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DETERMINANTS OF ECONOMIC COMPLEXITY IN NIGERIA

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Abstract: The complexity of a country's economy is an important indicator of its level of development and competitiveness in the global economy. Economic complexity has received substantial attention in modern economics as a valuable instrument for analyzing an economic system's production capacity. It entails knowledge quantifying acquired by economic players and expressed in the production process (Hidalgo et al., 2007; Nguyen et al., 2021). Economic complexity explains how diverse and sophisticated an economy is in producing a wide range of goods and services. It measures the knowledge and capabilities of a country's businesses and workers to create various products, reflecting the level of advancement and competitiveness in the global economy. Economic complexity goes beyond typical economic measurements by diving into the productive knowledge contained in an economy, especially through an in-depth examination of the export structure of a country. Therefore, it provides a thorough picture of a country's economic capabilities and prospects for further development.

Introduction

Nigeria, Africa's largest economy, has immense potential and abundant resources. Nonetheless, the country has faced difficulties in reaching long-term economic complexity.

A variety of factors have contributed to this situation, including the country's heavy reliance on oil exports, limited economic diversification, inadequate infrastructure, institutional deficiencies, and a volatile business environment, all of which have hampered the country's progress toward greater economic sophistication. However, one defining features of Nigeria's economic landscape is its heavy reliance on oil exports. In 2020, oil exports accounted for approximately 90% of the nation's total export earnings (World Bank, 2021). This over-dependence on a single commodity renders Nigeria exceptionally vulnerable to unpredictable fluctuations in global oil prices, as evidenced by past volatility, thus endangering economic stability and overall growth.

By and large, the country aspirations for economic diversification have encountered obstacles, primarily stemming from the underdevelopment of its manufacturing sector. Data provided by the United Nations Industrial Development Organization (UNIDO, 2021) underscores the sector's limited contribution to the country's Gross Domestic Product (GDP), revealing the inherent challenges in expanding economic base. This lack of diversification exposes the nation to external shocks and restricts ability to produce a diverse array of goods and services. Furthermore, the development of human capital, a critical factor in achieving economic complexity, faces hurdles in Nigeria. The World Economic Forum's Human Capital Index (WEF, 2020) consistently ranks Nigeria lower compared to other countries in the region. In the 2020 index, Nigeria occupied the 116th position out of 174 countries, indicating significant challenges in education and healthcare. Inadequate investments in these pivotal areas hamper the cultivation of a skilled and innovative workforce, a prerequisite for economic diversification and technological advancement. Also, Global Innovation Index (GIK, 2021) ranked Nigeria 124th out of 131 countries that faces substantial challenges in technological advancement and innovation. This low ranking impedes Nigeria's global competitiveness in knowledge-intensive industries, thereby constraining economic diversification and technological progress. Indeed, income inequality remains deeply entrenched within Nigeria (World Bank, 2019). The Gini Index for the country stood at 35.1% in 2019, underscores significant income disparities within the country. A relatively small segment of the population commands a disproportionate share of the nation's wealth, while a substantial portion of the populace grapples with poverty and limited access to essential services.

Despite the growing body of literature, there remain notable gaps that warrant further exploration. These include measurement challenges related to quantifying economic complexity which is typically based on two related indices: the Economic Complexity Index (ECI) and the Product Complexity Index (PCI). The ECI captures the complexity of a country's export basket, while the PCI measures the complexity of a particular product or industry (Hidalgo & Hausmann, 2009; Hausmann et al., 2014). Although both the ECI and PCI contribute to our understanding of economic complexity, the ECI offers advantages in terms of providing a holistic perspective, enabling cross-country comparisons, serving as an aggregate measure, capturing country-specific factors, and linking to key economic outcomes but PCI can be useful for identifying strategic sectors, understanding global value chains, and informing targeted industrial policies or investment decisions. Therefore, the present study unravel the determinant of economic complexity in Nigeria by employing index of economic complexity (ECI) as against index of product complexity (PCI) to accounting for contextual factors and heterogeneity across countries, examining the dynamics and transition processes that enable countries to move towards more complex

economic structures over time, and developing specific policy interventions and strategies to effectively promote economic complexity in different contexts (Mealy & Teytelboym, 2020; Albeaik et al., 2017; Hartmann et al., 2019).

Sequel to the above, literature have identified diverse factors that drives economic complexities and these factors could be classified as domestic and international factors. Subsequently, this study considered numerous essential elements such as gross domestic product per capita (Agosin et al., 2012; Elhiraika & Mbate, 2014), human capital development (Romer, 1990, Tebaldi, 2011), terms of trade (Agosin et al., 2011), institutional quality (Costinot, 2009, Strauss, 2015), foreign direct investment (see Iwamoto & Nabeshima, 2012; Javorcik et al. 2017; Kabaklarlı et al., 2017) and natural resources (Camargo & Gala, 2017) to completely analyze the determinants or drivers of economic complexity or sophistication in Nigeria and equally determine whether it is internal or external or hybrid factors that influences or could influence economic complexity in Nigeria. In addition, this study also try to evaluate Nigeria's economic complexity, which provides significant insights into the structure of its economy, the diversity of its productive activities, and its potential for future growth. This metric aid scholars in gaining a full grasp of Nigeria's economic intricacies and assessing its development over time.

The research also provide insight into connection between economic complexity, technical progress, economic development, human development, and income disparity. These links are crucial in determining Nigeria's economic landscape and societal well-being. The analysis of economic complexities in Nigeria holds paramount importance for the nation's development trajectory and global competitiveness. By unraveling the determinants, measuring economic complexity, and exploring the relationships with other vital factors, this study aims to contribute valuable insights that can guide policymakers, stakeholders, and institutions in formulating effective strategies to enhance Nigeria's economic sophistication, reduce income inequality, and foster long-term inclusive growth.

The other part of the study is tailored therein: Section 2 entails brief literature review. Section three focuses on methodological structure. Results are discussed in Section 4. Section five concludes the study.

Literature Review

Economic complexity presents a novel perspective for comprehending crucial societal challenges and issues. The fundamental premise revolves around the notion that economic growth and development, advancements in technology, income inequality, spatial differences, and resilience are the observable results of intricate systemic associations occurring beneath the surface. The economic complexity aims to unravel the association structure and their influence on various socioeconomic stages. Remarkably, evidence to date suggests that economies with higher complexity tend to exhibit lower income inequality level, improve levels of development, and enhanced resilience (Ferraz et al., 2018). Therefore, Erkan & Yildirimci (2015) analyzed the relationship between export competitiveness and the economic complexity index in the context of Turkey's export market. The study utilized data from the Global Competitiveness Report of 2012-2013 and conducted a regression analysis on 110 countries to forecast the indicators of the complexity index. The findings revealed that countries with the highest complexity rankings also exhibited significant development in their human development index.

Using time series analysis, Khan et al (2020) explored the two ways directional causal association allying economic complexity and foreign direct investment (FDI) in China. The research measured economic sophistication level of China using the improved Economic Complexity Index (ECI) spanning 1985 to 2017. The study employed the Auto-regressive Distributed Lag (ARDL) framework to estimate the long-run relationship between the variables. The findings revealed a mutual influence between economic complexity and FDI in the long run. Additionally, economic complexity was found to have a short-run impact on FDI. Manuel, Irving, and Fernando (2021) explored the connection between economic complexity and foreign direct investment (FDI) distribution among Mexican states. Using data from economic censuses conducted by Mexico's National Institute of Statistics and Geography, they found that the economic complexity of a state strongly correlated with its ability to attract FDI. The study also revealed that the complexity of an industry group was a critical determinant of the amount of FDI it received. Evidence of strong local spillover effects of economic complexity among Mexican states was observed, indicating that states with highly complex neighbours experienced increased FDI inflows. Yalta & Yalta (2021) explored the determinants of economic complexity in the MENA region, focusing on human capital's role. Utilizing a system GMM approach and data from 12 countries between 1970 and 2015, they found a positive association between human capital and economic complexity. Natural resource rents had a negative influence, but this adverse effect disappeared when interacting with human capital and democracy. The study highlighted economic complexity's potential in helping countries escape the middle-income trap. However, FDI and terms of trade did not significantly contribute to economic complexity, except for FDI in more democratic regimes. This research provides empirical insights into the drivers of economic complexity in the MENA region, emphasizing human capital's importance in driving economic complexity.

With the average economic growth rate from 1995 to 2010, Zhu & Li (2017) examined the economic complexity impact and human capital on economic growth in 210 countries. The research utilized a method of reflection (MR) to measure economic complexity using cross-country panel data. The findings indicated a positive interaction effect allying complexity and human capital on economic growth. The outcomes revealed a strong connection linking complexity and human capital significantly promotes domestic economic growth, with secondary education and complexity exhibiting a huge connection impact compared to higher education. However, the positive connection linking complexity and human capital on long-run growth was found to be very small. Furthermore, the complexity impact and human capital on growth, particularly over a long term, were found to be sensitive to the revealed comparative advantages (RCA) threshold and the regression sample used. Caous & Huarng (2020) explored the link between Human Development Index (HDI) and Economic Complexity Index (ECI) in emerging economies. Employing hierarchical linear modeling on data from 87 developing countries between 1990 and 2017, with income inequality as a mediating factor, they found that greater economic complexity was associated with higher human development, though this relationship was only partially mediated by income disparity. Sustainable development was also influenced by energy use and gender inequality. However, income inequalities diminished the positive economic complexity impact on human development in developing nations.

Ncanywa, et al (2021) examined linking connection allying economic complexity and income inequality in sub-Saharan African countries, including Nigeria. The study, which

uses a panel data set covering eight countries from 1994 to 2017 and employs the ARDL model, reveals that economic complexity is associated with reduced income disparities. This underscores the significance of diversifying and upgrading the productive structure, moving beyond the primary sector, to contribute to narrowing the income gap within countries, including Nigeria. In simpler terms, when countries like Nigeria diversify their economy beyond primary sectors and work towards more complex and varied production, income inequality tends to decrease.

Utilizing data from middle- and high-income economies spanning 1995 to 2010, Mao & An (2021) conduct an empirical analysis employing OLS, fixed-effects, and system GMM methodologies to explore the nexus between the Economic Complexity Index (ECI) and levels of economic development across nations. Their study delves into the determinants shaping ECI, with a spotlight on globalization factors such as participation in global value chains (GVCs) and foreign direct investment (FDI) flows. The research unveils a positive correlation between ECI and per capita GDP, where a unit increase in ECI corresponds to approximately a 30% rise in per capita GDP for middle- and high-income economies. Furthermore, the authors identify key drivers that elevate ECI, including heightened GVC integration, a robust manufacturing sector contribution, robust human capital endowments, increased R&D expenditure, and substantial outward FDI stocks. Notably, for middle-income countries, fostering manufacturing industries that align with their comparative advantages emerges as a crucial strategy for bolstering ECI.

