

SUMMARY

The transnational movement of goods, services and ideas—the process known as globalization—has had profound impact on national government structures and how their administrations are managed. In many respects, globalization has dissolved both material and immaterial economic, social and even cultural boundaries. The interplay between both these factors has made globalization an area of interest and concern within the area of public administration. This policy brief examines the relationship between globalization and results-based government, and how global processes and trends have affected the public sector in Arab states. The brief concludes that the variance between the levels of progress in adopting and applying these tools of public administration across the Arab world cannot be attributed to lack of political commitment alone, but also resides within the specific institutional and sociocultural histories of Arab states.



RESULTS-BASED GOVERNMENT IN ARAB STATES: DRIVERS, BARRIERS AND TENSIONS

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INTRODUCTION

The literature points to four main driving forces defining and setting the pace for globalization; namely, trade and investment liberalization, technological innovation and enhanced communication, entrepreneurship, and global social networks.¹ On the national level, globalization has placed strong pressure on states to compete for trade flows, investments and resources. This pressure has been complimented by the “new public management” (NPM) doctrine of the Reagan and Thatcher years, which replaced traditional administrative structures and continues to influence government reform efforts worldwide even today. As a result, networked, efficient and responsive government has emerged as the prevalent order of the day. While the NPM model focused on delivering market-inspired results and was primarily concerned with efficiency and performance, public administration is no longer a factor of the market. Rather, administration is today reflective of “public choice,” such that the market, public and civil society interact with government

to co-produce governance. Given the aforementioned forces driving globalization, these players must do so in accordance with global norms and expectations.

Many of the now-Arab states were colonized by the British and French over the past century. The colonizers instituted western traditional systems of administration, while overlooking the social and normative features of the societies at the time. In many instances, dual administrative structures were developed and applied to local and colonial populations separately. This, combined with the stronghold of tribal and social systems and norms, weakened the legitimacy of the public sector and the ethos that it represented. Over time, administrative structures emerged within the Arab world that are bloated, inefficient and based on patronage.

Responses to the global competitive drive and the advantages associated with the NPM model have varied across Arab countries. Some have adjusted by leapfrogging traditional



administrative structures with hopes of incorporating the advantages of the NPM model and developing a new, unique form of responsive government. Other Arab countries have not had the political commitment, resources, or the flexible institutional structures to allow them to do so. The remainder of this policy brief presents an assessment of some of the threats that Arab governments face in making this transition to results-based, responsive governance, and the implications that it holds for their societies. Recommendations aimed at addressing these tensions have been drawn from the experiences of other countries and regions. They are presented as policy concepts that, as noted by Mulgan, are adaptable to different contexts and cultures, as opposed to policy application which is context-specific.²

DRIVERS AND CHALLENGES TO RESULTS-BASED GOVERNMENT IN ARAB STATES: PERFORMANCE AND ACCOUNTABILITY IN THE CIVIL SERVICE

Accountability is the aspect of public administration most commonly espoused by international experts and organizations, and is a key facet of results-based management. The institutional logic behind this is that the flexibility required for effective results-based management needs to be balanced by accountability to avoid corruption and the abuse of public resources. The table below highlights perceptions of levels of corruption according to Transparency International’s Corruption Perception Index. Of the Arab states, with a world ranking of 31 out of 163,

| NAME OF COUNTRY | WORLD RANKING (TOTAL OF 163) | 2006 CPI SCORE (TOP SCORE OF 9.6) |
|----------------------|------------------------------|-----------------------------------|
| United Arab Emirates | 31 | 6.2 |
| Qatar | 32 | 6.0 |
| Bahrain | 36 | 5.7 |
| Oman | 39 | 5.4 |
| Jordan | 40 | 5.3 |
| Kuwait | 46 | 4.8 |
| Tunisia | 51 | 4.6 |
| Lebanon | 63 | 3.6 |
| Egypt | 70 | 3.3 |
| Saudi Arabia | 70 | 3.3 |
| Morocco | 70 | 3.2 |
| Algeria | 84 | 3.1 |
| Syria | 93 | 2.9 |
| Libya | 105 | 2.7 |
| Yemen | 111 | 2.6 |
| Sudan | 156 | 2.0 |
| Iraq | 160 | 1.9 |

Figure 1. Table showing Arab state rankings and scores according to Transparency International’s Corruption Perception Index (CPI)

the United Arab Emirates (UAE) is perceived as being the least corrupt.

Two important observations can be drawn from the above table. The first is that despite the better ranking /placement of the United Arab Emirates, significant gains can still be made by Arab countries to close the gap and reduce corruption relative to other countries. This is especially significant in view of the fact that the majority of the Arab countries have not experienced significant civil unrest or instability, which usually raise the level of administrative corruption measured by the index.³ The second important conclusion is related to the variance in the level of performance between Arab countries. The “better” performers are mainly the countries of the Gulf, with countries such as Egypt and Morocco, traditionally thought of as modernizing states, at the lower end of the list. This can be attributed to the modernization efforts prevalent in the majority of the Gulf states, and their attempts to expedite reforms across their administrations.

