4); in other words, they are above average, indicating that the bureaucrats are corrupt, unfriendly and not easily accessible. This means that citizens negatively assess service provisions.

**Table 12.**  
Changes in trust in the  
NCS (Independent  
t-test)

Institutional trust	Survey Year	N	Mean (1-4 scale)	Mean differences	Std. Deviation	Std. Error Mean
Civil Service	2008	1,585	2.56	.21***	.775	.019
	2015	2,151	2.77		.686	.015
Chief District Officer (CDO)	2008	1,700	2.75	.22***	.685	.017
	2015	2,272	2.97		.653	.014

\*\*\*p < .001, \*\* p < .01 and \* p < .05 (two-tailed tests)

**Table 13.**  
Citizens' assessment of  
public service delivery  
processes (Independent  
t-test)

Processes of service delivery	Round	N	Mean (1-4 scale)	Mean differences	% above mean value	Std. Deviation	Std. Error Mean
<b><i>Service-enabling processes (low-high)</i></b>							
Civil servants: prompt and Efficient	2008	1,643	2.28	.05*	38	.767	.019
	2015	2,191	2.33		42	.756	.016
Civil servants: friendly	2008	1,667	2.30	.10***	37	.774	.019
	2015	2,260	2.40		43	.774	.016
Civil servants: treat all equally	2008	1,671	1.90	.26***	61	.909	.022
	2015	2,260	2.16		80	.829	.017
<b><i>Service-impeding processes (low-high)</i></b>							
Civil servants: corrupt	2008	1,666	2.80	.08**	66	.872	.021
	2015	2,268	2.88		69	.826	.017
Civil servants: serve personal interests	2008	1,755	3.09	-.09***	34	.844	.020
	2015	2,289	3.00		27	.789	.016
Civil servants: difficult to get access to	2008	1,712	2.80	.00	66	.864	.021
	2015	2,288	2.80		65	.814	.017

\*\*\*p < .001, \*\* p < .01 and \* p < .05 (two-tailed tests)

*Policy performance*

In the third step, citizens' evaluations of several public services in the two time periods were mapped in order to see whether these evaluations have increased over time; in other words, whether the introduction of representative bureaucracy in Nepal has made bureaucrats more service-oriented as assessed by citizens. The findings in Table 14 are interpreted in the following manner: on a five-point scale, a mean score of 3 and above for a service indicates a positive evaluation by citizens; a score below 3 for a particular service is considered a negative evaluation by citizens. In this regard, it was observed that education, health, and agricultural services are positively evaluated in both periods, but that the overall perceived performance in these areas decreased between the two periods. The services that scored below 3 in both time periods are energy and utility services (water supply, garbage collection, street lighting, etc.). The maintenance of law and order received a more positive evaluation in 2015 than in 2008. The mean differences between these time periods indicate that there have been significant changes in citizens' evaluations of services, either positive or negative.

These data may not give a conclusive picture of the role of representative bureaucracy in policy performance, or even the actual effects of representative bureaucracy on service delivery processes, but we may get an idea of how these aspects changed after the introduction of the quota system. Ideally and theoretically, more representativeness would be assumed to have a positive effect on policy performance and service delivery processes. If different groups are properly represented, then they should receive due justice and share in policy formulation and implementation. However, from the surveyed data, it appears that in most cases, policy performance still needs to improve. Without improved policy performance, representative bureaucracy may not be meaningful and citizens' trust may evaporate. Public service provision also needs improvement. If civil servants remain corrupt, are preoccupied with personal concerns, or if they are difficult to get hold of, then increased trust in the civil service will be short-lived.

**Conclusion**

The hype around the concept of representative bureaucracy probably contributes to increased trust in the NCS, but such increased trust may not last long if the it fails to respond to people's needs. To ensure a higher level of trust, the NCS needs to be genuinely

Policy areas (low-high)	Round	N	Policy performance mean (1-5 scale)	Mean differences	% above mean value	Std. Deviation	Std. Error mean
Maintenance of law and order	2008	1,521	2.74		60	1.030	.026
	2015	2,128	3.00	.26***	74	.904	.020
Education index	2008	1,591	3.48		56	.75752	.01899
	2015	2,273	3.45	-.03	51	.78485	.01646
Health index	2008	1,631	3.51		44	.77708	.01924
	2015	2,224	3.40	-.11***	35	.79314	.01682
Energy index	2008	1,732	2.22		49	1.03140	.02478
	2015	2,309	2.50	.28***	55	.96365	.02005
Utility services index	2008	1,605	2.70		43	.94626	.02362
	2015	2,269	2.52	-.18***	38	.92842	.01949
Agriculture index	2008	1,517	3.25		50	.93552	.02402
	2015	2,207	3.01	-.24***	34	.91705	.01952

\*\*\*p < .001, \*\* p < .01 and \* p < .05 (two-tailed tests)

**Table 14.** Citizens' assessments of policy performance in different areas in two time periods (Independent t-test)

representative, perform well in different policy areas, and provide services to the people in fair and efficient ways.

From this study, it is apparent that fine tuning of the Nepalese bureaucracy will ensure the representation of different ethnic groups, religions, regions, and genders in all the services and at all levels within it. To warrant this, it needs to address the problems in the recruitment and promotion processes. Some of these can be addressed more easily than others; for example, it may be reasonably easy to set up an online portal for people to submit their applications, or to reduce the length of the examinations. Other problems, however, are deeply rooted in society. One of these is *Afno Manche*, which favors or discriminates against people based on their family, relatives, caste, and social relationships. As long as this system is in place, it will continue to favor those who already wield power within the system. The caste system further complicates these problems and needs to be addressed as part of more substantial social reforms.

Apart from these problems, the other issue is that the bureaucracy needs to perform well and to respond to citizens' expectations. If the civil service remains unresponsive to the needs of the people, then the ultimate objective of representative bureaucracy will remain unattained. It, therefore, appears that the mere introduction of representative bureaucracy is insufficient; it needs to be reflected through policy performance and the way public services are provided.

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**About the authors**

Ishtiaq Jamil is Professor and Director of Master of Public Administration (MPA) Program at the Department of Administration and Organization Theory, University of Bergen, Norway. His research focuses on representative bureaucracy, institutional trust, social capital, administrative culture, and public policy and governance. He has published extensively and his recent publications include *Gender Mainstreaming in Politics, Administration and Development in South Asia* (2020, co-edited, Palgrave Macmillan), *Civil Service Management and Administrative Systems in South Asia* (2019, co-edited, Palgrave Macmillan), *Administrative culture in Developing and Transitional Countries* (2018, co-edited, Routledge), *Governance in South, Southeast, and East Asia* (2015, co-edited, Springer), and *In Search of Governance in South Asia and Beyond* (2013, co-edited, Springer). He has also published in *International Political Science Review*, *Public Organization Review*, *International Journal of Public Administration*, *Contemporary South Asia*, and *Journal of Commonwealth and Comparative Politics*. Ishtiaq Jamil is the corresponding author and can be contacted at: ishtiaq.jamil@uib.no

Hasan Muhammad Baniamin is an Assistant Professor in the Department of Political Science and Sociology, North South University, Bangladesh. He obtained PhD and MPhil from the Department of Administration and Organization Theory, University of Bergen, Norway. His research interests include e-governance, corruption, health policy, institutional performance, and trust, and he has published articles on these issues in journals such as *Public Organisation Review*, *International Political Science Review*, and *International Journal of Public Administration*.

# Surrogacy-led migration: reflections on the policy dilemmas

Surrogacy-led  
migration

Akm Ahsan Ullah

*University of Brunei Darussalam, Bandar Seri Begawan, Brunei, and*

Faraha Nawaz

*University of Rajshahi, Rajshahi, Bangladesh*

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## Abstract

**Purpose** – There is abundant research on surrogacy; however, migration scholars have not addressed surrogacy-driven migration. Policies related to surrogacy and surrogacy-led migration are under-researched. The paper argues that surrogacy-led migration or fertility/reproductive migration constitutes a significant part of mainstream migration. The purpose of this paper is to reflect on the policy dilemmas in various countries.

**Design/methodology/approach** – A total of 9 surrogate mothers (4 from India; 2 from Thailand, 2 from Indonesia and 1 from Nepal) and 8 commissioning parents (2 from Japan; 4 from Europe; 1 from the USA; 1 from Australia) and 2 doctors (1 from India and 1 from Thailand) selected on snowball basis were interviewed between 2014 and 2016 by using a checklist.

**Findings** – The deficiency and inconsistency of laws regarding surrogacy facilitated the growth of the surrogacy market. Therefore, a uniform policy would help to define and improve the surrogacy and surrogacy-led migration management.

**Originality/value** – This paper demonstrates the interplay of surrogacy and mainstream migration. This is a fresh addition to the study of migration.

**Keywords** Surrogacy, Fertility, Reproductive migration, Commissioning parents

**Paper type** Research paper

## Background

The world has been experiencing fertility decline over the last five decades and in fact the global fertility rate has halved (Roser, 2020). For the first time in human history, the population growth in many resource-rich but population-deficient countries has fallen below the replacement fertility rate. In order to get the economy going, many resource-poor but population-sufficient countries opted for exporting work force to resource-rich countries. In order to meet the deficiency, a range of population mobility activities have taken place. In order to offset the fertility decline, a phenomenon called “surrogacy” – an arrangement, whereby a woman (the surrogate mother) agrees to bear a child for another person, who will become the child’s parent(s) after birth— began to grow since the last decade (Brinsden, 2003). In 1978, with the development of in-vitro fertilization (IVF) - a procedure by which a sperm and an egg are fertilized and grown into an embryo in a laboratory before being implanted into a womb (Davies *et al.*, 2012) – allowed it. This enabled “gestational surrogacy” or conception outside the body (Weis, 2017). As the market grew, couples willing to have babies, mostly from the Western world began to show interest in Asia as a place for finding cheap surrogate mothers (Lasker, 2011). The authors call the phenomenon in which

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thousands of parents are moving to other countries to rent wombs “surrogacy-led migration” or “fertility migration”. These terms will be used interchangeably in this paper.

The first baby conceived through IVF was born in 1978 and such technology has revolutionized alternative family building strategies (Fasouliotis and Schenker, 1999; Eskew and Jungheim, 2017). As IVF gradually became known, many mothers who failed to conceive resorted to it. The Centre for Disease Control and Prevention (CDCP) estimates that there are 6.7 million such women in the USA alone who had shifted from adoption to surrogacy (Jakeman, 2016). However, the process remains very expensive. Commercial surrogacy can cost up to US\$70,000 in the USA where it is legal except for the seven states where it is not permitted. The commoditized reproductive capabilities of a poor woman in South Asia, Latin America, or Eastern Europe can cost as little as US\$12,000 (Smith and Bromfield, 2017). This is one of the reasons why couples are willing to outsource to another country, and it has prompted fertility migration.

Today, IVF accounts for millions of births worldwide, and 1-3 percent of all births every year take place in the USA and Europe (Chandra, Copen and Stephen, 2014). Anecdotal estimates suggest that 1,000 surrogate pregnancies take place in the USA every year (Rodrigues and Meyersohn, 2010; Eskew and Jungheim, 2017). It is unknown how many people undertake migration for IVF. Although surrogacy is not a new phenomenon, the scarcity of research on the procedure and fertility migration is obvious. The surrogacy issue has prompted many countries in Asia and beyond to change their policies (Chandra, Cohen and Stephen, 2014). An Indian gestational surrogate (see conceptualization section) receives an average of between US\$2,800 and US\$5,600 on top of which the commissioning parents pay all medical bills, broker fees, expenses etc. which amounts to around US\$12,000. This is far less than in the USA where it can range between US\$70,000 and US\$150,000 (Lee, 2009).

The vast sums of money in the surrogacy market make surrogacy a tempting option for many marginalized potential surrogate mothers. Pande’s (2009; 2010a; 2010b) research with Anande, a city in India, and about 89 percent of them were living below the poverty line.

In the past two decades, surrogacy has become a global phenomenon. For thousands of years, women have nominated others to give birth on their behalf (Svitnev, 2006). However, technological advances such as IVF, weakening of cultural restrictions and the trend for having children later have fuelled a recent boom in surrogacy. There are no precise figures on how many children are involved, but as far back as 2012 the surrogacy industry was worth an estimated US\$6 billion a year (Fenton-Glynn, 2019). This reflects the vastness of the market.

A global trade between aspiring families from developed countries and women from developing countries has led to surrogacy or fertility migration. With controversies and debates gathering intensity, many countries declared commercial surrogacy illegal (Table 1). However, where one market closes, another opens in order to meet the growing demand for surrogacy. Twine (2011) expects a burgeoning surrogacy industry to emerge elsewhere other than Asia such as in Ukraine, where egg donation is already incredibly common among poor women. Others expect to see more surrogacy in Greece, where economic turmoil has left more women without much needed jobs (Alderman, 2017) and the laws on surrogacy are ambiguous. This raises questions about the reproductive rights of the marginalized women and how to institute effective regulation and oversight.

Mignot (2017) touches on some interesting issues, for example, the factors that are driving aspiring couples to resort to surrogacy, i.e. the drop in mortality rate has reduced the number of orphans and the number of abandoned children, the lifting of the stigma of illegitimacy and the implementation of social and child support policies. Members of the rising middle class now adopt the orphans and abandoned children in the origin countries domestically. Therefore, the decline in the number of such children worldwide has prompted them to go for

Country	Altruistic surrogacy	Commercial surrogacy	Legal guardian of the surrogate child
Armenia	Legal	Legal	Intending parent(s) (surrogate may not have a biological link to the child and there has to be a biological link to at least one of the intended parents).
Australia	Legal (except Northern Territory)	Illegal	
Austria	Illegal	Illegal	
Belgium	Legal	Illegal	Surrogate (transfer of guardianship through adoption)
Brazil	Legal - restricted	Illegal	
Canada	Legal (except Quebec)	Illegal	
Chile	Unregulated	Unregulated	
Colombia	Unregulated	Unregulated	
Czech Republic	Unregulated	Unregulated	
Denmark	Legal	Illegal	Surrogate
Estonia	Legal	Legal	
Finland	Legal (traditional surrogacy only)	Legal (traditional surrogacy only)	
France	Illegal	Illegal	
Germany	Illegal	Illegal	
Georgia	Legal	Legal	Intending parent(s)
Greece	Legal - restricted	Legal	Intending parent(s)
Hungary	Legal	Illegal	
India	Legal	Legal (only for Indian citizens)	
Iran	Unregulated	Unregulated	
Ireland	Legal	Illegal	Surrogate (transfer of guardianship through adoption)
Israel	Legal - restricted	Legal - restricted	Surrogate (transfer of guardianship through court order)
Italy	Illegal	Illegal	
Japan	Unregulated	Unregulated	Surrogate
Kazakhstan	Legal	Legal	Intending parent(s)
Latvia	Legal	Illegal	
Malaysia	Legal	Illegal	Surrogate
Netherlands	Illegal	Illegal	Surrogate (transfer of guardianship through adoption)
New Zealand	Legal	Illegal	
Nigeria	Unregulated	Unregulated	
Norway	Illegal	Illegal	
Pakistan	Illegal	Illegal	Surrogate
Peru	Unregulated	Unregulated	
Poland	Unregulated	Unregulated	Surrogate
Portugal	Legal	Illegal	Intending parent(s)
Romania	Unregulated	Unregulated	
Russia	Legal	Legal	Surrogate if it is her egg Intending parent(s) otherwise
Serbia	Illegal	Illegal	
South Africa	Legal	Illegal	Intending parent(s) (if surrogate has a biological link to the child she has 60 days to change her mind)

(continued)

**Table 1.**  
Surrogacy Laws by Country

**Table 1.**  
Surrogacy Laws by  
Country

Country	Altruistic surrogacy	Commercial surrogacy	Legal guardian of the surrogate child
South Korea	Unregulated	Unregulated	Surrogate
Spain	Illegal	Illegal	
Sweden	Unregulated	Unregulated	Surrogate
Switzerland	Illegal	Illegal	Surrogate
Thailand	Legal - restricted	Illegal	Intending parent(s)
Ukraine	Legal	Legal	Intending parent(s)
United Kingdom	Legal	Illegal	Surrogate (transfer of guardianship through adoption or order)
Uruguay	Legal	Illegal	
USA	Legal in most states	Illegal	Intending parent(s)
Venezuela	Unregulated	Unregulated	
Vietnam	Legal - restricted	Illegal	

**Source:** Adapted from Cuddy (2018)

surrogacy (Gibbons and Rotabi, 2012). Therefore, to some, surrogacy is a substitute for child adoption.

Surrogacy has come under academic investigation in the last two decades. However, hardly any research has been conducted to look into policy dilemmas and how surrogacy is linked to migration. A search of the literature demonstrates the paucity of research on the issue. Some available studies are clearly based on a limited number of subjects (Centre for Social Research, 2012). The ambiguity of policy related to surrogacy and related consequences prompted many countries including India to reform their policies. Due to the existing deficient policies, parents (both surrogate and commissioning) who suffered emotional struggle as their child’s status became stuck into a limbo due to legal glitches and failed to find redress. The authors argue that surrogacy-led migration or fertility migration forms a significant part of mainstream migration. The authors further argue that there are severe deficiencies in governing fertility migration and other related issues. This paper intends to identify these deficiencies and their potential consequences.

**Objectives and methodology**

This paper aims at looking into the interplay between surrogacy and population mobility and related policies as well as the dilemmas the commissioning and surrogate parents go through. The surrogate mothers relinquish the baby at or soon after birth; the commissioning mother/parents secure the baby. This research tries to understand the impact of fertility decline on migration and the primary reasons for many women in Asia to register their interest to become surrogate mothers.

This research is based on empirical data. Surrogate parents, commissioning parents and doctors who performed surrogacy and a few policy makers were interviewed. A total of 9 surrogate mothers (4 from India; 2 from Thailand, 2 from Indonesia and 1 from Nepal) and 8 commissioning parents (2 from Japan; 4 from Europe; 1 from the USA; 1 from Australia) and 2 doctors (1 from India and 1 from Thailand) selected on snowball basis were interviewed between 2014 and 2016 by using a checklist. The authors will present some of the most important interview excerpts in the texts as appropriate to support our argument. Qualitative techniques were applied to analyse data. Surrogacy is still performed in a clandestine manner. In the absence of a surrogate register and a list of medical centres and agencies offering surrogacy, it is impossible to draw a random sample of surrogates. Investigating surrogacy is

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all the more difficult given the very large number of clinics and agencies involved (Centre for Social Research, 2012).