Ajide (2022) investigated how economic complexity affects entrepreneurship in selected African countries, using data from 18 nations spanning 2006-2017. The study utilized panel-spatial correlation consistent estimation, panel quantile regression, and instrumental variables estimation techniques. The findings showed that greater economic complexity positively impacts entrepreneurship in Africa, with no evidence of a nonlinear relationship. This positive influence persisted across all analyzed quantiles. Moreover, the research revealed that ethnic and religious diversity amplified the beneficial effect of African entrepreneurship, while weak political institutions diminished it. These results underscore the importance of productive knowledge, product mix, and exports in driving entrepreneurial activities across African nations.

While various measures of economic complexity have been proposed, such as Economic Complexity Index (ECI) along with Product Complexity Index (PCI), there is ongoing debate about the most appropriate way to quantify and operationalize the concept. The present study attempts to address this gap by employing the Economic Complexity Index (ECI) to measure Nigeria's economic complexity, as the ECI offers advantages in terms of providing a holistic perspective, enabling cross-country comparisons, serving as an aggregate measure, capturing country-specific factors, and linking to key economic outcomes. Also, much attention has been paid to cross-country comparisons of economic complexity levels, there is a need for more research on the dynamics and transition processes that enable countries to move towards more complex economic structures over time. The study contributes to this gap by examining the factors that influence Nigeria's transition towards greater economic complexity over the period from 1990 to 2022. By analyzing the determinants of economic complexity in Nigeria, the study aims to provide valuable insights and recommendations for policymakers to formulate strategic interventions to enhance Nigeria's economic sophistication and foster sustainable

development in the long run by employing fully modified ordinary least square and for robustness outcome the canonical cointegration regression is used.

Methodology

The study employs a comprehensive econometric model to capture of effects of various factors on the economic complexity of Nigeria. Following the study conducted by Yalta & Yalta (2021) along with little modification. The baseline model to analyse the determinants of economic complexities in Nigeria is specified as:

$$ECI = F(FDI, GDDPPC, TECH, NRR, FDI, TOT, INSQ) \quad (1)$$

In addition, another determinant of economic complexity is technological advancement and institutional quality. Therefore, equation 1 is re-specified as;

$$ECI = F(FDI, GDDPPC, TECH, NRR, TOT, INSQ) \quad (2)$$

The econometric model is structured as:

$$ECI = \beta_0 + \beta_1 FDI + \beta_2 GDPPC + \beta_3 TECH + \beta_4 NRR + \beta_5 TOT + \beta_6 HDI + \varepsilon \quad (3)$$

Where: ECI represents Economic Complexity Index, GDPpc represents GDP per Capita, TECH represents Technological Advancement, NRR represents Natural Resource Rent, FDI represents Foreign Direct Investment, TOT represents Terms of Trade. HDI represent human capital development. Also, β_0 represents the intercept, indicating the baseline level of economic complexity while β_1 to β_6 represent the coefficients of the respective variables, signifying their impact on ECI and ε represents the error term, accounting for unobserved factors influencing ECI not included in the model. Also, Table 1 presents data measurement, description and sources for various variables employed in the study.

Table 1: Measurement, Description and Sources of Data

| Variables | Description | Measurement | Sources |
|-----------|---------------------------|--|--|
| ECI | Economic Complexity | Economic Complexity Index | Observatory of Economic Complexity (OEC) |
| GDPPC | GDP Per Capita | GDP per capita (constant 2015 US\$) | World Development Indicators (WDI) of the World Bank |
| TECH | Technological Advancement | High-technology exports (current US\$) | World Development Indicators (WDI) of the World Bank |
| NRR | Natural Resource Rent | Total natural resources rents (% of GDP) | World Development Indicators (WDI) of the World Bank |
| FDI | Foreign Direct Investment | Percentage of gross domestic product(GDP) | World Development Indicators (WDI) of the World Bank |
| TOT | Terms of Trade | Terms of trade adjustment (constant LCU) | World Development Indicators (WDI) of the World Bank |
| INSQ | Institutional Quality | i. Control of corruption ii. Government effectiveness iii. Political stability iv. Rule of Law v. Regulatory Quality | The Worldwide Governance Indicators& International Country Risk Guide (ICRG) |

Sources: Authors Compilation, (2024)

Econometric strategy

To achieved the long run cointegration of the economic complexities and its determinant in Nigeria as presented earlier in equation (3), recent analytical methods namely Canonical Cointegrating Regression (CCR) and Fully Modified Ordinary Least Squares (FMOLS) approach are employed for the period 1990 to 2022. As against ARDL methodology employed by Adegboyega et al (2022a & b); Adegboyega, Odusanya & Popoola (2017); Ahmed, Seikdear & Khatun (2022) and Shahbaz & Rahman (2010) argued that ARDL best analysed long run and short run effects with variables of either I(0) or I(1), as against these two approach of CCR and FMOLS that are designed specifically for estimating cointegrating association between I(1) variables and both are efficient when estimating multiple cointegrating vectors in one step as suggested by Johansen (1991) & Gonzalo (1994). FMOLS and CCR also account for endogeneity between the regressors that is often present in cointegrated association which ARDL does not explicitly control for endogeneity. Inaddition, both methods correct standard errors for serial correlation that is usually found in cointegrated series whereas for ARDL estimates, serial correlation robust standard errors may still be biased. CCR and FMOLS have asymptotic optimality properties in estimating the cointegrating vectors that ARDL does not share. However, FMOLS and CCR estimates of the long-run parameters are super consistent even in small samples.

Results and discussion

Table 2: Summary of descriptive statistics

| | Mean | Media n | Max. | Min. | Std. Dev. | Skewnes s | Kurtosi s | Jarque- Bera | Prob. |
|-----------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|-----------------|-------------|
| ECI | -1.611 | -1.665 | -1.3177 | -1.828 | 0.157 | 0.605 | 2.113 | 1.407 | 0.494 |
| FDI | 4.59E+ | 3.45E | 8.84E+ | 7.75E+ | 2.62E+ | 0.393 | 1.802 | 1.283 | 0.526 |
| GDPp c | 2477.25 | 2490.2 1 | 2679.5 | 2170.0 5 | 134.655 | -0.574 | 3.25 | 0.864 | 0.649 |
| HDI | 9.356 | 9.399 | 10.127 | 8.356 | 0.647 | -0.155 | 1.53 | 1.409 | 0.494 |
| INSQ | 6295.04 | 6322.7 2 | 6834.36 2 | 5607.5 05 | 449.37 | -0.144 | 1.522 | 1.416 | 0.4924 3 |
| NRR | 10.343 | 9.798 | 17.590 | 4.554 | 4.242 | 0.341 | 2.162 | 0.729 | 0.694 |
| TEC H | 1.15E+ 08 | 85424 6 | 4.95E+ 08 | 738834 8 | 1.19E+ 08 | 2.278 | 8.017 | 28.712 | 1E-06 |
| TOT | -7.48E+ | -6.00E | 4.98E+ | -1.60E | 6.44E+ | 0.296 | 1.954 | 0.902 | 0.636 |

Source: Authors Compilation, (2024)

Where: ECI represents the Economic Complexity Index, GDPPC represents GDP per Capita, TECH represents Technological Advancement, NRR represents Natural Resource Rent, FDI represents Foreign Direct Investment, TOT represents Terms of Trade. HDI represent human capital development and INSQ stands for institutional quality

The descriptive statistics presented in Table 2 shows that ECI (Economic Complexity Index) has a mean of -1.611 indicates a relatively low level of economic complexity on average with standard deviation of 0.157 that shows moderate variation in ECI values over time. FDI (Foreign Direct Investment) reveals a very high mean of 459,000 but also extremely high standard deviation of 2,620,000, indicating very volatile FDI inflows. GDP per capita average value of 2,477, with low standard deviation of 134, suggesting relatively

stable income levels. Also, HDI (Human Development Index) averaging 9.36 out of 10, with low standard deviation of 0.647, implies fairly high and stable human development whereas INSQ (Institutional Quality) having mean value of 6295, with moderate standard deviation of 449. TECH (Technological Advancement) and TOT (Terms of Trade) having an extreme high mean value of 115, with and standard deviation of 119 million and 748,000 but extremely high standard deviation of 6.44 billion respectively. The Maximum/Minimum estimates show the highest and lowest values for each variable over the period. For instance, ECI ranges from -1.828 to -1.317, while FDI had a maximum value of 8.84 billion.

NRR (Natural Resource Rents) slightly positively skewed at 0.341, leaning towards higher resource dependence. Tech highly positively skewed at 2.278, with extreme positive values. However, TOT and INSQ both have an approximately symmetric distribution but HDI and GDPpc both also have negative skewness of -0.154 and -0.574 respectively. Above all, the summary stats show economic complexity was relatively low on average, with high volatility in FDI, tech advancement and trade patterns. Income, human development and institutions were relatively stable. Distributions were broadly symmetric except for tech which had extreme positive values.

Table 3: Correlation analysis

| | ECI | FDI | GDPpc | HDI | INSQ | NRR | TECH | TOT |
|-------|--------|--------|--------|--------|--------|--------|--------|-------|
| ECI | 1.000 | | | | | | | |
| FDI | -0.042 | 1.000 | | | | | | |
| GDPpc | 0.581 | -0.489 | 1.000 | | | | | |
| HDI | 0.044 | -0.897 | 0.34 | 1.000 | | | | |
| INSQ | 0.041 | -0.897 | 0.337 | 0.799 | 1.000 | | | |
| NRR | -0.447 | 0.741 | -0.531 | -0.668 | -0.667 | 1.000 | | |
| TECH | 0.316 | -0.119 | 0.342 | 0.178 | 0.176 | -0.124 | 1.000 | |
| TOT | -0.096 | 0.852 | -0.589 | -0.821 | -0.821 | 0.734 | -0.051 | 1.000 |

Source: Authors Compilation, (2024)

Where: ECI represents the Economic Complexity Index, GDPPC represents GDP per Capita, TECH represents Technological Advancement, NRR represents Natural Resource Rent, FDI represents Foreign Direct Investment, TOT represents Terms of Trade. HDI represent human capital development and INSQ stands for institutional quality

The correlation matrix in Table 3 reveals that ECI (Economic Complexity Index) has a moderate positive correlation with GDP per capita (0.581) and technological advancement (0.316), suggesting higher economic complexity is associated with higher income levels and more technological progress but has a moderate negative correlation with natural resource rents (-0.447), indicating higher dependence on natural resources is linked to lower economic complexity. Also, has very low or near-zero correlations with FDI, human capital (HDI), institutional quality and terms of trade. However, FDI (Foreign Direct Investment) has a high negative correlation with GDP per capita (-0.489), HDI (-0.897) and institutional quality (-0.897), suggesting FDI inflows are higher when income levels, human capital and institutions are weaker, but has a high positive correlation with natural resource rents (0.741) and terms of trade (0.852), implying FDI is attracted to countries with abundant natural resources and favorable trade dynamics

Furthermore, GDP per capita has a moderate positive correlation with technological advancement (0.342) as expected, as well as having moderate negative correlations with natural resource rents (-0.531) and terms of trade (-0.589). As institutional quality and human capital are highly positively correlated (0.799), natural resource rents have a high negative correlation with human capital (-0.668) and institutions (-0.667) as well as Terms of trade has a high negative correlation with human capital (-0.821) and institutions (-0.821). Summarily, the correlation matrix shows the expected relationships allying economic complexity and factors like income, technology, human capital and institutional quality. It also highlights the linkages between FDI, natural resources and trade patterns and essentially do not have the problems of autocorrelation, if all the variables are estimated.