TENSIONS IN RECRUITMENT AND ASSESSMENT

As outlined earlier, colonial legacies have undermined the legitimacy of public administrative structures in the Arab world. Post-independence socialist structures, particularly in the countries of North Africa and the Levant, guaranteed university graduates public sector employment, and thus compounded the problem by creating new dependencies and further limiting the

ethos and drive that should be at the core of the public sector. Many in the Arab world regard the public sector as a secure form of employment with reduced working hours and secure tenure. The focus on seniority, as opposed to performance, for promotions, has caused inefficiencies and resulted in bloated structures in many countries of the Arab world. The economic restructuring programs propagated by the World Bank in the early 1990s brought to the forefront many of these issues and, by prescribing privatization, gave backing to the principles of the NPM model with its focus on market values and principles. Today, the precepts of accountability and transparency focus on merit-based recruitment and assessment of performance using key performance indicators (KPIs).

Merit-based appointment is one of the key tenets of integrity in public administration. In its *2005 World Public Sector Report*, the United Nations notes that a “merit oriented and career based civil service is decisive in explaining cross country differences in the performance of governments in terms of the quality of services and the absence of corruption.”⁴ While merit-based appointment is by all means desirable, in countries where tribal and personal loyalties dominate and political patronage is rampant, states continue to grapple with this important aspect of public sector administration. In the countries of the Gulf, where expatriate populations form a larger percentage of the population, merit-based appointment is complicated by the need to ensure that nationals hold the key positions within their governments while



maintaining the calibre and professionalism that they are striving for. On the other hand, in the countries of the Levant and North Africa, where qualified professionals exist, the challenge lies in providing opportunities for growth and adequate remuneration to attract qualified individuals and avoid the current brain drain. Attempts have been made to overcome these issues, with concentrated, focused, public leadership programs being developed in the Gulf, and contractual, “project-based” appointments being continuously redrawn in non-Gulf states to attract and retain desired professionals.

Concurrent to the issue of appointment is remuneration. In a study conducted by the United Nations Department of Economic and Social Affairs, state bureaucracies that offered prospects of a long term, clearly structured and well defined career were associated with superior economic growth. The same study also found that the single most important element in improving performance was the institutionalization of recruitment mechanisms.⁵ A separate study conducted by the University of the United Nations on African countries noted that higher integrity in the public service was associated with higher pay for civil servants.⁶ In the Arab world and many developing countries, employment in the civil service translates to the promise of secure employment and less working hours at the cost of better pay. Even in the oil-rich countries of the Gulf, attempts at modernizing the state bureaucracy and working conditions within it have resulted in the development of well defined incentive structures, but little major improvement on

remuneration. There have been no attempts to offer market-competitive packages as has been the case in the West or in the East Asian region, apart from local government systems such as Dubai and Abu Dhabi. Indeed, in a recent policy forum hosted by the Dubai School of Government in 2006, senior government officials from the region identified low pay and remuneration as one of the key factors affecting integrity and innovation in the public sphere.⁷

PERFORMANCE ASSESSMENT AND RATING

As noted earlier, the NPM model focused on efficiency and performance within the public sphere. This particular aspect of NPM continues to influence public administrations to this day, and governments continue to adapt (and adopt) market-inspired performance assessment tools to examine the performance of staff within their institutions. The implementation of these systems and procedures has vastly improved decision making within governmental institutions, and made them cost-value conscious. It has also caused significant improvements in the performance and accountability ratings of governments in developed economies, which are regularly examined by institutions such as the Organisation for Economic Co-operation and Development (OECD). However, while there is no doubt that the effective and efficient management of resources is both desirable and one of the keys to fighting corruption, concerns have been raised as to whether the focus and drive for results is suitable to the public sector.⁸

One of the key features of the NPM model is its focus on outputs and results. This aspect of the model continues to influence governments to this day. Managers are given the leverage and resources to meet performance standards for which they are later held accountable. On a generic level, this focus on results has raised concerns on the weakening link between the managers/ employees and the organization. More specifically, qualitative and empirical research has shown that the use of these assessment tools has changed human resource management and decision making styles within organizations.⁹ Managers have become more focused on obtaining immediate results, to the detriment of the long-term vision and ethos of the public sector. In many respects, this change in the management style and system represents a shift in values from equity, security and resilience—features of the public sector—to efficiency and individualism.

Moreover, the implementation of performance-based management has not been fully integrated, with consequent effects and ramifications on the overall desired outcomes. Studies conducted by the OECD on member governments indicate that only approximately half of the OECD countries have linked formal processes of rewards and penalties to the achievement of targets. Moreover, even fewer have integrated performance within their budgeting processes.¹⁰ This is significant not only because it raises questions regarding the effectiveness of these mechanisms, but also because it brings into doubt the practicality and feasibility of implementation in Arab countries. If member countries of

the OECD, which are characterized by well-established civil structures and stronger institutional bases, have faced challenges of integration, how will Arab countries adapt to this challenge?