### **Surrogacy conceptualized**

Surrogacy refers to a situation where a third-party woman carries a baby for another on the (often legal) understanding that she will give the baby to pre-arranged parents (Brinsden, 2003). Surrogacy arrangements are of two types: traditional and gestational (Corderoy, 2013). In the traditional category, the surrogate mothers are also the genetic mothers who provide the ovum and gestate the child. Traditional surrogacy can be performed through either intrauterine insemination or through IVF. Gestational surrogacy is made possible by IVF. In gestational surrogacy arrangements, surrogate mothers gestate the child, but both the ovum and sperm are obtained from either the intended parents or third-party donors, so they are not genetically related to the child (Nelson, 2013). From a marketing perspective, surrogacy arrangements are again of two types: altruistic and commercial. In altruistic surrogacy arrangements, surrogates receive compensation for reasonable medical and legal expenses but no extra compensation, are permissible in a number of jurisdictions because the surrogate does not profit from her gestational services while commercial surrogacy is about commodification of the womb (London, 2012). The former may be legally acceptable, while the latter is prohibited or even criminalized in many countries (London, 2012; Corderoy, 2013).

Assisted Reproductive Technologies (ARTs) and In-Vitro Fertilization (IVF) and surrogacy have today become highly commercialized. Some countries such as the UK do not allow individuals to profit much from egg or sperm donations. In the USA, egg donors are compensated for up to US\$10,000. Steiner (2013) noted that the landscape of the reproductive technology has changed drastically. Earlier, nobody knew about egg freezing or talked about surrogates, and a uterine transplant was still extremely experimental. These kinds of technological advancements further the idea that "everyone who wants a baby deserves one," which in turn reminds the aspiring couples about surrogacy (Steiner, 2013).

### **Surrogacy and fertility migration**

Fertility migration has increased and gained popularity in recent years (Mohapatra, 2012). The fertility migration involves any travel to seek commercially provided ARTs, which can include IVF, pre-implantation genetic diagnosis, gamete procurement, or a host of other services (Deonandan, 2015). When commissioning parents cross an international border to engage in paid surrogacy, they are participating in "fertility tourism" or "cross-border reproductive care" (CBRC) (Matorras, 2005; Inhorn and Patrizio, 2009). Though it is difficult to be sure about the dimension and direction of fertility migration, the authors envision the volume by the worth of the global industry of commercial surrogacy, which is estimated at approximately US\$6 billion annually (Smaerdon, 2008).

The number of couples travelling from wealthy to lesser wealthy nations is growing for the purposes of seeking health care of all types (Meghani, 2011), including surrogacy. While the exact number of commissioning parents is unknown, anecdotal evidence places it in the hundreds of thousands to several millions per year (Helble, 2011). The number of those specifically seeking reproductive services globally is unknown, but is likely in the tens of thousands in Europe alone (Wittaker, 2011) and in the hundreds of thousands in Asia. India's surrogacy boon began in 2004 when a grandmother delivered her daughter's twins (Sharma, 2012). While many Indian ART clinics are reluctant in promoting their surrogacy services to foreign clientele, international clients are still attracted to India in search of surrogate mothers (Deonandan *et al.*, 2012).

The authors asked one respondent what triggered her intention to be a surrogate. The answer was simple:

Money. My husband has been sick for a long time. The situation came to a point that we decided to stop our kid from going to school. The time had come to decide on being a surrogate. I had no idea about it, although one of my friends told me about it long ago. But I did not pay any attention to that. My necessity forced me to know more about it. My husband was not so sure, and was worried that neighbours, friends and relatives might look down upon us. An agent explained everything about it. It offered a good amount of money. This was, in fact, very high as compared to our context.

Similar answers came for the same kind of question irrespective of the country. It is quite understandable that nobody chooses to be surrogate for trifling reasons.

The authors were lucky to find a few commissioning parents. The research assistants worked hard to make them available for interview. It has to be acknowledged that the authors did not find commissioning parents from diverse backgrounds (race, sexual orientation, culture and economic standing) as the authors would have preferred. Therefore, the responses from this group did not vary much. Most common answers were that the wives were reluctant to have babies primarily due to their preoccupation with career and life. An interruption of a year or two for giving birth could lead to considerable cost in terms of their career, e.g., compromising seniority.

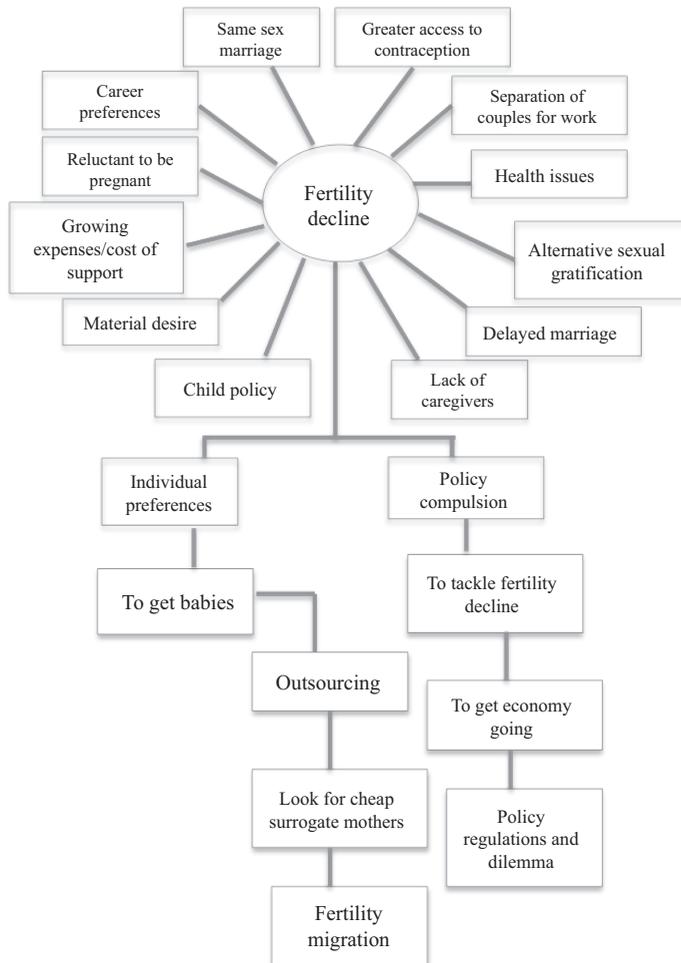
Millions of European citizens want surrogacy services, but they are not able to access it in their own country due to high cost and legal issues. In an interview, one European commissioning couple explained what made them look for surrogate mothers elsewhere.

... In our own country, we were not sure about the laws regarding surrogacy services. Some friends provided us with information about it, and the costs were very high for us. We also thought it would be better not to have any scar on the body [stretch mark during pregnancy], and to impact our career through pregnancy. This in fact prompted us to look for surrogate mothers outside our country. This means a lot to us because we were able to get a surrogate mother at a lower cost than in our own country, and there was no impact on our careers and body. In addition, we enjoyed traveling to Asia. . .

Fertility migration is shaped by a combination of legal restrictions, motivations of aspiring parents and the level of quality of services drawing patients to foreign countries (Nygren *et al.*, 2010). The motivations involve lower costs of services abroad, the opportunity to bypass the wait list or the barriers related to domestic legal issues. Cross-border care can be complex (Hanefeld *et al.*, 2014). Data from five agencies that specialize in international surrogacy showed that the surrogacy market grew nearly 1,000 per cent between 2006 and 2010 (Hague Conference on Private International Law, 2012). In India, approximately half of the 25,000 children born from surrogacy in 2012 were for foreign parents (Rozée *et al.*, 2016). Since commercial surrogacy in the world is growing, international adoptions have declined (Scherman *et al.*, 2016; Mignot, 2017).

There is a global demand for surrogacy. More than 160 million European citizens want these services, but they cannot access them in their own country (Twine, 2011). Until the 1970s, sterile Western couples who desired for a child but could not have one of their own could usually adopt a child in their home country. As contraceptive practice grew (Figure 1) and induced abortion became legal in the West, fewer and fewer children were unwanted and abandoned by their birth parents and the number of domestic adoptable children declined (Mignot, 2017). There is a myriad of factors that lead people to use a surrogate mother. The most common is the fact that one or the other, or sometimes both of a couple, have fertility problems or are homosexual. Although around one in seven UK couples have fertility issues at some point, in 92 percent of cases, they resolve themselves after two years of trying to become pregnant naturally (Templeton, 2000). According to the authors' understanding, Figure 1 as below tends to note how fertility decline prompts fertility migration.

Surrogacy is usually chosen as the preferred option if the couples are male homosexuals or if the female partner is unable to carry a child due to problems with her uterus or because she does not want to pass on a genetic defect (Kleinpeter, 2002).



**Figure 1.**  
Fertility Decline and Fertility Migration

While adoption can be an option for some, it is often expensive, and it entails an extremely long process, especially for unmarried and homosexual couples as many legal systems do not allow them to adopt, and many couples opt for some biological connection with the child (Loran and Leslie, 2009; Ullah and Huque, 2014; Ullah and Alkaff, 2018). More critically, options for adopting children are narrowing dramatically.

How have surrogacy issues generated a concept of fertility migration? At the advent of the surrogacy industries, migration began with Asian expatriate couples who could not conceive, and returned to Asia to find an Asian woman who would carry their child (Malhotra and Malhotra, 2009). For example, many of the Indian diaspora decided to use surrogate mothers and/or egg donors, and then travelled to India to find surrogates with South Asian genetic traits and cultural practices (Malhotra and Malhotra, 2009). Several factors persuade people in search of a surrogate mother to travel mostly to India, Sri Lanka, and Thailand from Europe, North America, Japan and Korea. About 65 per cent of the respondents reported that they (one or other or both couples) had fertility problems. 12 percent were homosexuals and

30 per cent said that they were too busy to carry a baby. Many of them reported that adoption could have been an option, however, it was an expensive and lengthy process. Many couples wanted biological connection with the child. Once a couple is convinced that they are not able to conceive naturally, they go for surrogacy in Asia.

The authors asked the same questions on psychological issues to all the surrogate mothers: “How was it like when you had to give up the child you carried?” She responded:

... I remember a doctor did some test and discussed my feelings about it. The report was fine but when I gave my child away it felt like I was dying.

It was, however, good that it took a long time for the commissioning parents to get the baby due to some new regulations in the country.

Most surrogate mothers have similar impressions about the social stigma. When asked, “What was your pregnancy like?”, the answer was:

It was a mixed feeling of hesitation, fear, love etc. My relatives and friends still have no idea about surrogacy. They think it was impossible for me to get pregnant without having sex with a foreigner.

Some Asian countries (such as India, Nepal, Indonesia and Thailand) have become preferred destinations for the commissioning parents. The belief that Asian women generally do not drink alcohol or smoke tobacco makes them confident that they are less likely to risk the baby through these harmful behaviours (Carney, 2010). As the market grew, Western couples became interested in finding a cheaper surrogate mother in many destinations. Much of this interest in India intensified due to the marketing skills of agencies or brokers who arrange everything from flights to negotiating with the clinics and surrogate mothers. Of the British who go out of the country to look for surrogate mothers, 38 per cent go to Thailand, 15 per cent to the USA and 5 per cent to India (Campbell, 2015; Alarcao *et al.*, 2019).

### **Policy dilemmas and challenges**

As surrogacy becomes increasingly popular, the insufficiency of surrogacy laws and regulations and their clarity has given rise to confusion (Pyrce, 2016). As a result, the baby Gammy controversy remained unresolved. Baby Manji’s case is still relatively unknown. Many countries have adopted a wide array of regulatory approaches toward surrogacy, from criminalization, to strict prohibition, to leniency. This signals one fact that there are grey areas in respect of surrogacy regulations and policies.

The question of whether a woman has the right to “rent out” her womb has crucial ethical and policy implications. This leads us to ask another question: if a marginalized woman is paid money to do something by a wealthy party, is that an economic coercion or is this choice under a free will? When the surrogate mothers relinquish the baby (according to the agreement) to the commissioning parents, how do they deal with their psychological issues/trauma? The surrogate conceives purposefully with the intention to relinquish the baby and not to keep it as part of her family. What happens if they have a stillborn baby? If the child is born with Down syndrome, how would they (both surrogate and commissioning parents) deal with it? Do these women, then, really know what they are getting into? Are they exercising their agency i.e. free and full consent? Many of them face complications in the family feud over the decision to be surrogate. All these, in fact, make the surrogacy issue extremely complicated.

There are reports that some agencies and brokers give the surrogates little to no money and even lie to them about what will happen to the baby after birth. Some women believe that their child is being taken away to be educated in a developed country and will eventually return (Bromfield, 2010). The many physical and emotional trials that the surrogates go through are important to take into consideration in dealing with surrogacy and related laws.

The social stigma intensifies the pain they suffer. Rural people still cannot believe that someone can get pregnant without sex (Pande, 2009; 2010a). Sex beyond wedlock is socially and religiously unacceptable in most of the developing countries. Therefore, surrogate mothers often hide their pregnancy from their friends and family (Lee, 2009) and are often forced to live in hostels so that the social parents can control the women's movements, food intakes, medications etc.

The above issues are not trivial in surrogacy. However, the deficiency in legislation dealing with those issues is obvious (Bromfield and Capous-Desyllas, 2012). Another problem is that legislations around surrogacy differ widely from one country to another, and are shaped by history, culture, religion and social values (Berend, 2012). In countries like Germany and France, surrogacy is seen as violating the dignity of women, using them as the means to someone else's end, hence the practice is considered illegal (Crozier, 2010) (Table 1). Some other countries like the UK view surrogacy as a gift from one woman to another, and allow it on an "altruistic", expenses-only basis. Others still, for example, Russia and Ukraine, permit commercial surrogacy, viewing it as an expression of a woman's autonomy to engage in surrogacy of their own free will (Donchin, 2010; Gallagar, 2010; Nawaz, 2019).

One mother said:

... my husband agreed to this and only then I signed the agreement. I handed over all the money to him. After a year I gave birth to the baby, my husband decided to divorce me. His primary complaint was that I have become old now.

The authors asked if she felt any change in her life due to surrogacy. The answer was amazing:

Yes, it has changed me as a person by the way that I am more caring about other people's feeling. I now know different people have different feelings, needs and wants. We should be respectful for them. Going through the surrogacy process was an eye opener. I felt how much they were aspiring for a kid and failed to have one. I felt I have somehow tried to make a difference. I am proud that I could bring a smile to someone's face. To me, this is a way that can change others' life in the most beautiful way. I spent many nights crying silently for the baby. At the same time I felt great. I brought a life to the world and gave away to another mother.

Policy makers have their arguments for regulating the surrogacy process. One of the policy makers said, "We really need to take the culture, religion, stakeholder, political system and our tradition into consideration to allow such practice." Surrogate mothers could later experience a range of health issues for the rest of their life, and this may become a burden on the state.

The Society of Obstetrics and Gynaecology in Japan currently prohibited surrogacy after concerns were raised over safety, custody battles and distress caused during the process (Blackburn-Starz, 2006). The debate reflects the growing sympathy of the public for infertile couples, and it follows that a doctor enabled a grandmother to carry the child of her daughter who was unable to give birth herself after undergoing cancer treatment (Blackburn-Starz, 2006).

The well-known controversy about "Baby Gammy" had immediate effects for parents intending to use surrogacy for childbearing. Baby Gammy and his twin sister were born to surrogate a mother in December 2013 in Thailand. The baby had Down syndrome and became known as baby Gammy. He was left with the surrogate mother in Thailand, while his twin sister was flown with the commissioning parents to Australia. The case caused uproar when it was claimed the commissioning parents had abandoned Gammy in Thailand because he was born with Down syndrome. Some were stopped at the airport on their way out with their babies, as they needed approval from the Thai family court (Hague Conference on International Private Law, 2012). Thailand enacted a law preventing foreigners from seeking

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commercial surrogacy in Thailand or from Thai women. Nepal introduced similar restrictions. Indian clinics stopped allowing surrogacy arrangements with foreigners in August 2015. While Vietnam in 2015 passed a law legalising altruistic surrogacy for relatives, it too aims to prevent commercial surrogacy (Wilson, 2017).

Fertility migration creates significant legal dilemmas. While some countries recognize the surrogate as the legal parent, others allocate parenthood to the commissioning parents from the moment of birth - a clash of laws meaning children can be left stateless, with neither country recognising them as citizens (Hinson and McBrien, 2011).

In the 2008 landmark baby Manji case, a child born to an Indian surrogate was left in limbo after the Japanese commissioning parents got divorced before Manji was born. Neither the surrogate nor the intended mother wanted custody of the baby. The commissioning father, who did want the child, was not allowed to adopt as a single person under Indian law. As a result, it was unclear who the legal parents were, and what the child's nationality was (Points, 2008). However, at the time, Japanese law did not recognize surrogacy, and Indian law would not allow a single man to adopt a child. The case underlined the extent to which policies on adoption and parentage continue to be slow to adapt to the circumstances presented by the new paradigm of ART (Gibbons and Rotabi, 2012). If the child does return home with the commissioning parents, the authorities in that country must decide whether to give effect to the agreement that took place overseas and allow them to become the legal parents in their home jurisdiction.

After the controversies over babies Manji and Gammy, the issue of determining their parentage and citizenship becomes critical. It could be resolved by referring to the mother or father. However, ART makes parentage more difficult to determine. There are several methods for determining parentage based on marital, genetic, functional, and intentional relationships, and each state develops its own formal definition of parenthood through legislation (Abrams and Piacenti, 2014). At times, immigration policies appear to be incompatible with the surrogacy context. Citizenship is acquired under two principles. The first is *jus soli*, or "the right of the soil." It extends citizenship to people born within the borders of a country (Donner, 1994). The second principle of citizenship acquisition is *jus sanguinis*, or "right of the blood" (Ullah, 2018; Ullah and Azizuddin, 2018) under which, citizenship is gained by descent and is determined by the nationality of one or both parents. The existence of surrogacy "forces" the states to redefine the notion of descent and to determine the extent to which citizenship can be transmitted along "artificial" blood lines (Hartnell, 2006; Ullah and Azizuddin, 2018). The "commodification" of the body is not a new issue, similar as prostitution, "baby-selling" and organ sales all commoditize body parts, sex and/or reproductive processes, which have been in existence for centuries if not millennia. These acts all raise questions to do with who owns the body and its processes and who has the right to decide what individuals can do with their own biology (including selling it) as well of course as issues surrounding coercion, consent and choice. Intergovernmental body the Hague Conference on Private International Law (2012) is currently looking into the possibility of forming an internationally agreed set of rules for authorities to recognize the parenthood of children born abroad through surrogacy. However, it may be difficult to reach international consensus due to the widely differing attitudes towards surrogacy.