Table 4: Lag order selection criteria

| Lag | LogL | LR | FPE | AIC | SC | HQ |
|---|----------|----------|-----------|----------|----------|----------|
| 0 | -1140.75 | NA | 8.37E+64 | 163.678 | 163.906 | 163.657 |
| 1 | -1093.16 | 54.3872* | 4.46e+63* | 160.451* | 161.820* | 160.324* |
| * imply lag order selected by the criterion | | | | | | |
| LR: sequential modified LR test statistic (each test at 5% level) | | | | | | |
| FPE: Final prediction error | | | | | | |
| AIC: Akaike information criterion | | | | | | |
| SC: Schwarz information criterion | | | | | | |
| HQ: Hannan-Quinn information criterion | | | | | | |

Table 4 shows the results of lag order selection criteria for the variables used in the analysis. It helps determine the optimal number of lags to include in the econometric model. The table presents several information criteria values (LR, FPE, AIC, SC, HQ) for different lag lengths from 0 (no lags) up to 1 lag. The idea was to select the lag length that lessen these information criteria.

In view of all the five criteria examined, length of optimal lag chosen for the econometric model estimating determinants of economic complexity is 1 lag. These criteria assist to capture dynamics and remove serial correlation in the errors as few lags can lead to specification errors, while too many lags reduce estimation efficiency.

Table 5: Augmented Dickey-Fuller unit root test

| Variables | At Level | 1st Difference | Integration Order |
|-----------|----------|----------------|-------------------|
| ECI | -2.4040 | -4.7712** | I(1) |
| FDI | -1.6780 | -5.3707** | I(1) |
| GDPpc | -2.4710 | -3.6499** | I(1) |
| HDI | -1.3478 | -3.2969 ** | I(1) |
| INSQ | -1.2990 | -3.2749** | I(1) |
| NRR | -2.0644 | -6.8908** | I(1) |
| TECH | -3.4729 | -5.0837** | I(1) |
| TOT | -0.8156 | -4.5966** | I(1) |

Source: Authors Compilation, (2024)

Where: ECI represents the Economic Complexity Index, GDPPC represents GDP per Capita, TECH represents Technological Advancement, NRR represents Natural Resource Rent, FDI represents Foreign

Direct Investment, TOT represents Terms of Trade. HDI represent human capital development and INSQ stands for institutional quality

| | | |
|-----------------------|-----------|-----------|
| Test critical values: | 1% level | -3.752946 |
| | 5% level | -2.998064 |
| | 10% level | -2.638752 |

Table 5 presents the results of the Augmented Dickey-Fuller unit root (ADF) test, which is used to measure if the variables are stationary or have a unit root (non-stationary) plight. The void hypothesis of the ADF test is that the variable has a unit root (is non-stationary). The test statistics are compared against the critical values at 1%, 5%, and 10% significance levels but for this study critical value at 5% significance level is used. Based on the estimates presented in Table 4, all variables used were non-stationary at levels but become stationary succeeding first difference, i.e., they are integrated of order 1, I(1). This justifies using cointegration techniques like FMOLS and CCR which are designed for variables integrated of the same order.

Empirical results

Table 6: Estimate of the determinant of economic complexities in Nigeria

| Variable | Model 1 | | | | Model 2 | | | |
|--------------------|-----------|----------|-----------|----------|-----------|----------|--------|-----------|
| | FMOLS | | CCR | | FMOLS | | CCR | |
| | Coef. | t-stat | Coef. | t-stat | Coef. | t-stat | Coef. | t-stat |
| Constant | 8.610 | 7.549** | -6.396 | -4.817** | -9.405 | -6.344** | -4.268 | -1.403 |
| FDI | 0.172 | 4.996** | 0.003 | 1.029 | 0.176 | 4.831** | -0.002 | 3.806** |
| GDPPC | 0.001 | 6.639** | 0.001 | 4.095** | 0.001 | 5.980** | 0.001 | 3.806** |
| HDI | 0.128 | 2.951** | 0.202 | 2.361** | 2.007 | 0.699 | -7.699 | -1.347 |
| NRR | -0.023 | -5.386** | -0.028 | -3.904** | -0.022 | -4.804** | -0.030 | -4.052** |
| TECH | -5.94E-11 | -0.504 | -4.39E-10 | -1.033 | -7.08E-11 | -0.550 | -0.005 | -1.989*** |
| TOT | 0.012 | 3.343** | 3.41E-14 | 2.256** | 1.58E-14 | 2.933** | 0.050 | 2.701** |
| INSQ | | | | | -0.002 | -0.652 | 0.011 | 1.386 |
| R-Squared | 0.801 | | 0.642 | | 0.810 | | 0.506 | |
| Adjusted R-Squared | 0.632 | | 0.336 | | 0.589 | | 0.423 | |

Source: Authors Compilation (2024)

Note: * $P < 0.01$, ** $P < 0.05$ & *** $P < 0.10$ respectively

Where: ECI represents the Economic Complexity Index, GDPPC represents GDP per Capita, TECH represents Technological Advancement, NRR represents Natural Resource Rent, FDI represents Foreign Direct Investment, TOT represents Terms of Trade. HDI represent human capital development and INSQ stands for institutional quality

Table 6 presents the estimated outcome on the direct and indirect behaviour of economic complexities in Nigeria between 1998 to 2022 while the R-squared value for all the models estimated shows that 80.1%; 64.2 %; 81% and 50.6% respectively of total variation in the economic complexities index (ECI) is being explained by the expository variables. This suggests that the R-squared values indicate that the models explain 80-81% of variation in

ECI using FMOLS and 50-64% using CCR. Likewise, the Adjusted R-squared value of 63.2%; 33.6%; 58.9% and 42.3% respectively, which suggests that the variability in the dependent variable is explained while penalizing for inclusion of additional variables.

Furthermore, Table 6 presents the estimates of the determinants of economic complexity in Nigeria using two different econometric techniques - Fully Modified Ordinary Least Squares (FMOLS) as well as Canonical Cointegrating Regression (CCR). Table 6 shows results for two model specifications. Model 1 using FMOLS estimates shows that FDI, GDP per capita, HDI, and terms of trade (TOT) have a statistically significant positive impact on economic complexity (ECI), suggesting that a unit rise in these variables would result to equal rise in ECI by 0.172; 0.001; 0.128 and 0.012 respectively whereas natural resource rents (NRR) have a negative coefficient of 0.023 effect on ECI and were found statistically significant at 5 percent significance level. Similarly, estimate emanating from CCR, FDI, GDP per capita, HDI, NRR and TOT are significant determinants with the same sign as reported for FMOLS.

In another instances for which institutional quality was included in the model (Model 2). The estimates emanating from the use of FMOLS estimates shows the coefficients of FDI, GDP per capita, NRR and TOT remain significant with a positive association with economic complexities in Nigeria. But when CCR estimates also reveals that FDI, GDP per capita, NRR and TOT remain significant determinants of economic complexities in Nigeria while TECH has a significant negative coefficient and were found statistically significant at 5% significance level.

Summarily, focusing on the FMOLS estimates, several variables emerge as significant determinants of economic complexity in Nigeria. Foreign direct investment (FDI), GDP per capita, human capital development (HDI), and terms of trade (TOT) exhibit a direct and statistically significant impact on ECI in both models at 5 percent significance level. This suggests that higher inflows of FDI, greater income levels, improved human capital, and more favorable trade conditions contribute to enhancing the complexity and sophistication of Nigeria's economy. The submission is in support of the findings conducted by Mao & An (2021); Ajide (2021); Yalta & Yalta (2021)

In contrast, natural resource rents (NRR) display a negative and significant coefficient across both models, implying that an over-reliance on natural resource extraction hinders the development of economic complexity. This finsubmission corroborate the study conducted by Yalta & Yalta (2021). Interestingly, while technological advancement (TECH) has an insignificant negative coefficient in Model 1, it becomes insignificant in Model 2 when institutional quality is included. The role of institutions, proxied by INSQ, appears to be statistically insignificant in the FMOLS estimation.

The CCR estimates broadly reinforce the findings from FMOLS, with some minor variations in the significance of certain variables. Notably, TECH emerges as a significant negative determinant of ECI in the CCR estimation of Model 2, suggesting that technological progress may have an adverse impact on economic complexity when institutional factors are accounted for. Overall, the results highlight the complex interplay between various factors, such as FDI, income levels, human capital, trade patterns, natural resource dependence, technology, and institutions, in shaping Nigeria's economic complexity landscape.

By and large, FDI, higher income levels, human capital development, and trade openness are crucial drivers of economic complexity and diversification in Nigeria. This highlights

the importance of creating an enabling environment to attract more FDI inflows, boosting income growth, investing in education and skills development, and promoting export diversification. The negative impact of natural resource rents (NRR) on economic complexity underscores the pitfalls of over-reliance on natural resource extraction, which can hinder the development of a more diverse and sophisticated economic structure. This is commonly referred to as the "resource curse" phenomenon. The ambiguous role of technological advancement (TECH) and institutional quality (INSQ) in fostering economic complexity suggests that these factors may not be optimally leveraged or complemented by other supportive policies in the Nigerian context.

Table 7: Post estimation test outcomes

| Tests | Statistics Value | Probability |
|--|------------------|-------------|
| Normality Test | 2.015 | 0.365 |
| Ramsey RESET Test | 0.445 | 0.671 |
| Heteroskedasticity Test: Breusch-Pagan-Godfrey | 0.598 | 0.743 |
| Breusch-Godfrey Serial Correlation LM Test | 2.804 | 0.152 |
| Heteroskedasticity Test: ARCH | 0.002 | 0.959 |

Source: Authors Compilation (2024)

Moreover, to actually ascertain the validity, reliability and robustness of the econometric model used to investigate economic complexity determinants in Nigeria, various post estimation tests were conducted and result presented in Table 7, figures 1 and 2 respectively. From Table 7 both tests shows that all were free from estimation problem since the probability figures were greater than 5 percent (i.e. $p > 0.05$). Specifically, serial correlation, heteroskedasticity amongst other as stated in Table 7 are free of either specification problems or non-connecting, residual free of heteroskedasticity and normally distributed problem since the p-values for all tests are greater than 0.05 ($p > 0.05$).