This paper holds that the differences in the contexts and institutional histories of the countries in question will be the determining factor in this regard. For the countries of the Gulf, many of which are intent on developing performance-based systems, the absence of complex pre-existing structures, combined with forward and committed drive and supported with financial resources, has facilitated the linking of both processes. State structures have the flexibility to design their systems to integrate and correlate between variables. For the countries of North Africa and the Levant the situation is more complicated. Demographic factors, inadequate education systems, and institutional histories have helped to produce bloated bureaucracies that cannot cope with the introduction of profound and immediate change, with many such attempts failing to deliver any sustainable improvements. Reform attempts within this scope must be focused and introduced in increments.

At another level, studies have pointed to a contradiction between the usage of performance assessment tools and the provision of public services. In the first instance, studies indicate a number of limitations related to the quantitative measure of increased levels of efficiency.¹¹ Moreover, the United Nations - Department of Economic and Social Affairs (UN-DESA) identifies a conflict between



the usage of top-down agency performance indicators and bottom-up standards of quality and customer responsiveness.¹² Studies of this nature indicate that the focus on short-term performance indicators may conflict with the long-term goals and objectives of institutions. In addition, concern with reaching quantifiable outputs (e.g., responding to a certain number of calls) may conflict with qualitative achievements that are at the core of public services (e.g. dealing with customers in a friendly manner). As noted earlier, very few countries in the Arab world have fully introduced performance-based management tools to their systems, setting the need to balance quantitative and qualitative measures as a particular concern that will have to be addressed through implementation. The introduction of qualitative tools of assessment to complement and augment quantitative indicators may be an important strategy in this respect.

In addition to the emphasis on short-term efficiency at the expense of long-term responsiveness, the usage of KPI systems in public administrations also raises concerns involving local needs and service preferences. Complete dependence on these systems overlooks the important role that non-material recognition and incentives can play. This holds particularly true in traditional societies such as those of the Arab world, where government employees have traditionally been regarded with esteem and respect. Finally, in transposing the business model onto the public sector, the usage of KPIs has emphasised the free movement of personnel and professionals between the public and

private spheres. Short-term contracts are becoming increasingly commonplace in the public sphere. Similarly, global competitiveness has pushed administrations in the developing world to recruit senior advisors from the private sector—in many cases from other countries. While in some instances this has improved efficiency and facilitated performance management, it has had serious career implications for civil servants, as it can be argued that in some instances it has denuded the public sector of its ethos, and in turn, its stature and quality. Moreover, in the majority of the developing world, the deregulation and “debureaucratization” of the public sphere in this manner has not been accompanied by changes in the levels of government accountability and transparency. These important precepts are central both to networked governance—where the state continuously communicates with non-state actors—as well as the application of NPM models, which emphasize management autonomy.

CONCLUSION AND RECOMMENDATIONS

The transition to results-based management in public administration is a reality on the Arab landscape and reform agenda. To face the challenges posed by globalization and maintain the drive for a competitive edge, Arab governments are undertaking important administrative reforms to their governance models. Many of these changes have been influenced by western notions and tools of ethical governance, without consideration of the social, cultural or institutional contexts within which they are being implemented.

In addition, many of these changes are being undertaken without due consideration to the long-term impact or vision for change.

First and foremost, existing reform models and case studies within the Arab world must be analyzed, as information of this type in the Arab world is currently fragmented and scarce. Academics and experts alike have a responsibility to provide objective information to inform policy in the region. Similarly, channels of information need to be established to gather and disseminate information to and from the general public. Tools of information and communications technology can be especially useful in this respect.

At another level, Arab governments need to cooperate together to garner and compare

the rich and diverse experience and expertise that can be found in the region. Building on local knowledge that already exists is thus a requirement to facing today's challenges. The formation of networks and special policy forums will play a key role in facilitating these processes and setting a platform for discussion.

Most importantly, and encompassing both of the above two recommendations, is the importance of using knowledge to *adapt* existing models of development to specific contexts. As this policy brief has illustrated, within the Arab world differences exist that require adaptation even beyond the framework of East and West. This process of constant adaptation is the function and core of government. ♥

ENDNOTES

- 1 Guido Bertucci and Adriana Alberti, "Globalization and the Role of the State," in *Reinventing Government in the Twenty-First Century: State Capacity in a Globalizing World*, eds. Dennis Rondinelli and G. Shabbir Cheema (United States of America: Kumarian Press, Inc., 2003).
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- 3 This also explains, to a great extent, the placing of Iraq at the bottom of the list.
- 4 United Nations Department for Economic and Social Affairs, *World Public Sector Report 2005: Unlocking the Human Potential for Public Sector Performance* (New York: United Nations, 2005). The four types of administration identified by the report are traditional public administration, public management, new public management and responsive government.
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12 United Nations Department for Economic and Social Affairs, *World Public Sector Report 2005: Unlocking the Human Potential for Public Sector Performance* (New York: United Nations, 2005).

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