### Conclusion

This paper contributes to the existing discussion on fertility and migration by providing an analysis of the effect of fertility decline. Debates on surrogacy have polarized public attention and led to intense social debates (Frydman, 2016). The predictable rise in Western demand for commercial surrogacy will likely provoke political debate both in the global North and South

because it impacts power relations. Despite surrogacy being permitted in the UK, it too has seen a steady rise in individuals traveling abroad for surrogacy (Jadva *et al.*, 2019). As it turns out, even in South Asian contexts, where surrogacy was socially stigmatized, most surrogate mothers viewed it positively, as a well-paid job that enabled them to improve their living conditions (Rozée *et al.*, 2016).

Many parents (both surrogate and commissioning) have experienced difficulties in taking away children due to emotional ties and legal complications. This leaves both parties in a difficult situation in terms of their changing relationships with the family, husbands and the society as a whole. Many suggested that the policy should be changed, and surrogacy-led international mobility should be restricted, and some countries changed their policies. In fact, banning foreigners from using surrogacy services does not really resolve the problem (Rudrappa, 2015). When one country bans surrogacy, another may be available for practicing it. As a result, international commercial surrogacy moves to new countries. This means that in view of fertility decline, surrogacy has become an inevitable response. Hence, it is important to establish international policies and regulations to ensure that surrogacy is in the children's interest – the same way The Hague Convention made sure that international adoptions do not result in child trafficking. Some countries are also found to restrict foreigners from travelling for surrogacy due to xenophobia.

Rudrappa has found, however, that national policies and regulations are specifically designed to support surrogates. Although India is known as a popular destination for western couples seeking surrogates, only about 10 to 15 surrogacy clinics specifically work with international couples (Rudrappa, 2015). The fundamental problem in developing policies regarding international surrogacy is the lack of data on its extent, distribution, and participants, even in well-resourced, well-monitored jurisdictions, such as the EU (Brunet *et al.*, 2013).

To conclude, the inconsistency of laws around the world facilitated the emergence and strengthening of the surrogacy market. Differences in policies and regulations make it impossible for states to regulate the practice effectively. Surrogacy can provide the joy of a longed-for child, but at the same time it opens the door for the exploitation of the most vulnerable. As surrogacy gains popularity, these legal and ethical dilemmas will only become more pressing, underlining the need for designing and implementing effective public policies to facilitate the process as well as protect all stakeholders.

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### About the authors

Akm Ahsan Ullah is an Associate Professor in Geography, Environment and Development, the University of Brunei Darussalam (UBD). His research portfolio includes work at the Southeast Asian Research Centre (SEARC), City University of Hong Kong, University of Ottawa, McMaster University, American University in Cairo, Saint Mary's University, University of Ottawa, Dalhousie University, and Asian Institute of Technology (AIT), Thailand. In his home country Bangladesh, he was a Research Coordinator of Plan International, an international organization focusing on child and rural development. His research areas include population migration, human rights, development, environment and health policy. Dr Ullah has published 50 articles in refereed journals, 40 book chapters and 15 books. Akm Ahsan Ullah is the corresponding author and can be contacted at [akmahsanullah@gmail.com](mailto:akmahsanullah@gmail.com)

Faraha Nawaz is an Associate Professor of Department of Public Administration, University of Rajshahi, Bangladesh. She obtained first class honours at both bachelor and master levels, and gained PhD degree from Flinders University, South Australia. Her research interests are on gender equality, poverty, human rights, social justice, gender-based violence, women's empowerment, women in labour market and household economy, NGOs in development, public policy analysis. She has published refereed articles in national and international journals, book chapters and a book. She is an active member of international professional groups and networks such as NAPSIPAG, ISTR, EROPA, NZSAC, Dev Net, IPPA and AWID. She is a recipient of prestigious awards including gold medals, Charles Wallace award, Dev net Research award from New Zealand, Malaysian scholarly award etc. She was an international fellow at Watson Institute for International and Public Affairs, Brown University, USA, an academic visitor in Oxford University (CSASP).

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# Social engineering and Emiratization in the United Arab Emirates

Abu Elias Sarker

*University of Sharjah, Sharjah, United Arab Emirates, and*

Mohammad Habibur Rahman

*Mohammed Bin Rashid School of Government, Dubai, United Arab Emirates*

Social  
engineering  
and  
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## Abstract

**Purpose** – The purpose of this paper is to analyze the rationale for using social engineering as a tool to impact the nationalization of workforce in the United Arab Emirates (UAE).

**Design/methodology/approach** – Interpretative and exploratory approaches have been employed for this research. Accordingly, the study has extensively reviewed government documents, reports of international organizations and relevant academic literature, including journal articles, conference papers and unpublished dissertations.

**Findings** – The findings show that the UAE Government has initiated multiple policies and programs to enhance participation of indigenous Emiratis in the burgeoning labor market which has been hitherto dominated by the expatriates. However, while the Emiratization programs are on the verge of fulfilling the targets in the public sector job market, significant gaps exist between the targets and accomplishments in the private sector, causing policy concern.

**Originality/value** – This paper links theoretical insights from the social engineering model used in the social sciences research to analyze the dynamics of workforce nationalization. The study will be helpful to inform further empirical research in this area.

**Keywords** Workforce nationalization, Emiratization, Social engineering, United Arab Emirates

**Paper type** Research paper

## Introduction

Emiratization, a policy to enhance the participation of Emirati citizens in the job market, has received considerable attention from the national political leadership in the United Arab Emirates (UAE). The extremely low rate of Emirati citizens' participation in the private sector job market adds to the policy dilemma confronting the UAE Government. This policy dilemma has stemmed from the unique social and economic conditions prevailing in the country.

The discovery of oil and gas in the late 1960s and their soaring price in the 1970s facilitated the influx of the expatriate workforce in various fields in the UAE. With massive revenues in hand, the UAE leadership embarked on grand projects for infrastructural development in different sectors. Given the small size of its local population, the UAE Government did not have any other option but to engage workers from different parts of the world in both the public and private sectors. Furthermore, the policy of economic diversification to tap the opportunities of globalization pursued since the 1990s created strong demand for a more skilled (and unskilled) workforce, particularly in the service sector.

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However, with the modernization of education, a large pool of indigenous educated workforce entered the job market. The public sector at both the federal and local government levels attracted the burgeoning young and employable Emiratis. Because of the superior compensation package, short working hours, pension schemes and other fringe benefits, the public sector has always been the destination of the local educated workforce in all the seven emirates. The private sector job market continues to be dominated by the expatriate workforce. It remains less attractive to the local indigenous workforce. Besides, the emergence of an eco-system leading to smart government and technology/innovation-driven services, the workforce remains at the centre of ongoing policy discourse in the UAE. With the growing number of unemployed young people and prospective future needs in the diversified economy, the national leadership has been pursuing a policy, known as Emiratisation, to absorb the unemployed national young people in the thriving private sector.

Despite diverse policies and programs, the goals of Emiratisation remain unfulfilled, particularly in the private sector. Emiratisation is now considered a challenging issue, while the solutions to the problems have not provided expected results. This paper aims at exploring the dynamics of Emiratisation by analyzing the underlying contextual factors, policies and programs, the outcomes and the challenges. This paper adopts the 'social engineering model' to reflect on the policies and programs implemented by the UAE Government.

### **Emiratisation: unfolding the policy dilemma in a unique context**

Emiratisation implies the nationalization of the workforce that focuses on a more visible Emirati workforce in all service and other sectors, which necessarily would lead to a gradual replacement of expatriate workforce by the local Emirati citizens. Emiratisation is an issue that needs some explanation in the backdrop of the small size of the local population, the abundance of natural resources, the post-oil economic diversification strategy, as well as the integration of the local economy into the global economic structure. This requires a reorientation of the collective mindset of the local citizenry.

At this moment, it is essential to reflect briefly on the context of the UAE. The UAE came into existence in 1971 with the federation of seven Emirates – Abu Dhabi, Dubai, Sharjah, Ajman, Ras Al Khaimah, Fujaira and Umm Al Quwain. It was a tribal society and the livelihood of Emiratis depended on agriculture, livestock, craft and pearling. The discovery of oil and gas gradually changed the structure of production. Notably, the rise of oil prices following the Arab-Israel war in 1973 poured a significant amount of revenues into the national exchequer, facilitating massive investment in physical and social infrastructure. Over the last 48 years, the structure of the economy has witnessed massive transformations with the service economy replacing the oil economy as the major contributor to national gross domestic product (GDP) (Government of the United Arab Emirates, 2018).

Politically, the UAE is a federal constitutional monarchy with a blend of tradition and modernity. A Federal Supreme Council governs the federal affairs made up of the Rulers assisted by the office of the President, the Council of Ministers, the judiciary and the parliament (Federal National Council). Each Emirate has a Ruler who assumes absolute power. The federal constitution has clearly demarcated the responsibilities of the federal and local governments.

Before the discovery of oil, pearl trading, maritime commerce, limited agricultural and livestock activities and small traditional manufacturing activities supported UAE's subsistence economy (Government of the United Arab Emirates, 2018). But within four decades, the country has transformed itself into a modern developed country. Debates abound on the causes of such rapid socio-economic transformations (Jones, 2017; Hvidt, 2009).

With the blessing of abundant natural resources and visionary leadership, the UAE has placed itself as one of the prosperous countries in the world, and there is international comparative data to corroborate this. Table 1 indicates some socio-economic indicators, showing that the UAE residents enjoy one of the highest per capita incomes in the world. The level of economic and social development has also risen sharply over the years.

Advancements in the socio-economic spheres have also been associated with remarkable improvements in administration and governance. Comparative data from the World Bank's good governance indicators, World Economic Forum's Global Competitive Index, and the World Bank's 'Doing Business' indicate tremendous progress in public service delivery, business climate, and institutional development (Khalid and Sarker, 2019).

The reality is that the segmented labor market has made the Emiratis a minority. While the job prospects in the public sector are on the verge of saturation, there is no other option for policymakers but creating job opportunities for the unemployed Emiratis in the burgeoning private sector. However, Emiratization entails a broader meaning. It is not merely about creating job opportunities but also about repositioning Emiratis in the thriving social and economic arena of the country.

Demographic imbalance has remained a significant feature in the UAE over a long period. The World Bank (2020) estimated a population size of 9.63 million, of which expatriates account for around 88.50 percent and 11.50 percent indigenous Emiratis. The influx of expatriates commenced in the 1960s, gained momentum in the 1970s and has continued to increase following the country's transformation into a diversified economy.

The trends in the demographic composition of the Emirati people have not been merely compatible with the escalating economic activities. In 1975, the total size of the population was 558,000, of which 356,000 were expatriates and 202,000 Emiratis. In 2018, the total population jumped to 9.50 million with 8.447 million expatriates. "Emiratis are a minority in their own country, comprising two of every ten in the population" (Al-Ali, 2008, p. 1). As economic activities triggered by the oil boom and diversifications increased, so did the inflow of expatriates. Though Emiratis constitute 11.5 percent of the total population, they represent less than 10 percent of the active labor force (Daleure, 2017). Studies show the rising trend of unemployment among educated Emiratis. Sabry and Zaman (2013) estimated 14 percent, while another set of data provides an unpleasant picture of the rate of unemployment among the active Emirati population. The Federal Competitiveness and Statistics Authority (2018) estimated 6.6 percent, 29.1 percent, 23.8 percent, 15.7 percent and 14.6 percent unemployed Emiratis in the age groups of 15-19, 20-24, 25-29, 30-34 and 35-39 respectively.

Indicators	2005	2010	2019
GDP (million current US\$)	182 978	289 787	382 575
GDP per capita (current US\$)	39 955.3	35 037.9	40 698.8
Human Development Index (HDI)	0.825	0.836	0.866
HDI Rank	95	100	35
Expected years of Schooling (years)			13.6
Mean years of schooling (years)			11
Life expectancy at birth <sup>1</sup> (females/males, years)	76.3 / 74.1	77.3 / 75.1	78.2 / 76.1
Infant mortality rate (per 1 000 live births)	9	7.7	6.5
Education: Primary gross enrol. ratio (f/m per 100 pop.)		101.5 / 101.5	108.9 / 112.8
Education: Secondary gross enrol. ratio (f/m per 100 pop.)			93.0 / 98.6
Individuals using the Internet (per 100 inhabitants)	40	68	94.8

Sources: United Nations (2020); United Nations Development Programme (2019)

**Table 1.**  
Socio-economic  
indicators of the UAE

It is not merely the low number of the Emirati people that affected their ability to keep pace with increased economic activities. Socio-cultural factors, coupled with the education infrastructure and the need for increased flow of foreign direct investment, have also contributed to the asymmetric demographic situation.

While there is the need to correct labor market imbalance, the ownership of national prosperity and the preservation of national identity have also been significant drivers of the Emiratization policy. In an era of globalization, the erosion of cultural values has been a common phenomenon globally. UAE's political leadership is well aware of this trend and determined to preserve old national culture.

Another way to look at the Emiratization policy is through the integration of citizenry with spectacular socio-economic development as they may feel they have been dwarfed by the expatriates (Davidson, 2009).

### **Social engineering for Emiratization**

Social engineering, as an analytical model, has been in the realm of social science for a long time. The model is generic and employable by different types of organizations and also the state. In its simplest term, social engineering is planned intervention by the state to orchestrate social change and mould the behavioral patterns of the members of a society. According to Alexander and Schmidt (1996, p.1), social engineering means "arranging and channeling environmental and social forces to create a high probability that effective social action will occur."

The deployment of social engineering in the jurisdiction of the state can be traced back to the twentieth century. As the model is applied in the societal arena, it cannot be value-neutral. Accordingly, different types of regimes have adopted this model. Very often, it is misconstrued as it was used by authoritarian states such as the former Soviet Union, Maoist China, and Nazi Germany. The political projects orchestrated by authoritarian states prompted many neoclassicists, including Popper (2012), to criticise the social engineering model. However, scholarly works also contend that social engineering was not only nurtured on the soil of the authoritarian states; many advanced democratic and post-colonial states also embraced this model (Podgórecki *et al.*, 1996). In fact, many of these states nullified the obsession of the scholars with the ascendancy of the market forces and stimulated social and economic transformations (Zafarullah and Huque, 2012).

Abuse of the model for gratifying the ill purposes of the autocratic regimes did not preclude the possibility of deploying the model to pursue well-managed social and economic agenda by the state. There is a large body of literature that vindicates many non-democratic post-colonial states for accomplishing social and economic transformations through well-planned social engineering. The rise of South Korea, Singapore, and Malaysia bear testimony to this fact (Yeung, 2014; Vu, 2007). Social engineering efforts associated with the orthodox, old-fashioned authoritarianism focus on the ideological manipulation of citizenry with disregard to individualism, personal autonomy and the cultural fabric of society (Jones, 2015; Alexander and Schmidt, 1996). As opposed to the coercive mechanisms associated with the archaic dictatorial system, liberal social engineering has sneaked into many contemporary illiberal democracies. Notionally, liberal social engineering can only flourish in democratic societies that guarantee fundamental rights – property, civil and political. Jones observes:

By *liberal* social engineering, I mean social engineering efforts that conform to liberal ideals of character. In political theory, these include, but are not limited to, individualism, personal autonomy, critical thinking, secularism, and tolerance or open-mindedness. Such ideals may be imparted to citizens through education (civic and otherwise), public symbolism, and other mechanisms of social engineering (Jones, 2015, p.27).

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An intriguing question remains whether liberal social engineering can creep into illiberal democracies. Nevertheless, many illiberal democracies have embraced liberal ideals, *albeit* with some compromises. While many Middle Eastern countries have advanced economically, their social engineering policies vary based on the precepts of liberalism.

### **Liberal social engineering in the UAE: key steps**

The UAE is one of the gulf countries that attained considerable progress in social and economic spheres. The abundance of oil resources coupled with well-planned state intervention paved the way for massive transformations during the past few decades. Despite enormous prosperity, there exist several social and economic challenges. A segmented labor market with considerable presence of the expatriate workforce, growing unemployment among the local Emiratis and relative detachment of the local Emiratis from the flourishing economy have made the national leadership rethink the overall state strategies for integrating local Emiratis into the national economy and employment market. Accordingly, several policy and strategic attempts have been made to bring out the local Emiratis from the safety nets and to help them counter the competitive labor market. Leaving aside a few liberal ideals such as personal autonomy, the UAE political leadership has implemented some path-breaking reforms in different spheres. The most prominent ones include the introduction of a Western-style education system, Emiratization policy, the 'National Innovation Strategy' and the 'National Program for Advanced Skills.' In 2015, the UAE observed the 'Year of Innovation' and the leaders attempted to inspire the Emiratis to be innovative. The following year was declared as the 'Year of Reading' and they were motivated to develop the habit of reading (Jones, 2017).

Concerning educational reform, the UAE Government made the English language as the medium of instruction in the business, engineering, basic science, health and medical schools in the tertiary education sector. The major state-run universities introduced conventional liberal arts, humanities and social science disciplines to equip the Emirati graduates with diverse skills. Well-planned programs to promote entrepreneurship among Emirati nationals and a festival of thinking are also examples of social engineering with a liberal flavor. According to Jones,

... the UAE's leaders hope to convert their citizens many of whom are of Bedouin descent into a new kind of citizen, one who is more modern in the eyes of rulers, more globalization-ready, and better prepared for a post-petroleum era. It is a vision of the citizen as loyal entrepreneurial bourgeois innovative, achievement-oriented, conscientious, civil, tolerant, hard-working, risk taking, business-starting, community-serving, and patriotic, one who embodies the classic bourgeois virtues, within authoritarian constraints (Jones, 2017, p. 2).