Furthermore, Figure 1 and Figure 2 show the plots of the CUSUM (Cumulative Sum of Recursive Residuals) and CUSUM of Squares tests, respectively. These tests are used to assess the stability of the coefficients in a regression model over the sample period. The CUSUM plot tests for parameter stability by plotting recursive residuals cumulative sum against a straight line with a zero mean. If the plotted CUSUM falls within the two critical lines (5% significance level), it indicates that the stability of the model coefficients over sample period and there is no evidence of structural breaks or parameter instability.

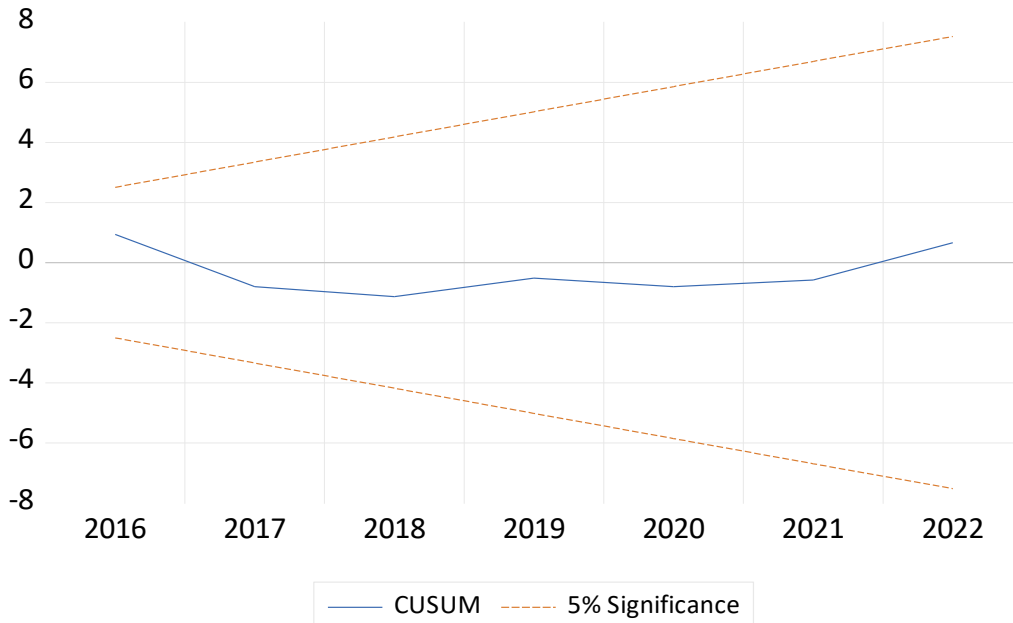


Figure 1: Plot of Cusum
Source: Authors Compilation (2024)

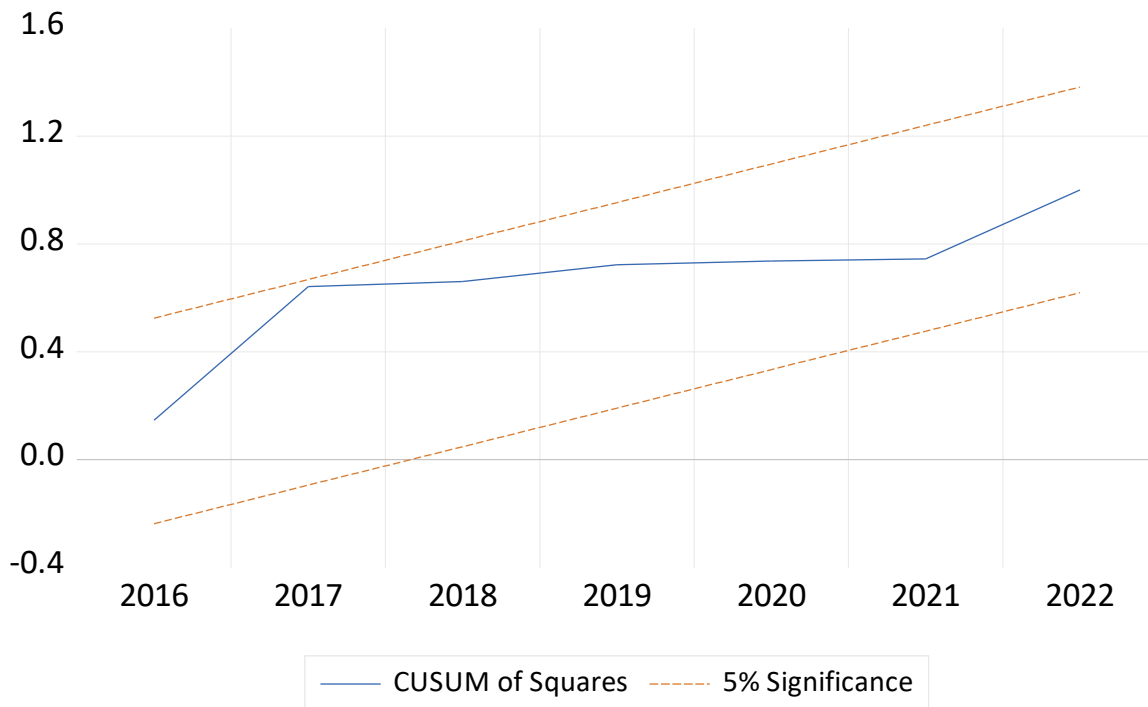


Figure 2: Plot of Cusum of Squares
Source: Authors Compilation (2024)

Also, the CUSUM of Squares plot tests for sudden changes in the coefficients of the regression model. Like the CUSUM plot, if the line representing the CUSUM of Squares

falls within the two critical lines suggests that the coefficients are stable over the sample period, and further confirming the stability of the estimated model coefficients.

Overall, both the CUSUM and CUSUM of Squares plots indicate the model estimated coefficients for the determinants of economic complexity in Nigeria are stable over the sample period from 1990 to 2022. This stability in the coefficients suggests model is correctly specified and the relationships allying economic complexity and its determinants (FDI, GDP per capita, human capital, natural resource rents, trade openness, and institutional quality) are consistent and reliable over time.

Summary of findings and Policy recommendation

Economic complexity as discussed in the literature matters because it is seen as a key driver of economic growth and development. Countries with greater complexity in their economic activities tend to have higher income levels, faster economic growth, and greater prospects for further development. Hence the current study examines the determinants of economic complexities in Nigeria and established whether or either both direct and indirect factors matters for economic complexities while data spanning from 1990 to 2022 was put to use and achieve using two advanced analytical tools as guide by the augmented unit root test. The two analytical tools are fully modified ordinary least squares and canonical cointegration regression model and data were equally sourced from reliable sources such as WDI, ICRG, WGI among others.

The findings from the present study reveals that FDI, GDP per capita, human capital development (HDI), and trade openness (TOT) have a positive and significant impact on economic complexity in Nigeria. Also, natural resource rents (NRR) have a negative and significant effect on economic complexity, highlighting the "resource curse" phenomenon, but the roles of technological advancement (TECH) and institutional quality (INSQ) appear ambiguous or insignificant in driving economic complexity, Therefore, the outcome underscore the complex interplay between various domestic and international factors shaping Nigeria's economic complexity landscape.

Sequel to the findings, the study unravels the intricate association between economic complexity and a multitude of factors, including FDI, income levels, human capital, trade patterns, natural resource dependence, technology, and institutions. The findings provide valuable insights into the drivers and impediments to Nigeria's quest for greater economic sophistication and diversification. While factors like FDI, income growth, human capital development, and trade openness emerge as crucial catalysts, overdependence on natural resources poses a significant challenge. The roles of technological progress and institutional quality remain ambiguous, suggesting a need for complementary policies to harness their potential fully.

In view of the above submission, the government and policy make are implore to implement policies to attract more FDI inflows, particularly in non-resource sectors, by improving the business environment, strengthening regulatory frameworks, and developing infrastructure. This can help diversify the economy and enhance its complexity. Also, to invest heavily in human capital development through education reforms, vocational training programs, and initiatives to improve healthcare and nutrition. A skilled and healthy workforce is essential for building economic complexity and transitioning towards more knowledge-intensive industries. Inaddition, government should pursue export diversification strategies by identifying and supporting potential growth sectors with

comparative advantages. This can involve targeted incentives, access to finance, and infrastructure development for promising industries. Moreover, gradually reduce the economy's dependence on natural resource extraction by reinvesting resource revenues into productive sectors, fostering entrepreneurship, and developing downstream industries. This can mitigate the inverse impact of resource dependence on economic complexity.

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CHALLENGES FACING LAGOS STATE PUBLIC PROCUREMENT AGENCY IN THE IMPLEMENTATION OF PUBLIC PROCUREMENT LAW

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Abstract: the paper analyzed the challenges facing Lagos State Public Procurement Agency in the implementation of procurement law. The paper adopted both the primary and secondary sources of data; data were collected through administration of questionnaires on the identified respondents. The study population of workers in the selected ministries, agency, contractors, and civil society organization consisted of 1398. A proportionate random sampling technique was used in selecting a sample size of 210 respondents representing 15% of the study population. Secondary data were obtained from books, academic journal official documents of LSPPA, and internet. Data collected were analyzed with the use of percentage, frequency, and mean. The result of the study revealed that the challenges facing Lagos State Public Procurement Agency; namely: poor ethical standard (58.9%, $\bar{x} = 2.5$), shortage of manpower (72.2%, $\bar{x} = 2.1$), and delay in the adjudication of contract malpractices (65.8%, $\bar{x} = 2.1$) were largely insubstantial challenges facing LSPPA in the implementation of public procurement law of the state amongst the ten acknowledged challenges. On the other hand, the paper further shown the challenges that were largely substantial for the LSPPA in the implementation of public procurement law in the state; such as: interference from political office holders (67.4, $\bar{x} = 2.9$), poor ethical standard (63.9%, $\bar{x} = 2.6$), delay in the release of appropriated budget (57.4%, $\bar{x} = 2.7$), political will and commitment to prosecute offenders (54.5, $\bar{x} = 2.7$), sharp practices in the award of contract (65.8%, $\bar{x} = 2.8$), politicized civil society organization (78.2%, $\bar{x} = 3.0$), and submission of procurement plan (60.9%, $\bar{x} = 2.8$) substantially hampers LSPPA in the quest to achieve efficiency, probity, openness, value for money, accountability, and fair pricing amongst others. The study therefore, concludes that the challenges facing LSPPA, Lagos State Public Procurement Agency in the implementation of public procurement law in the state is largely substantial, and decelerates the policy objective targets of procurement law of the State. It was further evident from seven claims confirmation as against three claims that negated it respectively.

Keywords: political will, oversight, procurement, fair pricing, efficiency

Introduction

The level of growth and development attained in any economy tells how the public procurement policy of such an economy operates momentarily, or otherwise. After

payment of wages and salaries, which are recurrent expenditure by the government in any economy, the huge expense on capital expenditure is expended on the public procurement of such economy. This is done in order to drive growth and development in the form of investment in public procurement, which trickles down to every facet of human endeavors. It therefore, suffices to say that investment in public facilities is not a waste since it serves as a social overhead cost from the government; and the investors would only spend on directly productive activities in order to stimulate growth and development. All these are hallmark of driving development in a country so as to achieve the desired infrastructural development, amongst others (Olu, Okotoni 2001).

Both Western, and Eastern developed economies make their public procurement the core of their public spending in order to drive the needed development so as to engender value for money, transparency, efficiency, accountability, openness, amongst others. All these represent the hallmark of public procurement which benefits the taxpayers in getting the indirect benefits for their constitutional roles. Due to nature of public procurement in the striving economy like ours Nigeria, the synchronization of public procurement through the agency responsible for such task must be vetted so as to ensure that there is value for money, and appropriated budget for such are expended on what the released fund is meant for, this is done so as to ensure that there is no diversion of fund, or non-compliance with the appropriate provisions on procurement Act, Law as it applicable, or inflated prices, or contract splitting among others, this serves as the focal function of Bureau of Public Procurement for federal government, and its replica at Lagos State; Lagos State Public Procurement Agency.

Statement of the Research Problems

The craving for the need to address careless spending by government ministries, departments and agencies undoubtedly brought out the enactment of public procurement law in Lagos state so as to get value for money appropriated and spent. The enactment of public procurement policy in order to adequately unravel the difficulties associated with the procurement process and contract award in the State brought about Lagos State Public Procurement Law with constitutional provision for the establishment of Lagos State Public Procurement Agency LSPPA, The law was enacted to address the problems of sharp practices in the public procurement process that characterized the public sector and which has become a conduit pipe for money laundering and siphoning off the State resources.

However, in spite the enactment of public procurement law, public procurement still continues to witness sharp practices due to over bearing influence on the functions and powers of LSPPA as it reflects on the rate of abandonment of project and poor implementation of such project (Jacob, 2010). This is connected to the level of politicking in the composition of the agency, which ought to enforce the provisions of the law LSPPA hence, the need to analyze the challenges facing Lagos State Public Procurement Agency in the implementation of public procurement policy.

Literature Review

Public Procurement Policy Implementation Constraints in Lagos Compromised Benchmark

There is the issue of compromised benchmark or set price standard due to political affiliation consideration that leads to the flagrant award of public contracts at a highly inflated cost and coupled with unappropriated spending. The public procurement law sets out procedures for the award of contract so as to reduce or curb inflated cost which often leads to loss of value for money in the contract awarded and saves government fortunes which would have been lost to contract inflation (Section 54 Lagos State Public Procurement Law, 2011). The gross misconduct on the benchmark standard that audited account would have revealed is also being sacrificed, which hinders accountability and transparency on the altar of political consideration instead of promoting good governance which public procurement policy intends to achieve.

Late Passage of Annual Budget

In addition, the late passage of annual budget has continued to take its toll on the public procurement policy in the country. Early passage of the annual budgets and the subsequent release of funds for the execution of various ministries, department, and agencies (MDAs) procurement via budgets have suffered a lot due to the late passage of the annual budget. More so, the lack of transparency in the preparation of annual budget also leads to late passage, as most items on the annual budget are often times unsubstantiated at the National or State Assembly during the budget justification of each MDAs. Some public procurement policy cannot be implemented without adequate fund for; this has unswervingly continued to be a challenge in the implementation of public procurement policy. Also, the main problem of the decline in the revenue estimates as stated in the budget appropriated is at times led to the non-conformity with grundnorm, which in the long run affects the implementation of public procurement policy (Fischer, 2004).

The late passage of annual budget often results from the flagrant violation of the constitution especially the Fiscal Responsibility Act (FRA 2007) which stipulates among others. The publication of audited account of MDAs in order to see how the previously appropriated money was expended in order get value for money as stipulated in section (4) of FRA 2007 and which often are not complied with.

Government Leadership and Institutionalized Process

The leadership direction in the country has a huge influence on how public procurement policy would be implemented. Adherence to public procurement policy implementation that in turn changes the institutionalized process is more pronounced in the way and manner in which the governments operate. Both State and Federal have refused to adhere to the provisions of Laws of procurement, and this has led to the refusal of federal government to constitute the National Council on Public Procurement and Lagos State failure to do so for Lagos State Public Procurement Agency Governing Board. The law affirms the need to improve efficiency, promote good governance, and ensure transparency in the award of contracts via compliance with Laws that is the practice in most parts. The leadership style at the helms of affairs makes institutions involved in the implementation of public procurement policy workable. The NCPP, LSPPGB, various contractors, suppliers, and service providers gave opportunities in the process for tender without any interference. Jacob (2010) argues that the enforcement of infringement noticed during the bidding process would be redressed fairly or unfairly depending on the government leadership. If rule of law is nourished, there would be fair treatment, if not many contracts might be

awarded without due regard for open competitive bidding as stipulated in the (Ondiek, 2013). Thus, government leadership posed a great challenge to the implementation of public procurement policy (Hunja, 2003).

Poor Screening for Technical, and Professional Capabilities

Adjei (2006) argues that the poor screening process for the award of contract, supplies or service often show in the shoddy manner in which such contracts, supplies, services are carried out. Poor screening leads to poor implementation or the use of poor-quality materials in carrying out such projects, which in the long run tells on the durability of such projects. The non-affirmation of technical and professional capabilities of supplier, contractors, or providers of services through the shoddy award of contracts tells on the implementation. The poor screening exercise by BPP or LSPPA as result of interferences could lead to inefficiency and lack of value for money, which most often leads to a non-transparent process.

Political interferences

Ameyaw (2013) and Musanzikwa (2013) posit that political interference has continued to take its ugly effects in the implementation of public procurement policy in Nigeria. The head of ministries, departments, or agencies often interferes in the public procurement policy implementation (Jacob 2010). The head of ministries often determines what plays out in their respective ministries so as to ensure that their cronies and political allies benefit from contracts, supplies, or services being provided (Fischer & Gapp, 2013). The political interference has been a cog in the wheel of growth and development in the country as many contracts, supplies, or services are secured through this act and it comes with its attendant effects. Mohammed (2010) argues that the poor implementation of such projects or programs that money is budgeted for are often being diverted, or poorly implemented. Since the head of such MDAs has interest as against the provision of PPA (2007) and its domesticated LSPPL sections respectively; where a stakeholder must state if there is interest in any of the contracts bidding. Here, we heard about budget padding recurrently, this is significant kind of interference we witness as a national, or sub-national governments. Therefore, the need not to have unfair treatment of information, which might give such contractors, vendors, or consulting firms a greater advantage over others, which often leads to frosty relationship between ministry and parastatal are being compromised through the political consideration.

Theoretical framework

Agency theory was the swivel in which the study anchored on. The choice of Agency theory was because of the indisposition to symbiotic relationship between the principal and agent of The Agency theory or principal-agent theory revealed the assumption that there exists asymmetry information sharing between the principal and agent in the procurement process. Spence and Zeckhauser (1971) propounded the theory in relation to the study of insurance which they later applied to social sciences in order to see the influence of information asymmetry on contract and other human engagement. Both the principal and the agent have access to information in an asymmetry nature in the public procurement process. A procuring entity has foreknowledge of what a threshold or benchmark for a

contract awarded will cost likewise agent has full knowledge on the professional and technical capacity of the contract the agent applies for.

Public procurement processes have officials that are charged with the responsibility of discharging the transaction of public procurement, and contract awarded for the principals together with the public, which often times bring the government into being while various contractors, manufacturers, or service providers are the agents. The incentives for the various agents are predetermined via their appointment letters through a certificate of no objections. There are instances in which the agents sometimes do not act in tandem with established norms that often leads to asymmetry information that exists. In such instances, the established processes are compromised as the agent seeks their interest over and above the principal's interests. This situation breeds a prismatic system in which administrative system operates a Bazaar-canteen syndrome (Riggs, 1964) which results in abnormal situations prevalent in the public procurement processes. The system is susceptible to various abuses despite the established processes that are supposed to be followed in order to ensure that the agent performs according to the desired wishes of the principal. Theory positions the principal to inform the agent what it intends to achieve and how an agent would go about it. The various actions or inactions of the agent were to be disclosed to the principal in order to ensure the principle of utmost good faith. Public procurement processes hinge on the principal-agent theory in order to ensure value for money appropriately. The fiduciary relationship that exists between the procuring entities which often time represent the principal in the public procurement processes and the contractors which are the agents make the agency theory indispensable in the contract award. The principal-agent theory posits that value for money in the public procurement processes is apt in the discourse of procurement by government or any of its MDAs. This brings out the essence of relationship that exists between the principal and agent in order to ensure that contracts are carried out as agreed upon in the contract award process, which stipulates the quality, quantity, time, place, and efficiency with fewer skirmishes.

Methodology

This section depicts the methodology that was used in the administration of questionnaires for this paper so as to discuss the methods and techniques that were used in order to achieve the paper's objective, the examination of the challenges of Lagos State Public Procurement Agency; with descriptive data analysis technique. The study was centered on the activities of Lagos State Public Procurement Agency, of the Lagos State respectively, the State is in the Western Region of Nigeria, and it has 20 local government areas and 37 LCDA accordingly, with huge economic activities due to its nature which houses largest sea port in the country, it is a window to the world economies.

The study employed a purposive sampling technique for ministries of Housing 110, Finance 89, Works and Infrastructure 240, and Justice 481. The two levels of management were considered since they were actively involved in the procurement process that is, planning and controlling. Also, 100 staff from LSPPA in the GL 07 to GL 17; the construction companies with their senior employees which formed the respondents were: Craneburg Construction Company 69, Planets Projects 64, Hitech Construction Company 70 and the Messers First Investment Property Company 58; Civil Society Organisation; Coalition Against Corrupt Leader 25, Socio- Economic Rights and Accountability 32. BudgIT 31, Ymonitor 29. The reasons for the selection of these construction companies

were as a result of the number of projects they had done in the state in the past years for the two administrations under review and the involvement of new ones by the present administration. While the civil society organizations were chosen since they advocated for probity, accountability, and transparency among others. At the last stage, a proportionate random sampling technique was used in selecting a sample size of 210 respondents representing 15% of the study population. While, the 210 respondents were administered questionnaires on so as to ensure that the paper attained the needed credibility and validity. Statistical instrument for data analysis for the paper was percentage, and impact analysis of the challenges through ranking of the mean computed via SPSS, Statistical Package for Social Scientists respectively.