The UAE leadership realized early that people's needs had to be fulfilled and their concerns be addressed. They also took a new futuristic approach to capitalize technological innovation in creating public value and making their citizens happy. The Vice President and the Prime Minister of the UAE, Sheikh Mohammed bin Rashid Al Maktoum rightfully emphasized innovation as a means to an end. They ought to deliver their public promises, create values that match people's hopes and outcomes that would instil shared happiness amongst citizens (Al Maktoum, 2013, cited in Rahman and Said, 2015).

As reflected in its long-term strategic goals (i.e. the UAE Vision 2021), the UAE aims to achieve a competitive economy driven by knowledgeable and innovative Emiratis and a diversified and flexible knowledge-based economy powered by skilled Emiratis and strengthened by world-class talent to ensure long-term prosperity for the country. Recently, Sheikh Mohammed Bin Rashid, Vice President and Prime Minister of the UAE and Ruler of Dubai also envisioned UAE to be one of the top innovative countries in the world in the next

seven years. Central to these aims is the development of human and intellectual capital to promote innovation in UAE's public and private sectors. For the public sector, this means producing high caliber government officers, with (a) the skills to comprehensively develop innovation strategies and policies, and the capability to formulate innovative and workable solutions; and (b) the ability to manage the implementation of those solutions to achieve the intended outcomes (Rahman *et al.*, 2016). In 2014, the UAE Government adopted the National Innovation Strategy 2015 and in February 2018, the UAE Government approved the National Strategy for advanced Innovation. The new strategy is the updated version of the 2014 strategic framework.

Like other social engineering efforts, the UAE political leadership has ventured into Emiratisation to bring the Emirati nationals into the mainstream workforce. More specifically, Emiratisation is considered as a liberal social engineering project for the following reasons:

First, the lack of entrepreneurial spirit and the reluctance to work in the private sector among the Emiratis can partly be attributed to the generous benefits that the state provides to the Emiratis (Waxin *et al.*, 2018; Al-Waqfi and Forstenlechner, 2012). Similar reservations have also been echoed by private companies (Al-Waqfi and Forstenlechner, 2012). However, the social welfare regime is under scrutiny though complete overhaul is yet to come. The public sector job market is saturated with unemployment among educated Emirati youths increasing.

Second, the government has liberalized the requirement for foreign investors to have Emirati partners and has opened up many sectors where foreign investors can have 100% ownership (Lawrence *et al.*, 2018). This move is likely to reduce the scope for many Emiratis to earn income from partnerships with expatriates. The old practice of mandatory partnership was a special privilege given by the government to the local Emiratis (Mansour, 2017). Under this situation, unemployed Emiratis may not have many options but to seek jobs in the private sector, which has been made more lucrative through various forms of incentives.

Third, there is a practical necessity of creating a nationalistic zeal among the Emiratis to become active participants in the era of expanded economic opportunities.

### **Policies and programs**

Three critical institutional interventions such the UAE Vision 2021 (Government of the United Arab Emirates, 2019), the UAE National Innovation Strategy (Government of the United Arab Emirates, 2015) and National Program for Advanced Skills (Government of the United Arab Emirates, 2020) were promulgated at the critical juncture of the UAE's political economy. These documents emphasize self-determination of Emiratis and their skill requirements to lead a future agile government.

#### *The UAE Vision 2021*

The UAE Vision 2021 aims at unlocking the potentials of citizens and enabling them to be a driving force of the UAE's economic development. The Vision summary (Government of the United Arab Emirates, 2010) tells the whole story:

In a strong and safe union, knowledgeable and *innovative* Emiratis will confidently build a competitive and resilient economy. They will thrive as a cohesive society bonded to its identity, and enjoy the highest standards of living within a nurturing and sustainable environment (emphasis original).

The above summary of the vision spells out the four central tenets of Vision 2021: united in ambition and responsibility, united in destiny, united in knowledge, and united in prosperity.

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While the economic vision is well-articulated and to be materialized through the establishment of a knowledge economy (Ryan, 2016), no less important is the social engineering aspect. Moshashai observes that “behind the hyped economic diversification efforts by the state, lies an implicit social engineering and nation-building project, that is often overlooked but which is key to the overall success of reform in the UAE and the wider GCC” (2018, p. 6).

#### *UAE National Innovation Strategies in 2015 and 2018*

The quest for socio-economic transformation and social engineering envisioned in the UAE Vision 2021 was further bolstered with the adoption of the UAE National Innovation Strategy in 2015. UAE political leadership strongly emphasizes that innovation is the future of human investment. It is stated that:

Innovation, research, science and technology will form the pillars of a knowledge-based, highly productive and competitive economy, driven by entrepreneurs in a business-friendly environment where public and private sectors form effective partnerships (Government of the United Arab Emirates, 2015, p. 6).

The innovation strategy framework is built upon three pillars: innovation priority sectors, innovation champions and an innovation-enabling environment. The issue of Emiratization is clearly pronounced in the strategy framework. The strategy emphasizes that:

Given the importance of the citizen in the UAE’s development, the NIS focuses on individuals and entrepreneurs who exemplify a spirit of innovation. It appears to empower the nation to drive local innovation by developing innovative national talents and capabilities in science, technology, engineering, mathematics and entrepreneurship, while equipping individuals with the 21<sup>st</sup> century skills (Government of the United Arab Emirates, 2015, p. 10).

In February 2018, the UAE Government approved the National Strategy for Advanced Innovation. The new strategy is the updated version of the 2015 strategic framework.

#### *National Program for Advanced Skills*

In terms of specific skills, the UAE Government promoted a forward-looking advanced skills portfolio that includes 12 skills to meet the challenges of future government in the UAE (Table 2).

As part of the social engineering model, along with vision and strategies, the UAE Government has implemented numerous policies and programs (Table 3).

### **Current status and challenges of Emiratization**

While the progress of Emiratization in the public sector is encouraging, it is not satisfactory in the private sector. Toledo (2013) predicted that the Emiratization policy would possibly achieve some level of success in the short-run in an imperfectly competitive market situation, but in the medium-run, a higher level of labor mobility for migrant workers could potentially increase employment opportunities for native workers. In reality, only financial institutions in the private sector have shown positive results. In other areas, the gaps between targets and achievements remain quite high. Though consolidated data are not available, sector-wise data provide glimpses of the gaps that currently persist in the labor market. Banks and insurance companies were the first ones that came under the decree of the government in 1998, which required the implementation of the quota requirement of mandatory intake of 5 percent Emiratis. Over the years, more stringent regulations came into force requiring different kinds of commercial and industrial enterprises to employ a stipulated number of Emiratis. According to a 2016 report of the government, the achievement level of

Skill set	Ability
<i>Leadership</i>	Ability to effectively manage and inspire a team of people by assigning goals, aligning team members and supporting them in pursuit of those goals
<i>Empathy</i>	Ability to be aware of others' reactions and understand their behaviour from their point of view
<i>Growth mindset</i>	Ability to believe in and pursue self-development through dedication and hard work
<i>Social and cultural awareness</i>	Ability to navigate conflict, reconcile differences, and interact with other people in a socially, culturally and ethically appropriate way
<i>Adaptability</i>	Ability to change plans, Mathis's, opinions, or career plans in light of new information, circumstances, or technological advances
<i>Problem solving</i>	Ability to make complex connections as well as identify, analyze, and evaluate situations, ideas, and information to formulate responses and solutions
<i>Communication</i>	Ability to listen, understand, convey, and alter information to different audiences
<i>Collaboration</i>	Ability to work in a team toward a common goal, adjusting responses to others' actions as needed in order to advance group goals
<i>Creativity</i>	Ability to imagine and devise new, innovative ways of addressing problems, answering questions. Or expressing meaning through the application, synthesis, or repurposing of knowledge
<i>Scientific literacy</i>	Ability to use scientific principles to understand one's environment and test hypotheses
<i>Financial literacy</i>	Ability to understand and apply conceptual and numerical aspects of finance in practice
<i>Tech literacy</i>	Ability to understand. Re and emerging technologies to effectively access and manipulate data and find and share information to enhance learning and working environments

**Source:** Government of the United Arab Emirates (2020)

**Table 2.**  
Advanced skills in  
the UAE

Emiratization in the private sector was 3.38 percent and the share of Emirati in the workforce was 7.19 percent (Government of the United Arab Emirates, 2019). Another estimate suggests a slight increase in the number of Emirati women in the workforce (1.5%).

But on the other hand, the participation rate of Emirati men dropped from 64.1 percent in 2016 to 62.9 percent in 2017. Overall, the rate of increase of Emirati workforce increased by 0.1 percent (Sanderson, 2019). In the backdrop of the slow progress, the UAE Government announced in September 2019 that 18,000 new jobs would be created for Emiratis. Accordingly, the government committed a large amount of money to render training programs (Dhabi, 2019).

About the ongoing challenges in Emiratization, a recent study (Alnaqbi, 2019) reveals both contending and amenable views from selected respondents representing the public sector and private companies. The researcher intended to ascertain the views of five government officials and ten private sector leaders on the impending issues and solicited their ideas for strategies to make the Emiratization policy effective.

While all government respondents noted that the collaboration between the government and the private sector is crucial for the process of Emiratization, they observed that there was little collaboration between them. One respondent indicated that the private sector was inspired by the desire to make a profit and was not really interested in facilitating Emiratization. Another government official noted that private companies prefer hardworking workers from any nationality but are committed to the process of Emiratization. Interestingly, one of the respondents opined that even if the problem of Emiratization was to be solved and that the unemployment levels were to reduce, there would still be a need to import labor because of the high demands of the country's economy.

Year	Details
1980	Federal Law # 8 MoHRE will have a special department dedicated to find adequate job opportunities for nationals. The department must assist employers in fulfilling their need of national workers whenever needed.
2005	Ministerial Orders 41, 42 and 43 of 2005 impose on private sector employers a quota system, whereby every company with more than 100 employees is obliged to recruit (and retain on the payroll) the stipulated number of UAE nationals to ensure the minimum percentage of participation of Emiratis in the workforce. Companies with lower grading are required to file mandatory financial guarantees, the amount of which will depend on the category of the employer (as set out in the relevant Order).
2006	Cabinet Resolution on employment of UAE Nationals with special need <ul style="list-style-type: none"> <li>• National Human Resource Development and Employment Authority (Tanmia); now a part of MoHRE</li> <li>• Emirates Nationals Development Programme</li> <li>• Abu Dhabi Human Resources Authority</li> <li>• Dubai Government Human Resources Department</li> <li>• Sharjah Govt. Directorate of Human Resources.</li> </ul> <p>These entities develop the skills of UAE nationals and prepare them for the job market. The entities also serve as recruitment agencies offering a channel for the UAE nationals and employers to reach out to each other.</p>
2009	Cabinet Resolution regulating termination of UAE Nationals working in the private sector
2016	All construction facilities with a workforce of 500 or more employees must appoint at least one Emirati occupational health and safety officer beginning in 2017, the Ministry of Human Resources and Emiratization has announced.
2016	2016 Companies registered with Tas'heel's online services and employs over 1000 workers will be required to hire Emirati citizens for the 'Data Entry' positions starting 2017, the Ministry of Human Resources and Emiratization announced.
2018	Ministerial Decree No. 519 of 2018 on Regulations and Conditions of Training and Employment of Students
2018	Ministerial Decree No. 212 of 2018 on Regulation of employing nationals in the private sector
2018	Absher is an initiative supervised by Ministry of Presidential Affairs and implemented by MoHRE in order to provide a decent life for UAE citizens. The aim of this initiative is to provide approximately 20,000 jobs for citizens in the coming period. Under the Absher initiative, the "Discounts and Offers" program aims to support the Emiratis working for the private sector. However, they have to be registered with the Ministry of Human Resources and Emiratization (MoHRE). It's a partnership between the public and private sector. Emiratis are entitled to receive discounts on basic services such as, housing, aviation and insurance.

**Source:** Government of the United Arab Emirates (2019)

**Table 3.**  
Application of  
Emiratization:  
establishment of  
organizational units,  
quota and incentives

Importantly, a government officer highlighted the importance of bridging the gap in the technical expertise of Emiratis, especially in the field of science, technology, engineering, and mathematics, while the existing educational trend is to obtain degrees in social sciences. On the other hand, respondents from private organizations indicated that the government ought to understand the needs of the private sector. They also admitted that by and large, the private sector would not understand the needs of the local labor market and so was unable to support Emiratization effectively. Private company executives hoped that the process of absorbing nationals could occur with a solid two-fold plan aiming at improving both the rates of unemployment as well as improving company successes (Alnaqbi, 2019).

For increasing the low-level Emirati interest and absorption in the UAE's private sector, most respondents wanted to see the role of the private sector to communicate with the UAE Government to manage Emiratization in the long term strategically. One of the government leaders recommended oversight from both parties to ensure the smooth progress of the Emiratization process. Conversely, another participant believed that the Emiratization

process was a responsibility of all citizens in the country and, hence, private companies should also be involved in the process. Participants in the private sector felt that the government needs to manage human and financial resources by designing effective training programs for the Emirati nationals to improve their skills and employability (Alnaqbi, 2019).

Evidently, for most Emiratis, the public sector is the most preferred option for employment because of the compensation package, holidays, pension, working hours, career, etc. (Ryan, 2016; Al-Ali, 2008; Daleure, 2017; Al-Waqfi and Forstenlechner, 2014). The private sector offers minimal incentives for Emiratis. Because of the flexible labor policy, the private sector has always hired its required workforce from poorer countries with low wages. On top of it, because of poor employee relations and lax labor administration, private sector employers have had relatively relaxed controls over their employees in terms of contract enforcement and dismissal. Private-sector employers are suspicious of the Emirati employees who could be eager to exert both their formal and informal rights. On the other hand, foreign employees have minimum rights, which the employers find much more comfortable to comply with, albeit paying them low salaries for quality performance (Al-Waqfi and Forstenlechner, 2014).

Moreover, a large body of literature identified prevailing cultural norms as deterrents to Emiratis' participation in the private sector (Al-Ali, 2008; Al-Waqfi and Forstenlechner, 2014; Daleure, 2017; Waxin *et al.*, 2018). A case study on Al Futtaim UAE, however, reveals an optimistic picture. The study shows an encouraging growth of culture on the one hand and increasing efficiency displayed by Al Futtaim group in implementing the Emiratization policy. From the Al Futtaim employer perspective, the challenges are associated with perception, expectations, quality of education, human resource systems and policy ownership (Al Khatib, 2016). These challenges call for a comprehensive review of the Emiratization policy outcome. Another study provides a somewhat different reason for the persisting low rate of employment of Emiratis in UAE's private sector - that the business model of private enterprises is usually to increase the profits they can make, which is usually at the expense of the workers (Sherif, 2013, cited in Alnaqbi, 2019).

Contradictory government policies seemingly pose challenges to the Emiratization process. The extremely liberal welfare system of the government for citizenry has played a significant "role in shaping negative attitudes toward employment in the private sector and, in some cases, employment in general. The local population has become heavily dependent on the state; hence they have lost the urge or the need to exploit their full potential" (Kayed and Hassan, 2011, p. 61).

### **Strategic direction**

It appears that the Emiratization policy is confronted with some complex challenges. These challenges must be addressed and overcome to make the policy successful.

#### *Synchronizing the Emiratization policy with advanced skills*

The British Council UAE report suggests that the new tech-enabled work paradigm already exists in the UAE, affecting every sector. As the Manufacturing Director of Mars (UAE) put it, "being tech-savvy will be an essential skill requirement across all levels, roles and age profiles." The report highlights the widening gap between employer requirements and available skills in the UAE. As much as 40 percent of the employers think lack of skills was the main reason for entry-level job vacancies, while 60 percent observe that new graduates were not adequately prepared for the world of work (British Council, 2018).

As indicated in Table 2, the UAE Government Advanced Skills Framework also needs to be synchronized with the Emiratization policy. In the recently held 'Agile Government Public

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Policy Forum 2020', a number of presentations focused on the need for future employees and leaders to gain new skills. Based on their recent survey among public sector officials in Dubai, Saeed *et al.* (2020) provided a thorough analysis of the gap between the skills they currently have and what is needed in future.

The British Council report also suggests strong collaboration between educational institutes and employers, as almost 79 percent of respondents in the British Council survey opine this view. It is therefore imperative that in the current age of the 4th industrial revolution, Emiratis need to be equipped with the necessary education and skills to be able to meet the changing demands of jobs in the public and private sectors.

It is promising to see that the National Program for Advanced Skills has already launched the 'Skills Cube' initiative at the Zayed University's main campus in Abu Dhabi. The 'Cube' is part of the 'My Skill 12x12' campaign; it seeks to create new opportunities for employment and excellence in various vital sectors and will include several activities and workshops across the UAE (Government of the United Arab Emirates, 2020). More collaboration is possible involving the industry and private sector into a triple helix space that will promote Emiratization through more action-oriented learning programs.

This type of government-academic collaboration needs to be formalized by updating the Emiratization Law. Adding appropriate clauses to the Emiratization Law may provide a clear direction to the Emirati job seekers to equip themselves with appropriate knowledge and skills needed for the evolving and uncertain future.

#### *Overcoming cultural barriers in the age of globalization*

The future of work in the UAE is undergoing major shifts, driven by not only technological evolution but also globalization. Ongoing global transformations will impact the local workforce and the labor market. In this age of 'globalization' and technological spread, Emirati job seekers should transcend cultural barriers to contribute their knowledge and skills to both government and private sectors by being inclusive agile catalysts. This also calls for a role by the government to revamp local taboos and public value and to cultivate a new pattern of leadership and deft skills amongst the Emiratis. This way, overcoming Emirati job seekers' mindsets could be possible. The enduring commitment from the UAE Government towards its local human capital will facilitate this change.

#### *Policy monitoring*

Adequate policy monitoring by the government may also help address some of these issues and improve the employment conditions for Emiratis in the private sector. The issues need to be addressed by the UAE Government and the private sector collaboratively to ensure that the Emiratization policy agenda makes steady progress in the coming years.

#### *Fostering Public-Private Partnership (PPP)*

The UAE public sector has already opened the door for PPP projects. The promulgation of the Public-Private Partnership (PPP) law 2015 by the Government of Dubai is a big step forward towards exploring possible collaboration between government and industry. PPP can meaningfully focus on widening the opportunities for Emiratis on private sector employment, complying with the Emiratization Law.