Table 1 The population and sample size distribution

| MINISTRIES | Population | Sample Size 15% |
|---|------------|-----------------|
| Works and Infrastructure | 240 | 36 |
| Finance | 89 | 13 |
| Housing | 110 | 17 |
| Justice | 481 | 72 |
| Civil Society Organization | | |
| Coalition Against Corrupt Leaders (CACOL) | 25 | 4 |
| Socio-Economic Rights and Accountability Projects (SERAP) | 32 | 5 |
| Ymonitor | 29 | 4 |
| Budgit | 31 | 5 |
| CONSTRUCTION COMPANIES | | |
| Messers FIPC | 58 | 8 |
| Craneburg Construction Company | 69 | 10 |
| Planet Projects | 64 | 9 |
| Hitech Construction Company | 70 | 11 |
| LAGOS STATE PUBLIC PROCUREMENT AGENCY | 100 | 15 |
| Subtotals of respondents 15% | 1398 | 210 |

Source: field work, 2023

Analysis and interpretation of data

Two hundred and ten questionnaires (210) were administered among the respondents, and two hundred and two (202) were retrieved accordingly. This implied that over 96% response rate was recorded in the questionnaires administered. The quantitative data generated were subjected to both descriptive and inferential statistical analysis.

Challenges Facing Public Procurement Agency in the Implementation of Public Procurement Policy in Lagos State

This part provided the first-hand results on the challenges facing the agency in the implementation of the public procurement policy. Four-dimensional assessment scale of; highly substantial, substantial, less substantial, insubstantial which was used by the researcher to elicit information from the respondents on the importance or otherwise of each of the challenges acknowledged. The scale was afterward subsumed into largely substantial for (highly substantial and substantial) and largely insubstantial for (less substantial and insubstantial) so as to deduce the direction of their responses and mean was further computed in order to acknowledge the average impact or otherwise of the

challenges on the agency functions and powers in the implementation of public procurement policy, with mean value ranked accordingly. The criterion for mean is that; a mean value of 2.5 or less indicates insubstantial impact, while 2.51 and above indicates substantial impact.

The first claim on the research instrument verified the interference as a challenge to the agency's powers and functions in the policy implementation. The result of the analysis revealed that 67.4% of the respondents affirmed that interference on the functions and power of LSPPA posed a largely substantial challenge to the agency as against the 32.6% of the respondents that negated the claim with the largely insubstantial responses. The mean result of 2.9 affirmed that interference had a substantial average impact on the agency's functions and powers. The interference was ranked 2nd among the challenges identified which implies that interference is capable of demeaning the functions and powers of the agency considerably. It is sufficed to conclude from the per cent computed and mean calculated that interference from the political office holders hinders functions of the agency is the second most challenging confronted by LSPPA in the implementation of public procurement policy.

The poor ethical standard was also considered as a challenge. 58.9% of the respondents acknowledged that the assertion was largely insubstantial with this claim as against the 41.1% of the respondents who largely affirmed the significance of the claim, and since the per cent of largely insubstantial 58.9 is more than 41.1, it is affirmed that the poor ethical standard was also considered as a least challenge to the LSPPA in the implementation of public procurement policy with the mean value of 2.5 which affirmed that poor ethical standard is largely insubstantial impact on the agency activities. The poor ethical standard was ranked 8th among the ten challenges postulated. It suffices to avow that poor ethical standard is a challenge, though it does not constitute a huge constraint on the powers and functions of LSPPA.

63.9% of the respondents largely confirmed the challenge that the ineffective oversight function posed to the activities of the LSPPA while 36.1% of the respondents largely negated the assertion, with the mean value of 2.6 ranked 7th which indicated that the ineffective oversight function had a largely substantial impact on the activities of the agency. This result pointed to the fact that ineffective oversight function from the LSPPA enfeebled the implementation of the public procurement policy with its attendant effect.

Delay in the appropriated budget also posed a great challenge to the agency's activities as 57.4% of the respondents substantially affirmed the assertion while 42.6% of the responses asserted that the assertion is insubstantial this was also supported with mean value of 2.7 that is more than 2.5 yardstick, and it was therefore ranked 5.5th which corroborated the substantial impact the delay of the appropriated budget had on the agency activities and its resultant consequences on the implementation of the public procurement policy in the State respectively.

The challenge of shortage of manpower was also identified and it was discovered that the shortage of manpower was largely insubstantial on the activities of the agency as it relates to the implementation of the public procurement policy with a mean value of 2.1 and rank of 9.5th in the ten acknowledged challenges, and with mean value below the yardstick. The respondents affirmed the insubstantial nature of the claim that a shortage of manpower did not pose a challenge to agency activities with 72.2% responses while a minuscule 27.8% substantially corroborated the claim. Though the shortage of manpower is a challenge, it

does not have the potency of blighting the agency activities and the implementation of public procurement policy in the state.

54.5% of the respondents largely corroborated the assertion that lack of political will and commitment to prosecute offenders posed a challenge to the activities of the agency while 45.5% affirmed the claim as largely insubstantial. The assertion had a largely substantial impact on the activities of the agency and the resultant outcome in the implementation of public procurement policy in the state with the mean value of 2.7 which is more than the yardstick of 2.5, and was tied ranked 5.5th in the challenges acknowledged. It is sufficed to avow that LSPPA faced the challenge of lack of political will and commitment to prosecute offenders due to non-committal to the provisions on the Public Procurement Law.

The challenge of sharp practices in the award of the contract was also verified so as to assert the substantial impact or otherwise it had on the activities of the agency. The result of the assertion showed that the sharp practices in the award of contract had a largely substantial effect on the agency's activities with affirmation responses of 65.8% as against the 34.2% that affirmed largely insubstantial impact of the assertion, with a mean value of 2.8, this value was tie-ranked 5.5th in the ten recognized challenges. This implies that sharp practices in the award of the contract have largely impacted substantially on the agency's activities and with the resultant effect on the implementation of public procurement policy in the state.

Politicized civil society organization was verified as a challenge to the activities of the agency, and it was uncovered that politicized civil society organizations had a substantial impact on the agency activities with 78.2% responses strongly agreed to this claim as against the infinitesimal 21.8 % of the largely insubstantial responses. The mean value was 3.80 and with rank of 1st among the ten identified challenges. Hence, it suffices to deduce that the politicized civil society organizations posed a disturbing and damning impact to agency' activities in the implementation of public procurement policy in the state. Therefore, the civil society organization views and opinions must often be properly dissected and scrutinized so as to affirm the veracity of their reports and allegations as it affects government spending in the state in order to avoid prejudices and trivial recommendations.

The delay in the adjudication of contract malpractice was also verified as another challenge to the activities of the agency. It was revealed that the claim was largely insubstantial with a mean value of 2.1 and tie-ranked of 9.5th in the ten recognized challenges. The percentage of largely insubstantial of 65.8% which was more than 50% of the responses also affirmed the insubstantial nature of the claim as against the percentage of largely substantial of 34.2% which was less than 50% that affirmed the claim. Although, the delay in the adjudication of contact malpractices posed an insubstantial challenge to the activities of LSPPA; it is sufficient to conclude that court process on the contract awarded does not have substantial effect on the powers and functions of the agency respectively.

60.9% of the respondents largely confirmed to the assertion that late submission of procurement plans posed a challenge to the activities of the agency as it affects the implementation of public procurement policy as against the 39.1% of the respondents who affirmed the claim as insubstantial. The largely substantial impact the challenge had on the agency's activities was affirmed by the mean value 2.8 and which was tie-ranked 3.5th in the ten identified challenges. Therefore, the challenge of late submission of procurement

plans has demeaned the agency's activities which indirectly weakens the implementation of public procurement policy in the state.

Table 2 Challenges Facing Public Procurement Agency in the Implementation of Public Procurement Policy (N=202)

| Assertions | LAS f (%) | SUBS f (%) | LES f (%) | INSUB f (%) | \bar{x} | R |
|---|--------------|---------------|--------------|----------------|-----------|-------|
| Interference from the political office holders hinders functions of the agency | 84 (41.6) | 52 (25.8) | 32 (15.8) | 34 (16.8) | 2.9 | 2nd |
| Poor ethical standard inhibits contract implementation | 47 (23.3) | 36 (17.8) | 84 (41.6) | 35 (17.3) | 2.5 | 8th |
| Ineffective oversight function affects the contract process | 44 (21.8) | 85 (42.1) | 19 (9.4) | 54 (26.7) | 2.6 | 7th |
| Delay in the actual release of the appropriated budget hinders agency's powers | 76 (37.6) | 40 (19.8) | 31 (15.3) | 55 (27.3) | 2.7 | 5.5th |
| Shortage of manpower frustrates agency's power of contract assessment | 29 (14.4) | 27 (13.4) | 76 (37.6) | 70 (34.6) | 2.1 | 9.5th |
| Lack of political will to prosecute offenders affects adjudicatory mechanism | 51 (25.2) | 59 (29.2) | 76 (37.6) | 16 (7.9) | 2.7 | 5.5th |
| Sharp practices in the award of contract hinders procurement process | 76 (37.6) | 57 (28.2) | 17 (8.4) | 52 (25.8) | 2.8 | 3.5th |
| Politicised civil organisations disturbs agency's activities | 76 (37.6) | 82 (40.6) | 11 (5.5) | 33 (16.3) | 3.0 | 1st |
| Delay in the adjudication of contract malpractices cases daunts agency's powers | 46 (22.8) | 23 (11.4) | 50 (24.8) | 83 (41.0) | 2.1 | 9.5th |
| Late submission of procurement plans hinders the agency powers of scrutinizing | 73 (36.1) | 50 (24.8) | 38 (18.8) | 41 (20.3) | 2.8 | 3.5th |

Source: Field Survey, 2023

LAS (Largely Substantial), SUBS (Substantial), LES (Less Substantial), INSUB (Insubstantial), \bar{x} (Mean), and R (Rank)

f=frequency, %=percentage

Discussion of findings

This part provided the first-hand results on the challenges facing the agency in the implementation of the public procurement policy, four-dimensional assessment scale was adopted by the researcher to elicit information from the respondents on the significance or otherwise of each of the challenges acknowledged. The scale was subsequently subsumed into largely substantial and largely insubstantial so as to deduce the direction of their responses and mean was further computed in order to acknowledge the substantial impact or otherwise of the challenges on the agency functions and powers in the implementation of public procurement policy.

The item one on the research instrument verified the interferences as a challenge to the agency's powers and functions in the policy implementation. The result of the analysis showed that 67.4% of the respondents largely affirmed that interference posed a substantial challenge to the agency as against the 32.6% of the respondent that largely negated the claim as insubstantial. The mean result of 2.9 affirmed that interference had a largely substantial impact on the agency's functions and powers. The interference was ranked 2nd among the challenges identified which implies that interference is capable of demeaning the functions and powers of the agency considerably. The finding of this study was supported by the work of Omagbon (2016); Jabrin, Ejura, and Nwaorgu (2014) where the

two works asserted that godfatherism is a key variant of interference from political office holders, which seriously undermined the implementation of public procurement policy, and the agency that promotes its compliance.