### **Conclusion**

The thrust of Emiratization prompted the UAE Government to adopt social engineering as a tool to connect people with the knowledge-based economy (i.e. a key pillar of the UAE Vision 2021) and to provide them sustained prosperity. This would be challenging in this age of

disruptive technology, globalization and demographic change. The Emiratization policy journey has shown some remarkable success in terms of accommodating the local human capital in government jobs; however, it remains perplexing in the private sector.

Based on the theoretical understanding of social engineering, this paper aimed to examine the rationales and impact of the process on Emiratization, as well as its pitfalls and future challenges. The implementation of the Emiratization policy has shown positive results in achieving high-level employment of Emiratis in the government sector and enhanced their social and economic profile, but this study also reveals a rather dismal picture on the industry front. This needs a range of actions and understanding by the UAE Government, private sector and academic institutions alike. In this way, the UAE society, which has already attained sustainable prosperity, can be a best practice model for its workforce. The country can work toward the 'UAE Centennial 2071' vision that sets its goal for future generations to live a happier life in a better environment, with bigger opportunities and more robust communication with the world.

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#### About the authors

Abu Elias Sarker is an Associate Professor of Department of Management, University of Sharjah, United Arab Emirates. He received his PhD in Public Administration from the University of Liverpool in 1991. Dr. Sarker has researched and published papers on public management reforms, governance, accountability, decentralization and local government in reputed and refereed international journals. Abu Elias Sarker is the corresponding author and can be contacted at: [elias@sharjah.ac.ae](mailto:elias@sharjah.ac.ae)

Mohammad Habibur Rahman is a Professor at the Mohammed Bin Rashid School of Government in Dubai, United Arab Emirates. He received his PhD from the University of Wales in 1994 and later held two visiting positions, as Senior Fulbright Scholar at Maxwell School of Syracuse University in USA and Visiting Fellow at York Centre for Asian Research of York University in Canada. Prof. Rahman has published papers on governance, civil service reforms, local government, human resource management, e-government and knowledge sharing in top-ranked international journals.

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# Governance and administration in Sri Lanka: trends, tensions, and prospects

Governance  
and  
administration  
in Sri Lanka

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Ramesh Ramasamy  
*University of Peradeniya, Peradeniya, Sri Lanka*

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## Abstract

**Purpose** – The purpose of this paper is to examine the status of governance and administration in Sri Lanka in light of current crises and the impact on the quality of governance.

**Design/methodology/approach** – The mixed method approach is employed to explore the problem based on secondary data and results from two major surveys.

**Findings** – This paper shows political and administrative commitment and quality of governance are two basic ingredients for rapid development and fighting administrative malpractices. Sri Lanka's system of governance is a mixture of paternalism and alliance developed through political dynasty, kinship, ethnicity, caste, religion, and elitism.

**Originality/value** – This study fills the research gap as few studies have examined the recent crises of Sri Lanka's governance and the impacts on governance quality.

**Policy implications** – Only by implementing administrative and policy reforms will not improve governance quality in the absence of strong political and bureaucratic commitment. Moreover, global anti-corruption measures are unlikely to work in the Sri Lankan context.

**Keywords** Governance, Public administration, Corruption, Quality of governance, Sri Lanka

**Paper type** Research paper

## Introduction

This paper examines contemporary issues of governance and administration in Sri Lanka. It focuses on current trends and crises in governance and its impact on institutional quality. The paper argues that the two key requirements for development in any country are political stability and quality governance. Over the last two decades, 'governance' has come to be considered as a core development problem in many developing countries, and they are unable to exercise effective, accountable, impartial, and transparent public authority (Institute of Development Studies, 2010, p. 5). Fukuyama (2013, p. 4) defines governance as "a government's ability to make and enforce rules, and to deliver services, regardless of whether that government is democratic or not." In the past decades, the quest for better and sound governance has been on the policy agenda of governments in Sri Lanka, but the indicators continued to show poor performance. Various reforms, institutional changes and policies have attempted to improve and streamline the governance process at all levels. Despite these experiments and efforts, governance and administration continue to remain unresponsive, unaccountable, non-transparent, unfair, centralized, and rigid (Haque, 2001; Transparency International, 2019; Bandara, 2013; Jamil *et al.*, 2013). This pattern has led to wicked issues, including corruption, poor service delivery, poor quality of public institutions, and political interference in the implementation process. It was during the British rule that a modern administrative system was introduced in Sri Lanka, aiming at depersonalization of public

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service and loyalty to an office rather than to a person (Bandara, 2013, p. 475; Warnapala, 1974; Leitan, 1979).

The administrative system in Sri Lanka has five levels of governance structures - national, provincial, district, divisional, and village, and they function under a strong centralized system. The prevailing multi-level governance structures have resulted in complexities and crises in governance and administration. The reforms introduced in the 1970s and 1980s with the support of IMF and the World Bank with the view of improving public sector performance and efficiency were never realized in practice, and eventually, it became a source of corruption, nepotism, and rent-seeking (Samaratunga and Pillay, 2011, p. 5; de Alwis, 2013; Haque, 2001; Liyanage *et al.*, 2018). This has considerably affected social rights of Sri Lankans. Although successive governments placed high priority on service delivery, it is evident that the quality of goods and services in terms of access, equity, efficiency, and sustainability has progressively deteriorated (ADB, 2004, p. 15).

A considerable number of studies have examined public administration in Sri Lanka and focused on its history, development, structures, and reforms (Bandara, 2013; de Alwis, 2013; Nanayakara, 2015; Somasundaram, 1997; Warnapala, 1974; Samaratunga and Pillay, 2011, Haque, 2001). Few of these studies have documented recent changes and patterns of governance and administration, and there is scant evidence of examining the contemporary governance crisis in Sri Lanka. This paper intends to fill the gap in the literature. Governance related issues deserve serious consideration as there is limited research on context-specific testing and redefining of governance (Samaratunge and Pillay, 2011; Gunapala, 2000). This paper explores the reasons for the low quality of performance and weak integrity of governance institutions, in spite of several efforts for improvement in post-independence Sri Lanka.

This paper is based on a mixed-method approach (Creswell, 2014). It uses a large volume of secondary sources together with two survey results. The first one is the *Citizens' Trust in Political and Public Institutions of Sri Lanka* carried out in 2015 under *The Norwegian Programme for Capacity Development in Higher Education and Research for Development* (NORHED) project on Policy and Governance Studies in South Asia with 1,500 respondents from 12 districts of Sri Lanka. The second is the *Global Corruption Barometer Survey for Sri Lanka* undertaken in 2019 by Transparency International in nine provinces with 1,300 respondents. The qualitative evidence gathered from secondary sources is used to substantiate quantitative data. The second section discusses the theoretical standpoints, and the third analyses governance performance and political implications. The fourth section explores the issues of corruption and the quality of governance, followed by concluding remarks and policy implications.

### **Changing face of governance**

Although the concept of governance has been widely discussed among policymakers and scholars, there is no strong consensus around a single definition of governance and institutional quality (Kaufmann *et al.*, 2010, p. 2; Fukuyama, 2016, p. 90). Kaufmann and Kraay (2002, p. 5) described "governance as the traditions and institutions by which authority in a country is exercised". They included three dimensions: (1) the process by which governments are selected, monitored, and replaced, (2) the capacity of the government to formulate and implement sound policies effectively, and (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them. The second dimension is much relevant in measuring the quality of governance, which includes the indicators of government effectiveness and regulatory quality. The former captures the perceptions of the quality of public services and civil service and the degree of its independence from political interference, the quality of policy formulation and

implementation, and the credibility of the government's commitment to such policies. The latter covers the ability of the government to formulate and implement sound policies and regulations (Kaufmann *et al.*, 2010, p. 3). The third dimension highlights the rule of law and control of corruption. Rose-Ackerman defines corruption as the 'misuse of public power for private and political gain.' She views it as a symptom that something has gone wrong in the management of the state and institutions that were designed to govern the interrelationship between citizen and state. Instead, it is used for personal enrichment and the provision of benefits to the corrupt (1999, p. 9).

Holmberg and Rothstein (2012) argue that various development outcomes including per capita GDP growth are strongly correlated with the quality of the state services, institutions and government than democracy. Similarly, it is argued that citizens' satisfaction on government and service provision is strongly correlated with the quality of government and bureaucracy (Dahlberg and Holmberg, 2014). Holmberg *et al.* (2009, p. 145) provide statistical evidence that subjective health, GDP per capita, GDP growth, social security, happiness, and life satisfaction all have positive correlation with the quality of governance. Fukuyama shows the growing significance of transparency and citizen participation in governance as the mechanism for improving institutional performance by highlighting the Open Government Partnership and Extractive Industries Transparency Initiative. This is derived from principal-agent theory to hold politicians and bureaucrats accountable to citizens/voters (2016, p. 93).

Rothstein (2011), Rothstein and Teorell (2008, 2012) and Holmberg *et al.* (2009) support the new concept of *Quality of Government* (QoG) that indicates how high quality of government can offer the benefits of economic growth and social development. They argue that democracy is primarily concerned with access to government power, but QoG goes beyond that. Further, weak economic growth and corruption are outcomes of the low quality of government institutions, which exercise and implement policies and laws (Acemoglu *et al.*, 2001; Knack and Keefer, 1997; Mauro, 1995). The QoG ideas seem to have a significant impact on noneconomic variables, including subjective human-wellbeing, happiness, satisfaction, fairness, integrity, accountability, responsiveness and transparency.

Huther and Shah (2005) stated that "governance is a multifaceted concept encompassing all aspects of the exercise of authority through formal and informal institutions in the management of the resource endowment of a state. The quality of governance is thus determined by the impact of the exercise of power on the quality of life enjoyed by its citizens (cited in Rothstein and Teorell, 2008, p. 170). Thus, QoG is achieved when government officials do not take into consideration anything that is not stipulated in the policy and the law while implementing laws, policies and programs," (Rothstein and Teorell, 2008, p. 170; Rothstein and Teorell, 2012, p. 25). Studies demonstrate that it is more likely to decrease corruption and increase citizen trust in the government, officials, and political actors when QoG principles are upheld. This, in turn, provides legitimacy for the political system and government policies.

Werlin (2003) argues that developing countries suffer more from inadequate governance than inadequate resources. Hope (2009) suggests that developing countries need to strengthen governance in their countries to overcome critical problems such as corruption and poverty. Generally, governance in developing countries is challenged by ethno-social fragmentation and divisions and they operate in the context of multiple stakeholders, fragmentation and vested interests. In developing countries, centralization, authoritarianism, hierarchy and inflexibility provides limited scope for diverse actors to take part in policymaking and implementation (Samaratunge and Pillay, 2011, p. 391; Narayan *et al.*, 2000).

Haque (2001, pp. 1423-1424) stresses that negative perception regarding the performance and integrity of political and administrative institutions can adversely affect people's trust in

governance and legitimacy. It is fair to argue that low quality of governance coupled with rampant corruption seems to have a greater impact on growth, social and human development of developing countries (Holmberg *et al.*, 2009; Akcay, 2006; Kaufmann, 2004). This theoretical framework will help explain the state of governance in Sri Lanka by highlighting institutional decay, excessive politicization, corruption and quality. Institutional trust was measured based on the following question: “I am going to name a number of organizations and institutions. For each one, could you tell me how much confidence you have in them?” We measured the quality of governance and corruption based on citizens’ views on the trustworthiness of public officials and attributes such as impartiality, neutrality, fairness, benevolence, helpfulness, responsiveness, and honesty.

**Governance performance: political impact and implications**

Despite the introduction of NPM reform-measures in public administration in Sri Lanka, the implementation of many policies reflects the feature of patron-client relationships. This is a common pattern in South Asia, where paternalism and informal relations are closely connected and have deeply entrenched in governance (Jamil *et al.*, 2015, p. 2; Haque, 2001, p. 1406). The reformers’ major concerns have been to improve the quality of governance through public-sector efficiency and efficacy, to make the sector more responsive to citizens’ demands and aspirations, to reduce public expenditures, and to enhance political and administrative accountability (Christensen and Læg Reid, 2011, p. 1). Although Sri Lanka remains in a better position in terms of human development, the nation is still poorly managed (ADB, 2014). Public policymaking does not reflect citizens’ interests, and public officials are not held accountable for their actions. Governance performance based on indicators published by the World Bank and Transparency International, Sri Lanka lags far behind on many issues as illustrated in Table 1. These create daunting challenges to Sri Lanka, which has experienced three decades of violent conflict and authoritarian rule in the past.

Sri Lanka is placed in the midrange between 40th and 55th percentile ranks for all indicators for the period covered in this table, except for voice and accountability. In terms of the WWGI ratings, Sri Lanka scored reasonably well on the rule of law, but poorly in control of corruption, political stability, and the absence of violence. Notably, political instability has

Indicators	2014	2015	2016	2017	2018
Human Development Index (HDI) (value)	0.77	0.77	0.77	0.78	0.78
Corruption Perception Index (CPI) (score)	38	37	36	38	38
Worldwide Governance Indicators (WWGI) (score)					
Governance effectiveness	56.25	53.37	51.44	48.08	45.19
Voice and accountability	28.08	36.45	43.35	43.35	46.80
Political stability and absence of violence	34.29	50.48	46.67	42.38	40.48
Regulatory quality	50.48	51.92	51.44	50.48	47.12
Rule of law	50.00	57.69	58.17	55.29	55.57
Control of corruption	44.71	45.19	46.67	41.35	43.27

**Table 1.** Sri Lanka’s scores in Human Development Index, Corruption Perception Index, and World Bank’s Worldwide Governance Indicators, 2014-2018

**Note:** Low score means a high incidence of corruption. The scoring system ranges between 0 (public sector perceived as highly corrupt) to 100 (public sector perceived as very clean). According to the 2019 CPI results, Sri Lanka is ranked 93 out of 180 countries with a score of 38. HDI is a composite index measured based on three dimensions such as long and healthy life, knowledge and a decent standard of living, and it ranges between 0-1. 1 is the most developed country. The WWGIs shows the percentile ranks range between 0-100 where higher values corresponding to better outcomes on the six indicators.

**Source:** Transparency International (2020); The World Bank (2019)

become a prominent feature of Sri Lanka's politics since 2015, and religious violence that took place in 2017/18 further aggravated the problem. There was an improvement in the areas of accountability and voice during 2016-2018, but no significant change in controlling corruption. This indicates a conundrum in corruption research and questions the impact of the rule of law in corruption control. Government effectiveness was affected due to political instability, violence and massive corruption. However, the perception of the quality of governance in the country has hardly changed, although Sri Lanka is positioned in the mid-range in WWGIs, CPI, and Global Competitiveness Index.

Considering the performance in governing and indicators for Sri Lanka, governance reforms have had minimal impact due to deep-rooted institutional crisis and decay. Institutional, legal, and policy loopholes are inimical to governance because of the influence of paternalism in policymaking, which is common in developing countries (Haque, 2003). It may also be argued that the performance or impact of governance-related reforms carried out through policy and institutional-based programs have been uneven.

In Sri Lanka, changes of government significantly influence the continuity of governance related policies. Since independence, two major political parties (United National Party and Sri Lanka Freedom Party) with rival political and economic ideologies ruled the country. Policy measures for improving governance by one party are not likely to be continued after a change of government. With the introduction of the system of proportional representation in 1978, the size of government and the number of ministries expanded to secure support and satisfy political allies. Many of these ministries have overlapping responsibilities and remain fragmented with unclear mandates, roles, and functions.

Furthermore, opposition from political parties, trade unions, and stakeholders remain an obstacle to restructuring and improving governance. This does not apply only to Sri Lanka, but also to other developing countries which are striving to enhance governance quality (Samaratunge and Pillay, 2011). Apparently, the administrative culture remains powerful and deeply rooted in these countries where informal norms and values encourage malpractices, with complete disregard for formally established procedures (Baniamin *et al.*, 2019). This context calls for institutional revolutions because reforming policies and programs are unlikely to result in major changes due to the deep-rooted culture of paternalism. In the case of Sri Lanka, informal norms, relations, and values become the rule of the game, and they cut through all bottlenecks to protect vested interests. Moreover, paternalism is an aspect of informal relations. According to Schick (1998, p. 128), "informality is a mixed blessing. On the one hand, it cuts through red tape, unresponsive bureaucracies, and bad policies; on the other hand, it opens the door to (sometimes institutionalizes) corruption and inefficiency."

Almost all governments in the recent past came to power with the promise of reforms to improve the quality of governance, make institutions more transparent, accountable to the people, and less susceptible to corruption. The Ten-Year Horizon Development Framework (2006–2016) of Mahinda Rajapaksa's government highlighted inefficiency and the need for improvement in the public administration system in several sections of their policy manifesto, including accountability and transparency (ADB, 2007, p. 4). It was expected that this strategy would help reorient public service, minimize procedural delays and structural inefficiencies in public institutions, and generate responsiveness to the demand for quality services. In reality, these promises were not materialized in a manner to help enhance the quality of governance and building citizens' trust in government.

This pattern was confined to not only the incumbent regime but also the subsequent government that came to power in 2015. The government itself came up with several policy possibilities to eradicate corruption and improve governance by establishing presidential commissions and other institutional structures to investigate various forms of corruption. The constitutional amendment, widely known as the 19<sup>th</sup> amendment, became instrumental during this period in improving governance, though it was not operationalised effectively.

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Despite these positive changes, high profile corruption was evident shortly after the government touting good governance came to office in 2015.

The amendment reduced the powers of the President in the affairs of public service by establishing independent commissions, Constitutional Council and enacting the right to information act. It was expected that all these changes would enhance governance quality, and the WWGIs and CPI also showed marginal improvement in many areas of governance during 2015-2017, but these were not sustained. The incumbent government (after the regime change in November 2019), headed by former military personnel, is more likely to reform governance structures with the objective of concentrating powers in the hands of the executive. Military personnel are deployed in the public institutions to oversee the work of public officials. Generally, actions of this nature lead to administrative–military conflict in service delivery and policy management. It seems that the government is inclined towards using a militaristic approach to civil service administration and governance (Uyangoda, 2020) and this could lead to a form of governance based on authoritarianism together with paternalism. Although there was a high turnover in electoral participation (70-75%), it had little impact on improving democratic governance. This shows how political regime influence in shaping governance in developing countries.