The poor ethical standard was also considered as a challenge. 58.9 % of the respondents largely avowed that the claim was insubstantial as against the 41.1% of the respondents who largely confirmed the claim as substantial. The mean value of 2.5 affirmed that poor ethical standard had a largely insubstantial impact on the agency's activities. The poor ethical standard was ranked 8th among the ten challenges postulated. It suffices to now avow that poor ethical standard is a challenge, though it does not constitute a huge nuisance to the agency's activities in the implementation of public procurement policy. 63.9% of the respondents largely agreed that ineffective oversight function posed as a challenge to the activities of the agency while 36.1% largely disagreed with the claim. The mean of 2.6 ranked 7th indicated that the ineffective oversight function had a largely substantial impact on the activities of the agency. This result pointed to the fact that ineffective oversight function from the agency enfeebled the implementation of the public procurement policy, coupled with its attendant effect. Delay in the appropriated budget also posed a great challenge to the agency's activities as 57.4% of the respondents largely affirmed this assertion while 42.6% of the responses largely disagreed. The mean value was tie-ranked 5.5th which corroborated the largely substantial impact the delay of the appropriated budget had on the agency activities and its resultant consequences on the implementation of the public procurement policy.

The challenge of shortage of manpower was also identified and it was discovered that the shortage of manpower pose an insubstantial impact on the activities of the agency as it relates to the implementation of the public procurement policy with a mean value of 2.1 and tie-ranked of 9.5th in the ten identified challenges. The respondents largely disagreed with the claim that a shortage of manpower posed a challenge to agency activities with 72.2% responses while a minuscule 27.8% largely affirmed the claim. Though the shortage of manpower is a challenge, it does not have the potency of blighting the agency activities in the implementation of Lagos public procurement policy. 54.5% of the respondents largely confirmed the substantial influence of lack of political will and commitment to prosecute offenders, and posed a challenge to the activities of the agency while 45.5% of the respondents largely disagreed with the assertion. The assertion had a largely substantial impact on the activities of the agency and the resultant outcome in the implementation of public procurement policy in the state with the mean value of 2.7, and was ranked 5.5th in the challenges acknowledged.

The challenge of sharp practices in the award of the contract was also verified so as to assert the substantial impact or otherwise it had on the activities of the agency. The result of the assertion showed that the sharp practices in the award of contract had a largely substantial effect on the agency's activities with largely agreed responses of 65.8% as against the 34.2.% that largely disagreed, with a mean value of 2.8, this value was ranked 3.5th in the ten acknowledged challenges. This implies that sharp practices in the award of the contract have substantially impacted adversely on the agency's activities and with the resultant effect on the implementation of public procurement policy in the state. Politicized civil society organization was verified as a challenge to the activities of the agency, and it was uncovered that politicized civil society organizations had a largely substantial impact on the agency activities with 78.2% responses largely affirmed this claim as against the

infinitesimal 21.8 % of the largely insubstantial negation responses. The mean value was 3.0, and ranked 1st among the ten recognized challenges. Hence, it suffices to deduce that politicized civil society organizations posed a disturbing and damning impact to agency' activities in the implementation of public procurement policy in Lagos state. Therefore, the civil society organization views and opinions must often be properly dissected and scrutinized so as to affirm the veracity of their reports and allegations as it affects government spending in the state in order to avoid prejudices substantially.

The delay in the adjudication of contract malpractice was also verified as another challenge to the activities of the agency. It was revealed that the claim was largely insubstantial with a mean value of 2.1 and ranked of 9.5th in the ten acknowledged challenges. The percentage of largely disagreement was 65.8% which was more than 50% benchmark also affirmed the insubstantial nature of the claim as against the percentage of largely agreement of 34.2% which was less than 50% that affirmed the claim. Although, the delay in the adjudication of contact malpractices posed a largely insubstantial challenge, nevertheless it is still a challenge that should be looked into in order to ensure that the agency's activities are well carried out. 60.9% of the respondents largely affirmed the assertion that late submission of procurement plans posed a challenge to the activities of the agency as it affects the implementation of public procurement policy as against 39.1% of the respondents who asserted the claim was largely insubstantial. The largely substantial impact the challenge had on the agency's activities was affirmed by the mean value 2.8, which was tie-ranked 3.5th in the ten identified challenges. Therefore, the challenge of late submission of procurement plans has demeaned the agency's activities which indirectly weakens the implementation of public procurement policy in Lagos state.

Concluding remarks

The study concluded that most of the acknowledged challenges that the agency was confronted with are socially, politically, and economically created, and can be adequately be addressed in order to ensure that the implementation of public procurement policy in Lagos state achieved its intended objectives. The study further showed that the policy objective of efficiency, probity, and openness among the various procuring entities as to a large extent being achieved, with various strategies adopted by the LSPPA. It was evident from the assertions tested that the challenges of LSPPA, Lagos State Public Procurement Agency in the implementation of public procurement law in the state is largely substantial, and apt which sometimes hinder its powers and functions as enunciated in the public procurement law of the State, from the ten identified challenges, seven assertions affirmed the substantial impact of the challenges confronted the LSPPA. In order to strengthen the LSPPA functions and activities the agency's objectives must be independent from any interference whatsoever this would enhance greater efficiency, probity, openness, and value for money in the procurement processes and implementation in the state.

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Appendix

Constitutional Provisions

Lagos State Public Procurement Law 2011

Section 1. Establishment of the Lagos State Public Procurement Agency.

There is established a body to be known as the Lagos State Public Procurement Agency. Section 8. The Objectives of the Agency are to:

ensure probity, accountability and transparency;
establish fair pricing standards and benchmarks;
ensure the application of fair, competitive, value-for-money standards and practices for the procurement and disposal of public assets and services;
create ample opportunities for the citizenry particularly, small and medium scale enterprises to participate in the economic opportunities and benefits of public procurement;
create a cost and time efficient and effective adjudicatory mechanism for the resolution of complaints arising from public procurement process in the State and its Local Governments filed by procuring entities, bidders and the general public; and
attain transparency, competitiveness, professionalism and guarantee integrity and public trust in the public procurement procedure.

Section 9. Functions of the Agency The Agency shall:

consider, amend and review the monetary benchmark for the application of this Law;
approve the employment of staff of the Agency other than the General Manager;
approve changes in procurement process to adapt to changes in technology;
give such other directives and perform such other functions as may be necessary to achieve the objectives of this Law;
formulate the general policies and guidelines relating to public sector procurement for the approval of the Governor;
publicise the provisions of this Law;
certify all State procurements prior to, during and after the award of any contract;
supervise the implementation of established procurement policies;

oversee and superintend compliance by all procuring entities with the procurement policies of the State;
monitor the prices of tendered items and keep a database of standard prices;
publish the details of major contracts in the State Procurement Journal;
publish paper and electronic editions of the State Procurement Journal and Procurement Manual and maintain an archival system for the State Procurement Journal; and
carry out such other functions which are essential to run an efficient procurement process and the effective implementation of its functions under this Law.

Section 10 Powers of the Agency

The Agency shall have the power to:

enforce the rules and review benchmark set pursuant to this Law;
inspect and review any procurement transaction to ensure compliance with the provisions of this Law;
investigate and determine whether any procuring entity has violated any provision of this Law;
blacklist or ban any supplier, contractor or consultant that contravenes any provision of this Law and Regulations made pursuant to this Law;
maintain a database of contractors and service providers to the exclusion of all procuring entities;
prescribe classifications and categorizations for the Companies or Limited Liability Partnerships (LLPs) on the register
maintain a list of firms and persons that have been blacklisted or banned from participating in the public procurement system and publish them in the State Procurement Journal;
call for information, documents, records and reports in respect of any aspect of any procurement proceeding where a breach, wrongdoing, default, mismanagement or collusion has been alleged, reported or proved against a procuring entity or service provider;

Section 54 General Selection Procedure The procuring entity shall select the successful proposal by either choosing the proposal with: the lowest evaluated price, or; the best combined evaluation in terms of general criteria set out in the request for proposals and the price quoted

1999 Constitution as Amended

Section 121.: The Governor shall cause to be prepared and laid before the House of Assembly at any time before the commencement of each financial year estimates of the revenues and expenditure of the State for the next following financial year. The heads of expenditure contained in the estimates, other than expenditure charged upon the Consolidated Revenue Fund of the State by this Constitution, shall be included in a bill, to be known as an Appropriation Bill, providing for the issue from the Consolidated Revenue Fund of the State of the sums necessary to meet that expenditure and the appropriation of those sums for the purposes specified therein.

Public Procurement Act as amended, 2007

Section 54 (1) A bidder may seek administrative review for any omission or breach by a procuring or disposing entity under the provisions of this Act, or any regulations, or guidelines made under this Act or the provisions of bidding documents.

Fiscal Responsibility Act as amended, 2007

48. Fiscal Transparency

The Federal Government shall ensure that its fiscal and financial affairs are conducted in a transparent manner and accordingly ensure full and timely disclosure and wide publication of all transactions and decisions involving public revenues and expenditures and their implications for its finances.

The National Assembly shall ensure transparency during the preparation and discussion of the Medium-Term Expenditure Framework, Annual Budget and the Appropriation Bill.



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STRATEGIES AND IMPACTS OF FINANCING TECHNOLOGY TRANSFER ENTITIES: A MULTIFACETED APPROACH

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Abstract: The article investigates the impact of various funding sources on Technology Transfer Entities (TTEs), including government support, private sector investments, grants, and European funds. It emphasizes the crucial role these financial mechanisms play in enabling TTEs to bridge the gap between academic research and commercial application. By analyzing the influence of government funding, the significance of licensing and patent revenues, and the benefits of private and European investments, the article demonstrates how these resources assist TTEs in achieving financial stability, fostering innovation commercialization, and navigating the market. It also highlights the importance of aligning TTEs' goals with broader societal and economic objectives. Through case studies, the research illustrates the essential need for a diverse funding strategy and effective management for TTEs to optimize their contribution to the technological innovation ecosystem, economic growth, and societal well-being.

Keywords: financing, innovation, commercialization, patents, investments

Introduction

Technology Transfer Entities (TTEs) are funded from various sources. These may include government funding, funds from research institutions (state, private or mixed forms of public-private partnership), licensing and patent revenues, private sector investment and grants from non-profit organizations or foundations. European funds (public funds) play an extremely important role. Even if they are not always available, they direct research towards the priorities of the European Union (green transition, sustainable development, circular economy, clean energy sources, etc.), and investment funds (private funds) support the research priorities of the private economy (see the huge investments made by private companies in the development of artificial intelligence or anti-covid vaccines). Regardless of funding sources, ETTs need to have a diversified funding strategy to ensure stability and manage financial risks. ETTs can be funded from different sources, which may vary according to their specific financial model, institutional structure and regional or national context. The most common sources of funding for ETTs are: government funding, funding from research institutions (state, private or mixed forms of public-private partnership), licensing and patent revenues, private investment funds, grants, European funds.