The most acclaimed aspect of the 19<sup>th</sup> amendment is the enactment of the long-awaited Right to Information Act (RTI). Three years after its implementation, the Act continues to remain as an example of the transformative impact of progressive and pro-citizen legislation, despite persisting challenges. The RTI commission makes a useful contribution to the implementation of the Act with limited institutional capacity. It has achieved progress regarding citizens' demands for information and declaration of assets by senior politicians, and many people have benefitted from this legislation. It is too early to assess the impact of these changes in governance indicators and institutional performance. Nevertheless, the Canadian Centre for Law and Democracy considers Sri Lanka's RTI as one of the most robust legislations in the world, and ranked Sri Lanka's RTI third in 2017 and fourth in 2018 in a list of 80 countries. However, this evaluation is based largely on the content of the Act, and not its implementation and impact. The law provides wider avenues for citizens to access a range of information held under the custody of public institutions, subject to certain limitations, and it helps in changing the long-standing culture of secrecy in public institutions. Without a functional democracy, the right to information may remain mere rhetoric, reflecting symbolic politics. Based on Sri Lanka's experience, it can be argued that institutional and policy innovations, reforms, and revolutions are extremely challenging in developing societies as the political changes and interests continue to influence policy choices and decisions. Further, reforms are less likely to be put into actions or practice, if they go against the existing administrative systems, informal working norms, privileges, interests that both political actors and bureaucrats have had been enjoying for a very long period.

The introduction of proportional representation in the constitution, have increased the visibility of elected public servants in policy implementation. Theoretically, policy implementation involves a series of managerial activities following policy formulation, and the former is considered to be the domain of appointed or elected public servants who are career professionals. However, elected representatives head the executive arm of the government. The direct intervention of elected representatives in policy implementation amounts to a biased administrative process (Gammampila, 1997, p. 319). It is argued that political control of the administrative process is necessary because political leaders are directly answerable to citizens, especially in matters of development and welfare. Failure or ineffectiveness of the legislative policy implementers or public officials also forced elected officials to intervene in issues related to service provision, which is a new development in Sri Lanka. This pattern led to undue political influence and politicization in the policy implementation process, and political actors were able to use public power for vested interests.

### Corruption, institutional performance and governance quality

Empirical evidence indicates that Sri Lankans bribe public officials and politicians for three main reasons: (a) to receive a service entitled to; (b) to avoid a problem with the authorities that provide various services; and (c) to speed up things. Interestingly, more than 50% pay bribe to speed up things. According to the Global Corruption Barometer for Sri Lanka (Transparency International, 2019, p. i), only around 47% trust the government, which means half of the respondents did not do so. Likewise, the *Governance and Trust Survey* (GoT Survey) (NORHED, 2015) showed very similar results. Approximately 80% consider corruption in the government to be a huge problem. The GCBSL survey indicates a rapid increase in corruption in areas related to climate change, natural resource utilisation, and disaster management and 51% of the respondents believe that corruption is rampant in these sectors. This is a new development in Sri Lanka, and large-scale scandals were reported in the areas of environment and natural resource management involving political leaders and officials. It has now gained increased attention as Sri Lanka has become a disaster-prone country over the past few decades. The survey reasserted that corruption has become a permanent feature in public and political institutions and a way of life among the poor segments of society where they have to bribe officials to get what they need.

Poor people suffer from indifferent treatment if they fail to bribe, even in needs-tested selective welfare programs such as poverty alleviation, relief distribution during an emergency, social security benefits, and housing. Several studies confirm this pattern in many developing countries (Persson *et al.*, 2013; Rothstein and Uslaner, 2016; Baniamin and Jamil, 2018). Rationality based on the principles of neutrality, universality, impartiality, formalization, procedural justice, and equality before the law has not taken deep root in the South Asian countries, unlike in the West. This is precisely the case in Sri Lanka, where “strong loyalties toward family, ethnic groups, religion, caste, kinship, and people from the same region or political party is prominent, instead of rationality” (Jamil *et al.*, 2013, p. 16). These have become informally accepted eligibility criteria for beneficiary selection and service provision where the poor people and minorities are more likely to be singled out for exclusion in service provision (Persson *et al.*, 2013; Baniamin and Jamil, 2018; Ramesh, 2020).

Seventy-seven percent of the surveyed respondents think that public officials and politicians abuse their power and position to benefit themselves or their families. An interesting finding of the survey is that 9% had stated that they bribed on the overt request made by officials, and in contrast, as many as 70% did so voluntarily, and 52% stated that it was due to an implicit understanding that a bribe is necessary to get their work done or expedited (Transparency International, 2019, pp. i-ii). The GoT Survey shows that only 40% seem to have trust in parliament and, quite surprisingly, a mere 24% trust political parties. A similar situation can be observed in the area of citizens’ trust in the civil service as well (66%). Similarly, GoT Survey indicates that Sri Lankans have low trust in the members of several professions, including civil servants (43%), central government politicians (46%), local politicians (12%) and police (19%). This vindicates that incompetency of public bureaucracy, low quality of governance and institutionalized corruption are two different types of state failure in developing countries (Dhalström *et al.*, 2013, p. 525).

The results of the GoT Survey to assess civil service trustworthiness in Sri Lanka show variations in respondents’ perceptions (in percentage) in public officials’ behavioural traits: prompt and efficient (37), corrupt (40), serving personal interest (51), helpful and responsive (40), difficult to get access to (43), reliable and trustworthy (35), treat all equally (21), discharging duties based on established procedure and norms (48), work transparently (19), and honest and truthful (22). This explains the quality of bureaucracy and governance – a larger segment of Sri Lankans seems to have little trust in the civil service and are unlikely to perceive them as trustworthy, helpful, benevolent, impartial, politically neutral and responsive. Such perceptions not only distort citizens’ institutional trust in public

institutions but may detrimentally affect social trust and social capital. If the governance structures and society are corrupt, people may have valid reasons not to trust their fellow citizens as well (Baniamin *et al.*, 2019; Rothstein and Uslaner, 2016). Gault (2016) and Persson *et al.* (2013) argue that when a society experiences systematic corruption, it shows the existence of a predictable and persistent social trap that cannot be removed without changing deep-rooted unethical and immoral social practices. When corruption becomes the rule of the game, public institutions become biased and unfair in practice.

In Sri Lanka, the problem of institutional quality became evident when respondents were asked about the effectiveness of the anti-corruption institution. There was a high level of uncertainty and skepticism on the action that would be taken after reporting against institutions for corruption. Interestingly, only 8% noted that it is very likely that actions will be taken after receiving reports, whereas 47% believed that it was “somewhat likely”. Empirical evidence shows that the level of awareness on the functions and powers of the main anti-corruption agency of the country (Commission on Investigating Allegations of Bribery and Corruption – CIABC) remain low among citizens, and a significant number of respondents noted that they are unaware of the reporting procedure for corruption. Sri Lankans are strongly dissatisfied with CIABC for its role in fighting corruption – around 74% noted that it is doing fairly badly or very badly in this regard (Transparency International, 2019). The GoT Survey shows that only 55% of Sri Lankans trust anti-corruption institutions. Empirical evidence indicates four key constraints in fighting corruption in Sri Lanka: (a) sense of fear of reprisals and loss of services and institutional supports; (b) lack of awareness of the procedures for reporting corruption; (c) low level of trust that actions would be taken upon reporting by the anti-corruption agency; and (d) the absence of concerted action to fight corruption.

Quah (1982) argued that the government’s effectiveness and sincerity in wiping out corruption not only depend on the formulation of anti-corruption laws, but the actual implementation without partiality that should have some effect on politicians and officials and at the societal level. Despite the passing of the Right to Information Act and the adoption of the Open Government Partnership (OGP) National Action Plan, Sri Lanka is yet to see robust action against corruption. These two crucial policy initiatives came into force in 2015 when Sri Lanka became the only South Asian country to sign the OGP declaration. Fukuyama, (2016, p. 99) believes this to be an initiative enabling citizen/civil society participation in governance and holding public institutions accountable and responsive, and empowering citizens.

The survey found the emergence of a new form of widely prevalent corruption in political and public institutions in Sri Lanka - ‘sextortion.’ Officials and politicians seek sexual favor in return for services. Based on their own experiences or from cases known to them, some 60% of respondents noted that public officials implied openly or suggestively that they would grant a benefit in return for a sexual favor (Transparency International, 2019, pp. i-ii). This has serious implications for gender equality and women’s access to public institutions to obtain legally mandated services where the institutions are male-dominated and patriarchal. This pattern places marginalized and socially excluded women into an extremely vulnerable position in which they are unfairly and indifferently treated in welfare service provision. According to Pierre and Peters (2000, p. 1), “thinking about governance means thinking about how to steer the economy and society, and how to reach collective goals.” Formulating collective goals require the inclusion and participation of people that would allow them to be directly involved in the process of governing, irrespective of all kinds of differences.

It could be argued that anti-corruption measures induced by principal-agent framework appear to help maintain the corrupt system, rather than reporting, punishing corrupt behavior, political leaders and citizens (Persson *et al.*, 2013, p. 454). Any anti-corruption effort without genuine political will and commitment can be unsuccessful will fail, as in the case

of Sri Lanka. The new regime that came to office in 2015 promised that they would review corrupt and immoral actions of their predecessors and bring them to justice. This was part of the justifications for their claim to power. Unfortunately, their anti-corruption efforts and institutions eventually have become immersed in the same corrupt system that they planned to fight. This becomes evident with high profile corruption scandals that have taken place in this country, including the Central Bank Bond scam (2015) and scandals involving Airbus (2019), Millennium City and MiG deal. This is the case in many developing countries where political leaders and officials often talk about accountability, openness and transparency but do not translate those into practice to detect and penalize corrupt behavior (Persson *et al.*, 2013, p. 455). Many have argued that some countries remain more corrupt than others because public acceptance of what is commonly understood as corruption varies significantly across cultures (Heidenheimer, 2002). This explains that what is considered a bribe in the Western context is simply considered a gift in developing countries with endemic corruption (Rose-Ackerman, 1999; Persson *et al.*, 2013). Since corruption remains a part of the administrative culture in Sri Lanka and it has been informally institutionalized, global anti-corruption packages cannot be expected to succeed in this case. This coincides with Larry Diamond's argument that endemic corruption is not some flaw that can be corrected with a technical fix or political push; it is the way the system works, and it is deeply embedded in the norms and expectations of political and social life (2007, p. 119). Reducing it to less destructive levels and keeping it there requires a revolutionary change in institutions.

## Conclusion

This paper explored contemporary governance crises and administration in Sri Lanka. It suggests that administrative, policy and legal reforms and institutional changes will not improve governance quality, unless strong political and bureaucratic commitment, system stability, and institutional revolutions can be ensured. Sri Lanka's administrative system has undergone several changes without producing major improvements in the governance process. Further, post-independence constitution-making led to the centralization of political power in the hands of the popularly elected political executive that paved the way for undue political influence and bureaucratic politicization. This has reduced most of the reforms into mere cosmetic exercises. As such, Sri Lanka provides a test case to understand the correlation between the political regime, reforms, administrative culture, and its impact on governance.

Policymakers can be aware that the current state of governance and administration in Sri Lanka is primarily shaped by socio-political and historical context, and this has to be appreciated and understood in planning reforms. There is a need for transcending and understanding the narrow definition of public sector performance based on criteria such as efficiency, competition, and revenue. It is necessary to incorporate other dimensions, such as the role of public governance in ensuring the rights and demands and inclusion of all groups in the governance process and addressing social inequality.

Persson *et al.* (2013) noted that the anti-corruption efforts influenced by the principal-agent theory are unlikely to work in developing countries where corruption is endemic and constitute part of the culture. Each developing society has unique features in the governance process, despite their colonial roots and shared history. These features in the case of Sri Lanka are ethnicity and family, religion and language. Based on the empirical evidence and theoretical discussion, Sri Lanka's form of governance can be described as a mixture of paternalism and alliance making. Traditional major political parties favor paternalism in which they are deeply rooted and impose a cross-cutting effect in all forms of governance due to the long-standing influence of political dynasty, kinship, ethnicity, caste, region, and nationalism. Later, colonial history, the emergence of power politics, and social order resulted in the development of a different form of governance in Sri Lanka.

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#### About the author

Ramesh Ramasamy, PhD, teaches at the Department of Political Science, University of Peradeniya, Sri Lanka at governance, public policy, human rights, development administration and research methodology at both bachelors and postgraduate levels. His research interests are mainly on quality of governance, corruption, institutional trust and minority rights. He has published several peer reviewed journal articles and book chapters, including "Quality of Government, Public Service Delivery and Institutional Impartiality in Ethnically Polarized Societies: Evidence for Policy Makers" (*Asia Pacific Journal of Public Administration*), *Public Administration in Sri Lanka: An Inquiry on Structures, Reforms and Management* (Palgrave Macmillan), *Party Politics in the Plantation Community of Sri Lanka: Growth and Changes* (Oxford University Press). He has coordinated two waves of governance and trust survey in Sri Lanka (2015 and 2020) under NORHED project. Ramesh Ramasamy can be contacted at: [ramnaresh45@yahoo.com](mailto:ramnaresh45@yahoo.com)

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# Determinants and convergence of government effectiveness in Africa and Asia

Government effectiveness in Africa & Asia

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King C.T. Duho  
*IMANI Centre for Policy and Education, Accra, Ghana*

Mark Opoku Amankwa  
*Kizer Consultants, Accra, Ghana, and*

Justice I. Musah-Surugu  
*International Development Specialist, Accra, Ghana*

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## Abstract

**Purpose** – The purpose of this paper is to examine the determinants and convergence of government effectiveness in African and Asian countries.

**Design/methodology/approach** – The study utilizes data from 100 countries in Africa and Asia from 2002 to 2018. The panel-corrected standard error regression is used for the regression analysis, while both beta-convergence and sigma-convergence among the countries are tested.

**Findings** – Both beta-convergence and sigma-convergence exist among African and Asian countries. Asia performs better than Africa across all indicators except for press freedom, and voice and accountability. Corruption perception index, government size, voice and accountability, regulatory quality and economic wealth have a significant positive effect on government effectiveness. Press freedom negatively impacts on government effectiveness, suggesting that freedom is necessary but not sufficient if there are political actors whose actions undermine freedom. Similarly, the political constraint index, as reflected by checks and balances are necessary but not sufficient to enhance government effectiveness, especially in Asia.

**Practical implications** – The results reveal that for press freedom and political checks and balances to enhance government effectiveness, there is a need for a different and holistic approach. The results are relevant for policymakers, public sector practitioners and academics.

**Originality/value** – This study utilizes a new dataset and is premier in exploring the convergence of government effectiveness among African and Asian countries.

**Keywords** Government effectiveness, Corruption, Press freedom, Regulatory quality, Accountability, Convergence

**Paper type** Research paper

## Introduction

The governance literature is yet to have a universal agreement on the measurement of indicators such as effectiveness and quality in performance measurement (García-Sánchez *et al.*, 2016, Brewer *et al.*, 2007). Effectiveness of government addresses whether public administration carries out its mandate as expected, whether citizens work hard and well, whether the actions of public servants and the procedures of the civil service achieve objectives and overall missions at large (Rainey and Steinbauer, 1999). Government effectiveness could be materialized by ensuring citizen-centric service offerings and actions of government by way of increasing accountability. There is empirical evidence to suggest

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that enhanced effectiveness of government will result in high economic growth, foreign direct investment, social infrastructure, public investment, quality procurement system, reduced corruption, and reduced infant mortality (García-Sánchez *et al.*, 2013).

A body of studies (Moynihan and Pandey, 2004; Kim, 2004) also suggest various models measure effectiveness while García-Sánchez *et al.* (2016) argue that studies that use explanatory variables to examine effectiveness are scanty. A scan through these nexus testing studies suggests that most of them are concentrated outside Africa and Asia but have a focus on the Western world. Brewer *et al.* (2007) argued that most of the governance research is limited to historical case studies, a result of complexity in making comparisons among countries. The problem with the extant literature for use today is that they do not account for new datasets and added variables that are also relevant. There are many regional and country-specific changes in regulations and performances of countries that warrant further investigation using the new data. For instance, the new public management and public financial management, the insurgence of technology and its application in the public sector have resulted in some gains across some countries in government effectiveness. The extant literature has also failed to answer the question as to whether less effective countries catch-up with more effective countries or not. The convergence theory has been used in the development literature to assess how countries mimic other countries to enhance their performances (Barro and Sala-i-Martin, 1991; Barro and Sala-i-Martin, 1992).

This paper examines the determinants of government effectiveness in Africa and Asia by addressing two research questions: (1) Does government effectiveness converge in Africa and Asia? (2) What are the determinants of government effectiveness in Africa and Asia? The study utilizes current data covering from 2002 to 2018 and the regression model to address the questions. The study used the panel-corrected standard error regression of Beck and Katz (1995), which accounts for both heteroskedasticity and serial correlation. Besides, the beta-convergence and sigma-convergence models have been used to test for the presence of convergence in government effectiveness (Barro and Sala-i-Martin, 1991; Barro and Sala-i-Martin, 1992). In a nutshell, the result indicates that both beta-convergence and sigma-convergence exist among African and Asian countries, with the latter showing a greater extent. Among all explanatory variables, Asia performs better than Africa except for press freedom, and voice and accountability. Corruption perception index, government size, voice and accountability, regulatory quality, and economic wealth have a significant positive effect on government effectiveness. Press freedom harms government effectiveness suggesting that freedom is necessary but not sufficient if there are political actors whose actions undermine freedom. Similarly, the political constraint index, as reflected by checks and balances, is necessary but not sufficient to enhance government effectiveness, especially in Asia. The results reveal that for press freedom and political checks and balances to enhance government effectiveness, there is a need for a different and holistic approach. This study utilizes a new dataset that helps in exploring the convergence of government effectiveness among African and Asian countries.

The paper is organized in this manner. The next section provides a conceptual discussion of government effectiveness, with a review of the extant literature. The methodology used to address the research questions is then discussed. The penultimate section provides a discussion of the results in line with existing literature. The final section concludes the study and provides cues for future research.

### **Literature review on government effectiveness**

#### *Concept of government effectiveness in Africa and Asia*

Government effectiveness is a concept that is relevant in the public policy space. Public policy is a means by which governments implement their political visions to deliver desired

changes. The effectiveness of government is an issue of concern for governments and the populace. Effectiveness is the measure of the quality of output and how well policy achieves desired objectives (Kim and Voorhees, 2011; Osborne and Gaebler, 1992). Measuring effectiveness entails the use of the opinions of stakeholders, which makes it a relative concept to assess. Government effectiveness encompasses the “perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies” (Kaufmann *et al.*, 2008). It constitutes sound policy formulation, proper implementation and citizen-centric policies in general. All things being equal, the more effective the government of a nation is, the higher the level of social welfare (Sacks and Levi, 2010). Thus, effectiveness is a key performance indicator of interest for African and Asian economies in improving the status of their citizens.

African and Asian countries still need to make more strides in government effectiveness. Comprehensive insights on the performance of countries can be assessed using the ratings of the government effectiveness index. The scores range from -2.5 (weak) to 2.5 (strong). This provides a year-on-year assessment of countries (TheGlobalEconomy.com, 2020). As of 2002, only 8 African countries out of 53 countries recorded a non-negative score under the government effectiveness index. These include South Africa, Botswana, Tunisia, Mauritius, Seychelles, Namibia, Senegal and Mauritania. As of 2018, this has changed as countries such as Tunisia, Senegal and Mauritania dropped while others like Cape Verde and Rwanda gained positive scores. Also, countries such as Chad, Democratic Republic of Congo, Sudan, Comoros, Central Africa Republic, Eritrea, Libya and Somalia are those at the bottom. More so, about 17 out of 48 Asian countries record non-negative scores on government effectiveness in 2002. These include Singapore, Hong Kong, Israel, Japan, Malaysia, South Korea, Macao, United Arab Emirates, Taiwan, Bhutan, Bahrain, Qatar, Maldives, Oman, Thailand, Jordan and Kuwait. This list increased to 23 countries by 2018 with some notable ones such as Georgia, China, Saudi Arabia, India, Indonesia, Philippines, Kazakhstan and Vietnam making some strides. The countries with the least scores are Iraq, Afghanistan, North Korea, Syria and Yemen.

### *Studies on government effectiveness*

Early studies on government effectiveness posit that national income is the only determinant of government effectiveness (Garcia-Sanchez *et al.*, 2013). Government effectiveness has been described by O’dwyer and Ziblatt (2006) as a concept that is clear intuitively but has been contested and very difficult to measure (Linz and Stepan, 1978). Effectiveness in the management literature encompasses the ability to achieve desired results despite resource constraints. Many researchers associated with the World Bank have been involved with the conceptualization and measurement of government effectiveness (Kaufmann *et al.*, 1999). This study uses a survey-based data on the “perceptions of the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government’s commitment to policies” (Kaufmann *et al.*, 1999, p. 8).

In the extant literature, some studies have explored the determinants of government effectiveness, while others examined how government effectiveness affects other macro-level variables. The first strand of such studies, such as La Porta *et al.* (1999) and Adsera *et al.* (2003), focus on the quality of government. La Porta *et al.* (1999) examined how political freedom, size of government, provision of a public good, efficiency in the public sector and government intervention affects the quality of government. The study found that cultural difference is vital for determining the quality of government. This was discounted by Islam and Montenegro (2002) in their study, which argues that social features do not affect the quality of government.

Adsera *et al.* (2003) found empirical evidence to suggest that the obligation that rests on political actors to act in the interest of electorates affects the quality of government.

The second strand of studies in this area explored the determinants of government effectiveness. Brewer *et al.* (2007) utilized the World Bank's Governance Indicators to explore the nexus between accountability, corruption and government effectiveness in Asian countries covering the period from 1996 to 2005. The result suggests that factors such as wealth and income, corruption, as well as accountability and voice significantly impact the effectiveness of Asian governments. Other variables included in the study are the rule of law, regulatory quality, political stability and absence of violence, which are all in line with the six dimensions of governance (WGI, 2020b). The study concludes that democratic governance does not influence government effectiveness, although Whitford and Lee (2012) found a non-linear link between democratization and income-adjusted government effectiveness.

Similarly, Lee and Whitford (2009) used the six dimensions of governance and other variables in their study to compare government effectiveness across countries covering from 1996 to 2006. The study argues that better insight is derived when multiple measures and cross-country analyses are carried out. Garcia-Sanchez *et al.* (2013) developed a framework of three categories of variables, namely organizational environment, organization characteristic and political characteristics as a set of variables that determine government effectiveness. Specifically, the study explored how economic development proxied by GDP per capita, educational status, the government size, gender diversity, and political constraint index affects government effectiveness. The result indicates a significant positive relationship

Author	Area	Key Variables
Brewer <i>et al.</i> (2007)	Accountability, corruption and government effectiveness in Asia	Voice and accountability, political stability and absence of violence, government effectiveness, the rule of law, regulatory quality, and control of corruption.
Lee and Whitford (2009)	Government effectiveness in 212 countries	Varied variables, voice and accountability, political stability and absence of violence, government effectiveness, the rule of law, regulatory quality, and control of corruption, Gross Domestic Product (GDP)
Ahlerup and Hansson (2011)	Nationalism and government effectiveness	Nationalism, ethnic fractionalization and trade openness
Whitford and Lee (2012)	Disorder, dictatorship and government effectiveness	Polity, English origins, land area, strong presidential system, weak presidential system, the strong federal system, weak federal system, proportional representation, military government, fraud in last national election, OECD member
Garcia-Sanchez <i>et al.</i> (2013)	Determinants of government effectiveness in 202 countries from 2002 to 2008	GDP per capita, educational status, government size, gender diversity, political constraint index
Magalhães (2014)	Government effectiveness and support for democracy	Free/Liberal democracy, GDP per capita, income inequality, ethnic fractionalization, gender, education, employment status
García-Sánchez <i>et al.</i> (2016)	Media freedom and government effectiveness in 202 countries from 202 to 2008	Freedom media press, GDP per capita, educational status, government size, gender diversity, political constraint index
Montes and Paschoal (2016)	Corruption and government effectiveness in 130 developed and developing countries from 1995 to 2012	Corruption perception index, control of corruption, gross government debt, inflation, trade openness, the rule of law and democracy

**Table 1.**  
Relevant literature on determinants of government effectiveness

between the explanatory variables and government effectiveness except for government size and political constraints index, which were negatively significant. García-Sánchez *et al.* (2016) included a variable to capture media freedom and found that in developed countries, the freedom of media enhances government effectiveness.

The third strand of studies explores the nexus between government effectiveness and various variables. For example, Ahlerup and Hansson (2011) explored the link between nationalism and government effectiveness, which is curvilinear and inverted U-shaped. Whitford and Lee (2012) also found a U-shaped nexus between democratization and income adjusted government effectiveness. Magalhães (2014) provides empirical evidence to suggest that government effectiveness results in quality policymaking and implementation, which provides support for democracy. Montes and Paschoal (2016) found that developing countries with more democratic regimes have effective governments.

The general perspective from extant literature is that a focus on Asian and African countries is still scanty. More so, there is paucity in the literature on the possibility of government effectiveness converging among countries and across time. This study aims to fill the gap in the literature by utilizing contemporary data.

## Methodology

### *Data and sources*

The study utilizes country-specific datasets sourced from different organizations, such as the World Bank, the International Monetary Fund, and Transparency International. The data covers in total, 100 countries with 53 from Africa and 47 countries from Asia. Also, the data span the period from 2002 to 2018.

### *Econometric model*

The study adopts the regression model of earlier studies to examine the effect of explanatory variables on government effectiveness. Since the study aims to carry out a comparison between the results in Africa and Asia, the analysis has been carried out with a pooled dataset and then separated based on the two continents. The regression equation is expressed as follows:

$$GE_{i,t} = \alpha_0 + \beta_1 CPI_{i,t} + \beta_2 PFI_{i,t} + \beta_3 PCI_{i,t} + \beta_4 LSIZE_{i,t} + \beta_5 VA_{i,t} + \beta_6 RQ_{i,t} + \beta_7 LGDPPC_{i,t} + \varepsilon_{i,t}$$

Eqn. 1

Where GE is government effectiveness; CPI is corruption perception index; PFI is press freedom index; PCI is political constraint index; LSIZE is the size of government; VA is voice and accountability; RQ is regulatory quality; LGDPPC is GDP per capita;  $\alpha$  is the constant term,  $\beta$  represents the coefficients, and  $\varepsilon$  is the error term. Also, the variables differ with time (t) and country (i).

The specification of the regression model and the regression technique used may have implications on the inferences made. Thus, the study checks for the presence of heteroskedasticity and serial correlation. The diagnostic tests are conducted using the serial correlation discussed by Wooldridge (2002) and Breusch-Pagan/Cook-Weisberg (Breusch and Pagan, 1979, Cook and Weisberg, 1983) Lagrange multiplier test, respectively. The panel-corrected standard error regression of Beck and Katz (1995) has been used, which corrects for the problem of heteroskedasticity and serial correlation. Table 2 presents the variables, their sources and a brief description for clarity.

### *Government effectiveness according to beta-convergence and sigma-convergence*

The study proceeds to explore the extent to which countries converge in terms of government effectiveness. Convergence occurs when poor performing countries developing relatively

faster than rich countries. In this study, the beta-convergence and sigma-convergence of government effectiveness have been examined in line with studies such as Barro and Sala-i-Martin (1991), Barro and Sala-i-Martin (1992), Parikh and Shibata (2004) and Duho *et al.* (2020). The beta-convergence utilizes a model to test whether countries with weak government effectiveness improve in performance than countries with strong government effectiveness. Also, sigma-convergence tests wither over time, and the dispersion of government effectiveness among countries diminishes. The following regression equations will be used to test for both beta-convergence and sigma-convergence, respectively.

$$GE_{i,t} - GE_{i,t-1} = \alpha + \beta GE_{i,t-1} + \gamma TREND_t + \varepsilon_{i,t} \quad \text{Eqn. 2}$$

$$M_{i,t} - M_{i,t-1} = \alpha + \beta M_{i,t-1} + \gamma TREND_t + \varepsilon_{i,t} \quad \text{Eqn. 3}$$

In this case, GE represents government effectiveness, and MGEt represents the mean of government effectiveness scores for a year,  $\alpha$  represents the constant term,  $\beta$  represents the coefficient of interest which could either represent beta ( $\beta$ ) or sigma ( $\sigma$ ) respectively,  $\gamma$  represents the coefficient of the trend variable, TREND represents trend and  $\varepsilon$  represents the error term. In each model, when  $\beta > 0$  there is an indication of divergence and when  $\beta < 0$  there is an indication of convergence. Thus, we conclude that there is a divergence when  $\beta$  is

Variable	Source	Definition	Sign
Government Effectiveness (GE)	World Bank	This variable covers issues such as the quality of the provision of public services, the quality of bureaucracy, the competence of the civil servants, the independence of the civil from political pressures and the credibility of government to the commitment to policies.	
<i>Independent Variables</i>			
Corruption Perception Index (CPI)	Transparency International	It ranks on a scale from 100 (very clean) to 0 (highly corrupt). Corruption is conceptualized as misusing public power for private gain.	+
Press Freedom Index (PFI)	Reporters Without Borders	Lower scores depict greater freedom of the press while a higher score depicts less freedom of the press. It measures the level of freedom available to journalists in terms of pluralism, media independence, legislative framework quality, and safety of journalists. It, however, does not rank public policy.	-
Political Constraint Index (PCI)	The Wharton University of Pennsylvania, Henisz (2002)	It ranges from 0 (high level of political hazard) to 1 (low level of political hazard). It measures the degree of check and balance.	-
Size of Government (SIZE)	World Bank	It is government spending in Billion USD.	+
Voice and Accountability (VA)	World Bank	It ranges from -2.5 (weak) to 2.5 (strong). The extent of citizen's participation in selecting government, free media, freedom of expression and freedom of association.	-
Regulatory Quality (RQ)	World Bank	It ranges from -2.5 (weak) to 2.5 (strong). The ability of the government to formulate and implement policies and regulations that promote development in the private sector.	-
GDP per capita (GDPPC)	World Bank	Natural logarithm of GDP per capita adjusted for purchasing power parity (US\$)	+

**Table 2.**  
Sources and definitions of variables

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negative and statistically significant. An additional analysis without the TREND has also been run vis-à-vis the equations above. The fixed effect has been used for the estimations.

#### *Dependent variables*

The study follows earlier studies (La Porta *et al.*, 1999; García-Sánchez *et al.*, 2016; Garcia-Sanchez *et al.*, 2013) on proxy government effectiveness using the index developed by the World Bank (Kaufmann *et al.*, 1999). It is a perception-based index which assesses public service quality, civil service quality, independence from political pressures, how creditable government is committed to policies, as well as, the quality of policy and its implementation. The data used to develop the index is sourced from survey responses from firms, analysts, and agencies with knowledge of governance in countries, among others. In effect, the index measures the quality of countries' performances in the various areas on which the survey data is collected. The index ranges from -2.5 (less effective) to 2.5 (more effective). It has been argued that government effectiveness index provides a snapshot of the views of experts on the quality of governance in a nation. However, others contend that limitations have to be accounted for (Arndt, 2008; Andrews, 2010; Pollitt, 2011; Garcia-Sanchez *et al.*, 2013). These limitations include the absence of an underlying theory of good governance, hidden biases, lack of transparency, actionability, and comparability over time (Garcia-Sanchez *et al.*, 2013).

On the other hand, it has been argued by Garcia-Sanchez *et al.* (2013) that notable organizations produce the index with highly influential staff who have many years of experience. It has also been argued that such criticisms are either not substantiated empirically or are conceptually incorrect. This is reiterated by Kaufmann *et al.* (2008). The index is useful for broad cross-country analysis and assessments over time. A notable caveat on the trend analysis is that it should be done over a long period and not for a year on year analysis, which may not provide relevant and reliable insights. As such, they indicate that it does not provide country-specific details that may be useful to form specific governance reforms in countries. A description of the indicators used to compute government effectiveness has been included as an appendix.

#### *Independent variables*

The study hypothesizes a positive relationship between *corruption perception index* and government effectiveness, in line with the significant positive nexus evident in the study by Montes and Paschoal (2016). It is expected that democracy and freedom will enhance the effectiveness of governments (García-Sánchez *et al.*, 2016). In this backdrop, the study proposes a negative relationship between *press freedom index* and government effectiveness. Earlier studies such as García-Sánchez *et al.* (2016) and Garcia-Sanchez *et al.* (2013) found a negative relationship between *political constraint index* and government effectiveness. This study, therefore, proposes a negative relationship. Various metrics have been used to measure the size of government. García-Sánchez *et al.* (2016) and Garcia-Sanchez *et al.* (2013) used the population size density to proxy *government size* with positive and negative results, respectively. The current study utilizes government spending as a proxy for government size. Studies such as Anwar and Nguyen (2011) and Vaaler (2008) have used fiscal data to represent the size of government. In line with earlier studies such as Lee and Whitford (2009) and Brewer *et al.* (2007), the study envisages that government effectiveness will be positively affected by both *value and accountability*, as well as *regulatory quality*. Lee and Whitford (2009) observed that economic development has a positive effect on government effectiveness. However, García-Sánchez *et al.* (2016) found a negative relationship between GDP per capita and government effectiveness. In line with the argument by Lee and Whitford (2009) and Garcia-Sanchez *et al.* (2013), this study proposes a positive relation.

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**Results and discussion**

This section presents the discussion of results from the summary statistics, the checks for multicollinearity and the regression results.

*Descriptive statistics*

The results of the descriptive statistics are presented in Table 3. The result indicates that overall, government effectiveness is -0.466 suggesting less efficiency for the countries. This was driven more by Africa (-0.747) and Asia (-0.150) out of an index range of -2.5 to 2.5. The result also indicated that the corruption perception index has an average of 34.2, while the press freedom index recorded an average of 40.2. The Asian score for the two indicators is higher than the African scores, which suggests that Asia is performing better in corruption control. In contrast, Africa performs better in terms of press freedom. The result also indicates that the average political constraint index is 0.225 while the size of government is 1.2. The result indicates that voice and accountability record an average of -0.696 with a better performance from African countries than Asian countries. Regulatory quality shows an average of -0.49 with a better performance from Asian countries as compared to Africa. On average, the natural logarithm of GDP per capita recorded 7.65 with a superior result from Asian countries as compared to African countries.

*Test for Multicollinearity*

The results of the pairwise correlation are presented in Table 4. Kennedy (2008) argued that when correlation coefficients are above 0.7, there may be the possibility of the presence of multicollinearity. While this first rule of thumb is not sufficient to make an objective decision, Wooldridge (2016) argued that a variance inflation factor (VIF) of more than 10 is a crucial consideration to make. In effect, although a high correlation coefficient of 0.721 and 0.821 are obtained, the VIF test is conducted on the pooled data to make an informed judgment. The result indicates that the highest VIF score is 4.05, which is below the threshold of 10. In effect, this study uses all the explanatory variables in the regression model.

*Convergence of government effectiveness*

The results of both the beta-convergence and the sigma-convergence analysis are presented in Table 5. In terms of beta-convergence, the result indicates that both African and Asian countries show evidence of a 'catch-up effect' in their performance regarding government effectiveness. The result, as portrayed by the coefficients, shows that the extent of convergence in Africa is greater than that of Asian countries. This result explains the fact that both African and Asian countries imitate their peers and other countries in improving their performances in terms of public service quality, civil service quality, independence from political pressures, government's commitment to policies, and the quality of policy and its implementation. Thus, countries with weak government effectiveness imitate the more effective counterparts through a 'catch-up effect' or that countries with highly effective governments stagnate (Hall, 2016). In terms of whether sigma-convergence exists among these countries, the results indicate that sigma-convergence exists among Africa and Asian countries.

In a similar fashion, African countries converge faster than Asian countries over time. In effect, the dispersion between the government effectiveness scores of African and Asian countries diminishes over time. Savoia and Sen (2016) found evidence of catch-up effect among poor and rich countries in terms of bureaucratic, legal and administrative institutional quality. This result indicates that African and Asian countries can adopt best practices in governance from their peers to enhance their effectiveness. Transnational institutions like the

Variable	Obs	Mean	Std.Dev.	Min	Max
<i>Pooled</i>					
GE	1599	-0.466	0.813	-2.450	2.440
CPI	1439	34.158	15.028	8.000	94.000
PFI	1569	40.16	22.484	-6.000	142.000
PCI	1476	0.225	0.209	0.000	0.726
LGSIZE	1515	1.200	1.984	-3.507	7.475
VA	1600	-0.695	0.774	-2.310	1.120
RQ	1600	-0.490	0.817	-2.650	2.260
LGDPPC	1667	7.649	1.424	4.718	11.351
<i>Africa</i>					
GE	847	-0.747	0.622	-2.450	1.050
CPI	756	31.090	10.910	8.000	66.000
PFI	836	34.042	18.685	-6.000	142.000
PCI	795	0.245	0.202	0.000	0.726
LGSIZE	802	0.363	1.560	-3.507	4.415
VA	848	-0.642	0.741	-2.230	0.990
RQ	848	-0.705	0.628	-2.650	1.130
LGDPPC	883	7.091	1.100	4.718	10.041
<i>Asia</i>					
GE	752	-0.150	0.885	-2.080	2.440
CPI	683	37.555	17.957	8.000	94.000
PFI	733	47.138	24.353	-3.000	141.000
PCI	681	0.201	0.214	0.000	0.669
LGSIZE	713	2.143	1.988	-2.207	7.475
VA	752	-0.755	0.806	-2.310	1.120
RQ	752	-0.248	0.930	-2.530	2.260
LGDPPC	784	8.277	1.486	4.956	11.351

**Notes:** GE is government effectiveness; CPI is corruption perception index; PFI is press freedom index; PCI is political constraint index; LSIZE is the size of government; VA is voice and accountability; RQ is regulatory quality; LGDPPC is GDP per capita.

**Source:** Authors' computations using STATA14

**Table 3.** Descriptive statistics for the Pooled, African and Asian samples

Variables	VIF	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) CPI	3.81	1.000						
(2) PFI	2.31	-0.341***	1.000					
(3) PCI	1.61	0.086***	-0.378***	1.000				
(4) LGSIZE	1.61	0.337***	0.130***	0.141***	1.000			
(5) VA	3.85	0.545***	<b>-0.721***</b>	0.552***	0.158***	1.000		
(6) RQ	4.05	<b>0.821***</b>	-0.441***	0.224***	0.415***	0.640***	1.000	
(7) LGDPPC	2.45	0.668***	-0.035**	-0.057	0.538***	0.216***	0.623***	1.000

**Notes:** GE is government effectiveness; CPI is corruption perception index; PFI is press freedom index; PCI is political constraint index; LSIZE is the size of government; VA is voice and accountability; RQ is regulatory quality; LGDPPC is GDP per capita; VIF is variance inflation factor; \*, \*\*, \*\*\* is 10, 5 and 1 percent significant levels respectively.

**Source:** Authors' computations using STATA14

**Table 4.** Pairwise correlation test

World Bank, International Monetary Fund, United Nations, the African Development Bank and Asian Development Bank play essential roles in the convergence of government effectiveness. Bennett (1991) argues that there are fourfold ways to achieve convergence.

**Table 5.**  
The convergence of  
government  
effectiveness in Africa  
and Asia

	Pooled			African			Asian		
	(1) Δ.GE	(2) Δ.GE	(3) Δ.GE	(4) Δ.GE	(5) Δ.GE	(6) Δ.GE	(7) Δ.GE	(8) Δ.GE	(9) Δ.GE
<i>Beta-convergence</i>									
L.GE	-0.261*** (0.017)	-0.261*** (0.017)	-0.291*** (0.022)	-0.296*** (0.023)	-0.233*** (0.025)	-0.251*** (0.026)			
YEAR	0.001	0.001		-0.001		0.003**			
Cons	-0.123*** (0.008)	-2.342* (1.397)	-0.226*** (0.017)	1.483 (1.803)	-0.027*** (0.006)	-5.769** (2.283)			
Countries	100	100	53	53	47	47			
Obs.	1499	1499	794	794	705	705			
R-squared	0.146	0.148	0.184	0.185	0.116	0.125			
F-stats	239.33*** Δ.M	121.06*** Δ.M	167.08*** Δ.M	83.98*** Δ.M	86.38*** Δ.M	46.70*** Δ.M			
<i>Sigma-convergence</i>									
L.M	-0.256*** (0.017)	-0.256*** (0.017)	-0.290*** (0.023)	-0.290*** (0.023)	-0.238*** (0.025)	-0.238*** (0.025)			
YEAR	-0.000	-0.000		-0.000		0.000			
cons	0.000 (0.003)	0.175 (1.376)	0.001 (0.004)	0.188 (1.732)	-0.000 (0.005)	-0.000 (2.128)			
Countries	100	100	53	53	47	47			
Obs.	1499	1499	794	794	705	705			
R-squared	0.144	0.144	0.179	0.179	0.118	0.118			
F-stats	234.61***	117.23***	160.94***	80.37***	88.25***	44.06***			

Notes: Estimates are computed using fixed effects regression; \*, \*\*, \*\*\* is 10, 5 and 1 percent significant levels respectively.

Source: Authors' computations using STATA14

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Convergence occurs when policies are emulated from other countries or through elite networking through transnational communities. Also, convergence may occur through the harmonization of international regimes or the penetration by external actors and interests. Such initiatives should be holistic to ensure that the desired result of public service quality is achieved.

#### *Determinants of government effectiveness*

The results of the regression analysis are presented in Table 6 for the pooled data in both the African and Asian contexts. The model is appropriate since the explanatory variables explain more than 77 percent of the variabilities in government effectiveness. Besides, the model is statistically significant, as indicated by the Wald chi-square tests. The data has shown the presence of both heteroskedasticity and serial correlation, which has been corrected by the use of the panel-corrected standard error regression of Beck and Katz (1995).

The results indicate that the corruption perception index positively affects governmental effectiveness of countries at a statistically significant level of 1 percent. The impact is significant in both the African and Asian contexts, although there is evidence to suggest that the magnitude for Asia is higher, as shown by the regression coefficient. This result gives credence to the fact that for countries in Africa and Asia where development is obstructed by corruption, the fight against corruption has an enormous impact in increasing the ability of the public sector, civic society and policies to be executed to achieve overarching missions (Nicolaidis and Duho, 2019). This finding is in line with the results of Montes and Paschoal (2016) that a reduction in the perception of corruption improves government effectiveness. This suggests that governments have to be committed in the fight against corruption to improve the quality of their public service. The press freedom index also positively affects government effectiveness at a 1 percent level of significance.

In terms of Africa, the result is significant at a 10 percent level of significance, while the Asian result is insignificant. This presents the importance that is placed on democratic governance and press freedom. The insignificance of press freedom in enhancing government effectiveness is because of the cyber-harassment, intimidation, censorship, totalitarian propaganda and physical violence that is linked to the work of the media in some Asian countries (RSF, 2020). The result of the study is in disagreement with the findings of García-Sánchez *et al.* (2016) in terms of developed economies but are in concord with their findings on developing economies. It flows from this result that while effectiveness can be achieved through granting freedom to the press in developed economies, Asian countries and especially African ones are not able to actualize the benefits. This could be explained by the fact that some of these countries use governmental actions to influence the media landscape, silence the media (Snyder and Strömberg, 2010). Also, the citizens have limited information, and politicians are less accountable, laws are not adequate to enforce media freedom, and decision-making processes are complicated. Although press freedom is necessary, current results indicate that it is not sufficient to enhance government effectiveness.

The result also indicates that the political constraint index of countries negatively affects government effectiveness at a significant level of 1 percent. This suggests that countries with high political hazards have high government effectiveness. In effect, the ability of a country to put in place legal and regulatory checks and balances against political hazards to survive is necessary but not sufficient in enhancing effectiveness. The Africa-specific result is insignificant, while the Asia-specific result is significant at 5 percent level of significance. This result is similar to the result of García-Sánchez *et al.* (2016). The size of government has a positive and significant influence on government effectiveness at a 1 percent level of significance. The coefficient for the Asian context is higher than that of the African context. This suggests that the large-sized government increases the quality of civil service and the

	(1) Pooled	(2) Africa	(3) Asia
CPI	<b>0.017***</b> (0.001)	<b>0.015***</b> (0.002)	<b>0.019***</b> (0.002)
PFI	<b>0.001***</b> (0.000)	<b>0.001*</b> (0.001)	<b>0.001</b> (0.001)
PCI	<b>-0.127***</b> (0.046)	<b>-0.068</b> (0.063)	<b>-0.170**</b> (0.068)
LGSIZE	<b>0.056***</b> (0.007)	<b>0.038***</b> (0.010)	<b>0.048***</b> (0.010)
VA	<b>0.102***</b> (0.022)	<b>0.133***</b> (0.034)	<b>0.110***</b> (0.031)
RQ	<b>0.490***</b> (0.026)	<b>0.508***</b> (0.037)	<b>0.420***</b> (0.039)
LGDPPC	<b>0.046***</b> (0.012)	<b>0.042***</b> (0.016)	<b>0.030</b> (0.018)
_cons	<b>-1.153***</b> (0.089)	<b>-1.111***</b> (0.115)	<b>-0.981***</b> (0.138)
Countries	95	52	43
Obs.	1056	550	506
R-squared	0.831	0.771	0.849
Wald $\chi^2$	5009.44***	1405.09***	2888.57***
Hettest	8.89***	3.56*	5.21**
AR(1)	123.55***	45.72***	55.56***

**Table 6.**  
Determinants of  
government  
effectiveness in Africa  
and Asia

**Notes:** GE is government effectiveness; CPI is corruption perception index; PFI is press freedom index; PCI is political constraint index; LGSIZE is the size of government; VA is voice and accountability; RQ is regulatory quality; LGDPPC is GDP per capita; Hettest is heteroskedasticity test; AR(1) is serial correlation test; \*, \*\*, \*\*\* is 10, 5 and 1 percent significant levels respectively.

**Source:** Authors' computations using STATA14

performance of the civil servants. The result is in concord with the findings of studies such as García-Sánchez *et al.* (2016) and Norris and Moon (2005) that public sector managerial or technical innovation is influenced by size. This is evident as many of the African and Asian countries are yet to obtain the benefits of using more efficient technology, and performance-enhancing best practices to improve the ability to achieve their missions.

The result of the impact of voice and accountability indicator on government effectiveness is positive and significant at 1 percent level of significance. The coefficient is higher for African countries. With the expansion of citizen participation in selecting government, enhancement of media freedom, and enforcement of freedom of expression and association, the quality of the provision of public services, the quality and competence of the bureaucracy, and the credibility of government's commitment to policies will improve. The independence of the civil from political pressures will also be ensured. Similarly, regulatory quality positively and significantly affects government effectiveness at 1 percent level of significance. This suggests that the ability of the government to formulate and implement policies and regulations that promote development in the private sector is necessary and sufficient in improving government effectiveness. The results on the findings on voice and accountability or regulatory quality are similar to the results of Lee and Whitford (2009) and Brewer *et al.* (2007). The GDP per capita growth of countries positively affects government effectiveness at a 1 percent level of significance. This result is tenable in the case of the pooled data and the African situation, but the Asian context shows an insignificant result. This means that in Africa, economic wealth spurs government effectiveness. This is also similar to the findings of Garcia-Sanchez *et al.* (2013), which argues that countries with high demands from the citizenry regard government effectiveness as an essential factor.

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## Conclusion

Current developments in Africa and Asia point to the changes in governance systems and public management. Policy discussions and scholarly writings on government effectiveness tend to be focused on the developed economies and the Western world. Earlier academic studies explored the determinants of government effectiveness using archaic datasets and few explanatory variables. The existing literature has not also explored the possibility of convergence of government effectiveness among countries. The current study fills the dearth in research by examining the determinants of government effectiveness and the convergence of government effectiveness. The study adopts data covering 100 countries in Africa and Asia from 2002 to 2018, as well as panel-corrected standard error regression to account for heteroskedasticity and serial correlation. The result indicates that among all variables, Asia performs better than Africa except for press freedom, and voice and accountability. There is evidence to suggest that both beta-convergence and sigma-convergence occurs in African and Asian countries in terms of government effectiveness. Convergence could be driven by emulation of policies, elite networking, harmonization and penetration by external actors and interests. In effect, countries with weak government effectiveness can 'catch-up' with more active counterparts by adopting various managerial or technical innovations from them.

The results indicate that the corruption perception index positively affects governmental effectiveness of countries at a statistically significant level of 1 percent. This gives credence to the fact that for countries in Africa and Asia where development is obstructed by corruption, the fight against corruption has an enormous impact in increasing the ability of the public sector, civic society and policies to be executed to achieve overarching missions. The press freedom index also positively affects government effectiveness at 1 percent level of significance. The result of the study is in disagreement with the findings of García-Sánchez *et al.* (2016) in terms of developed economies but is in concord with their findings on developing economies. It flows from this result that while effectiveness can be achieved through granting freedom to the press in developed economies, Asian countries and especially African countries, are not able to actualize the benefits. Governmental actions to influence the media landscape, silence the media (Snyder and Strömberg, 2010), citizens have limited information, and politicians are less accountable, laws are not adequate to enforce media freedom, and decision-making processes are complicated. Although press freedom is necessary, it is not sufficient to enhance government effectiveness. Political constraint index of countries negatively affects government effectiveness at a significant level of 1 percent, suggesting that the ability of a country to put in place legal and regulatory checks and balances against political hazard to survive is necessary but not sufficient in enhancing effectiveness. This result is similar to the result of García-Sánchez *et al.* (2016).

Large-sized government increases the quality of civil service and the performance of the civil servants. This is evident as many of the African and Asian countries are yet to obtain the benefits of using technology, and performance-enhancing best practices to improve the ability to achieve their missions. In terms of regulatory quality, the strength of the government to formulate and implement policies and regulations that promote development in the private sector is necessary in improving government effectiveness. The GDP per capita growth of countries positively affects government effectiveness at 1 percent level of significance, which means that in Africa, economic wealth spurs government effectiveness. These results are relevant for policymakers across the development space, public sector practitioners and the academic community.

The study provides a cross-country guide for improving government effectiveness in Africa and Asia. The findings offer pointers to policymakers, public sector practitioners, and academics about ways to improve the quality of public service. However, further studies in this area in exploring effectiveness in country-specific scenarios are needed. Also, a relevant field that needs inclusion in the agenda for future research relates to the effectiveness of the public

sector in responding to health crises. Such health emergency preparedness studies could utilize simulations and stress testing results to make relevant inferences for policy and practice.

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## Appendix. Government effectiveness: concepts measured

### Code

#### *Representative Sources*

- EIU (a) Quality of bureaucracy / institutional effectiveness; (b) Excessive bureaucracy / red tape
- GCS (a) Quality of overall infrastructure; (b) Quality of primary education
- GWP (a) Satisfaction with public transportation system; (b) Satisfaction with roads and highways; (c) Satisfaction with education system
- IPD (a) Coverage area: public school; (b) Coverage area: basic health services; (c) Coverage area: drinking water and sanitation; (d) Coverage area: electricity grid; (e) Coverage area: transport infrastructure; (f) Coverage area: maintenance and waste disposal
- PRS Bureaucratic quality
- WMO (a) Infrastructure disruption. This reflects the likelihood of disruption to and/or inadequacy of infrastructure for transport, including due to terrorism/insurgency, strikes, politically motivated shutdowns, natural disasters; infrastructure includes (as relevant) roads, railways, airports, ports, and customs checkpoints.; (b) State failure. The risk the state is unable to exclusively ensure law and order, and the supply of basic goods such as food, water, infrastructure, and energy, or is unable to respond to or manage current or likely future emergencies, including natural disasters and financial or economic crises.; (c) Policy instability. The risk the government's broad policy framework shifts over the next year, making the business environment more challenging. This might include more onerous employment or environmental regulation; local content requirements; import/export barriers, tariffs, or quotas; other protectionist measures; price controls or caps; more "political" control of monetary policy, or simply more direct intervention into the operations and decisions of private companies etc.

#### *Non-representative Sources*

- ADB (a) Quality of public administration; (b) Quality of budgetary and financial management; (c) Efficiency of revenue mobilization

- 
- AFR (a) Handling improving basic health services; (b) Handling addressing educational needs
- ASD (a) Quality public administration; (b) Efficiency of revenue mobilization; (c) Quality of budgetary & financial management
- BPS (a) How problematic is electricity for the growth of your business? (b) How problematic is transportation for the growth of your business?
- BTI (a) Consensus building (MI); (b) Steering capability (MI); (c) Resource efficiency
- GII (a) Civil service integrity; (b) Public management; (c) Business environment & infrastructure; (d) Welfare; (e) Health and education
- IFD Allocation & management of public resources for rural development
- LBO Trust in government
- PIA (a) Quality of public administration; (b) Quality of budgetary and financial management; (c) Efficiency of revenue mobilization
- WCY (a) Adaptability of government policy to changes in the economy is high; (b) Bureaucracy does not hinder business activity; (c) The distribution infrastructure of goods and services is generally efficient

**Sources:** Kaufmann *et al.* (2009); WGI (2020a)

### About the authors

King C.T. Duho is a research consultant at IMANI Centre for Policy and Education in Ghana. He is qualified with CIMA (UK), and an ACCA (UK) finalist. He holds a certificate in Public Financial Management from the International Monetary Fund and is a postgraduate student at the University of Ghana Business School. He has presented academic papers at international conferences in Europe and Africa. His research falls within the Economics of Accounting track, a transdisciplinary research paradigm. He has published in *International Journal of Managerial Finance*, *Journal of Economic Studies*, *International Journal of Banking Accounting and Finance*, *Afro-Asian Journal of Finance and Accounting*, *Asian Journal of Accounting Research*, *Modern Economy* etc. He has been awarded as the best reviewer by the Academy of International Business (AIB) Africa Chapter in 2019.

Mark Opoku Amankwa, a consultant at Kizer Consultants, is a researcher and a young professional who is passionate about the goals of the Sustainable Development Goals (SDGs). He holds a degree in Public Administration from the University of Ghana Business School. He is an awardee of the Vice-Chancellor's award and was adjudged by the Inter-Ministerial Coordinating Committee on Decentralization Prize as the best graduating student in Public Administration. He has worked as a research assistant at the same university and is pursuing a postgraduate degree in India. His main research interests cover the areas of governance, economics, and public administration. He is a member of the Young Scholars Initiative in New York, USA. Mark Opoku Amankwa is the corresponding author and can be contacted at: amankwamark12@gmail.com

Justice I. Musah-Surugu is an international development specialist in Ghana with over 9 years of experience in pro-poor development governance and international diplomacy. His professional and research interest covers environmental governance, poverty reduction, local governance and development politics. He has published widely in international peer-reviewed journals across many fields of research. He holds a PhD in Public Administration and Policy Management, MSc in Sustainable Development and BSc in Public Administration.

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