Income from government grants

Government funding plays a vital role in supporting technology transfer entities because these organizations often operate at the intersection of academic research and commercial applications, where funding gaps exist. Funding provided to ETTs can take the form of core operating funds or dedicated grants for specific projects, designed to support a variety of costs including salaries, infrastructure and other operational expenses (Nugent et al.,

2021). The impact of government investment in R&D on stimulating technology transfer in universities has been highlighted by initiatives such as China's programs to promote university-business collaboration (Rao & Piccaluga, 2012). It has also examined how funded academic research influences patent renewal decisions, noting that legislation such as the Stevenson-Wydler Technology Act has had a significant impact on technology transfer in the US and other nations (Tahmooresnejad & Beaudry, 2018). In South Korea, the passage of the Technology Transfer Promotion Act highlights proactive efforts by governments to encourage technology transfer from national research projects (Kim et al., 2015). Some governments in the European Union, particularly in the northern EU countries, provide direct funding to ETTs, either as core operating funds or in the form of grants for specific projects. These funds can cover staff, infrastructure and other operational costs. The importance of EU funding has been highlighted in several recent studies which have analyzed its impact on different sectors. A notable example is research in the renewable energy sector, which has explored how the EU is managing the challenges of technology transfer, with a focus on current trends and intellectual property rights in the industry (Kulkarni et al., 2022).

EU investment in research and development, as well as the implementation of demand-driven measures in critical areas such as health, was highlighted as substantial. These initiatives aim to promote innovative projects, combat diseases and encourage healthy living through EU research project funding (García-Holgado et al., 2019). The importance of setting up technology transfer offices as mechanisms to encourage innovation and economic growth was also examined. Karanikić (Karanikić, 2022) highlights the vital role played by the establishment of a National Technology Transfer Office in Montenegro, which is seen as an essential organizational structure for advancing technology transfer initiatives in the country. The analysis of Croatia's development in the context of technology transfer policies highlights the challenges and progress made by lower-technology EU countries (Švarc & Dabić, 2019). The study highlights how EU assistance contributes to improving technological capabilities in economies in transition.

In addition, Szpringer explore the European system of financial supervision and its impact on regulatory assessment, including the influence of stress tests on stock prices (Szpringer & Szpringer, 2017). This work provides a broad perspective on financial structures in the EU and their implications for technology transfer and economic stability, highlighting the crucial role of finance in supporting technology transfer and innovation within the European Union.

Governments in Eastern Europe often fund research and development through ETTs in the form of grants or contracts. These funds can support the development of new technologies, patenting and licensing, and facilitate collaboration between researchers and industry. The French term "Incitative Fiscale" refers to tax incentives offered by governments in Europe to support technology transfer. According to Bloom, R&D tax credits have been shown to be effective based on evidence from a group of countries, providing insights into the impact of tax incentives on technology transfer (Bloom et al., 2002) a study of nine OECD countries (Australia, Canada, France, Germany, Italy, Japan, Spain, UK and USA) between 1979 - 1997. The UK's R&D tax credits scheme allows companies to deduct a proportion of their R&D expenditure from their corporation tax. There are two schemes, one for small and medium-sized enterprises (SMEs) and one for larger companies.

France has one of the most generous tax incentive schemes for technology transfer in Europe, known as the *Crédit d'Impôt Recherche* (CIR), which allows companies to deduct a significant proportion of their R&D expenditure (Bozio et al., 2014). Ireland offers a technology transfer tax credit scheme which allows companies to claim a 25% tax credit for R&D expenditure. This is in addition to the normal deduction of technology transfer expenditure from corporation tax, meaning that companies can effectively benefit from a double deduction for R&D expenditure. The Netherlands has a tax incentive scheme known as WBSO (*Wet Bevordering Speur- en Ontwikkelingswerk*), which offers tax rebates on the salaries of employees working on projects within ETTs. Belgium offers a number of tax incentives for technology transfer, including a corporate tax deduction for R&D expenditure and a tax exemption on researchers' salaries.

Governments can also provide funding through venture capital programs, which can help "scale up" technologies developed by ETTs. A number of European governments have introduced funding programs through venture capital funds to support innovation and the development of new technologies. These are often designed to stimulate private investment and help start-ups and other innovative businesses to grow and expand. In the UK, the British Business Bank is owned by the UK government and invests in venture capital funds that support growing businesses. It operates a number of programs including Enterprise Capital Funds and Angel CoFund. Bpifrance (France) is France's public investment bank offering a wide range of financing instruments for innovative businesses, including venture capital investments. In Germany there is KfW, based in Frankfurt, which is Germany's development bank operating a range of venture capital investment programs for start-ups and innovative businesses. Since 2014, this bank is considered the largest national investment bank. Finnish Industry Investment Ltd (Tesi), Finland, is a state-owned investment company that invests in venture capital funds and supports Finnish Technology Transfer Entities. In Ireland, the Irish Strategic Investment Fund (ISIF) of the Irish Central Bank has invested in several venture capital funds to support the development of new technologies and innovation in Ireland.

These venture capital funding programs help fill the "funding gap" that may exist for technology transfer entities seeking to develop and commercialize their technologies. In addition, government involvement can help attract other investors because it reduces the perceived financial risk in the capital markets associated with investing in innovative companies and emerging technologies. The specific analysis of government funding of ETTs depends very much on the geographical and institutional context, as government policies vary significantly from country to country. However, it is clear that government funding is an essential tool to ensure that research results can be efficiently transferred to the private sector and bring wider economic and social benefits.

In conclusion, it is important to note that the success of an ETT depends not only on funding. Effective management, innovation culture, collaboration with industry, and the existence of a diversified funding strategy that is conducive to technology transfer are also essential elements. Universities need to ensure that their technology transfer policy is aligned with their academic mission and the interests of the community they serve.

Income from licensing and patents

When Technology Transfer Entities license technology to companies or other organizations, they may receive revenue from these agreements. In the operational context

of Technology Transfer Entities, the process of licensing technology to corporate or institutional entities is the most common method used to monetize innovations. This approach allows ETTs to earn revenues through contractual agreements, which may stipulate different forms of financial compensation. Essentially, revenues can be structured in the form of upfront licensing fees, royalties calculated as a percentage of revenues from sales of the final product based on the licensed technology, or other agreed payment mechanisms. Licensing fees have the advantage of providing an immediate source of capital for ETTs, while royalties provide a long-term revenue stream. In the latter case, the revenue earned is linked to the commercial success of the technology or product the ETT makes. This monetization strategy aligns with the objectives of leveraging R&D, facilitating the transfer of knowledge and technology from academia or research to industry, thus contributing to innovation and the dynamization of the knowledge-based economy.

Grant income from non-profit organizations, foundations and private sector investments

Many foundations and other non-profit organizations offer grants for technology transfer, especially for projects that have the potential to have a significant social or economic impact. Private investment in ETTs and related start-ups can take the form of venture capital, angel investors or other types of equity financing. These capital injections are essential to support the early commercialization and development phases of innovative technologies, which are often associated with significant risks and capital-intensive needs. In return for funding, investors may receive equity stakes in start-ups or other forms of financial compensation, negotiated on the basis of an assessment of growth potential and anticipated revenues.

Venture capital is recognized for its role in the development of high-impact, high-growth firms, and both the advantages of the model and its limitations in fostering major technological innovations are appreciated. Key concerns include the strict selectivity of innovation projects attracting funding, the concentration of resources in the hands of a small number of investors with major influence over the direction of technology, and a recent low attention to corporate governance by these firms (Lerner and Nanda, 2020).

Working with private investors gives ETTs access to additional financial resources, but also to investor expertise and networks, which can be crucial to navigating the market and accelerating growth. This synergy between private capital and technology transfer entities stimulates innovation, supports the development of new businesses and contributes to the economic exploitation of scientific research results. Collaboration with private investors is therefore a vital strategy for ETTs, enabling them not only to finance their technology transfer operations and projects, but also to actively participate in the creation and sustainability of a robust innovation ecosystem that fosters the transformation of knowledge and technology into commercial success and positive social impact.

Private sector investment is the oldest source of funding for ETTs and can take various forms. Of these, venture capital investment can play a significant role in supporting the growth and development of technology transfer entities. Venture capital is funding provided by investors to start-ups and young companies with growth potential in exchange for an equity stake. In the context of ETTs, venture capital can support the commercialization of innovative technologies.

1. Seed stage: In this early stage, ETTs may need funding to identify the technology they want to develop, for a preliminary assessment of technical and commercial feasibility, and to initiate procedures to protect intellectual property. Venture capitalists can provide the necessary funds for research and development as well as market exploration.
2. Early-stage development phase: After concept validation, ETTs may need additional investment to build working prototypes, a minimum viable product or to conduct pilot studies. Verifying working hypotheses at market level, collecting feedback from consumers or users and potential partners requires funding that can be provided by venture capital.
3. Growth stage: In this phase, ETTs may seek to expand their operations, bring products to market or expand into new markets. The market validation phase is achieved by measuring the actual demand for the product by an increased number of customers or partnerships. In the second stage of this phase, investments need to be made to expand production or service capabilities to serve a wider market. This stage is called scaling up. This is followed by geographical expansion (the geographical conquest of new markets) and, finally, product or service diversification to broaden the product or service offering. Venture capital can provide funding to support this growth.
4. Maturity and exit stage: In this phase, ETTs prepare the initial public offering (IPO) or look for a buyer. Venture capitalists play an important role in this phase as they recoup their investment and earn profits.

Studies show that venture capital funds work most effectively in the most innovative EU economies (Wierzbińska, K., 2019). Venture capital can also be an important tool to attract talent and build credibility with business partners and other financiers. At the same time, venture capital comes with certain disadvantages, such as dilution of ownership and pressure to grow quickly and exit from financial risk at a time of growth. In Europe, there are several venture capital funds focusing on technology and innovation, such as Northzone, Atomico, Balderton Capital and others. EU-wide initiatives, such as the InvestEU programme, also aim to mobilize private investment, including venture capital, in research and innovation.

Revenue from European and international funds

Technology transfer entities can also obtain funding through various European or international programs, such as Horizon or the EU's Framework Programme for Research and Innovation. European funds are an important source of funding for technology transfer entities. These funds can be accessed through various European Union (EU) programs dedicated to innovation and research, such as Horizon 2020 (which ended in 2020), followed by Horizon Europe (2021-2027). Horizon 2020 was the EU's largest research and innovation program, with a budget of around €80 billion available over seven years (2014-2020). It included various funding instruments, such as research grants, Marie-Curie actions for researcher mobility and the SME Instrument for developing and scaling innovation in small and medium-sized enterprises.

Horizon Europe is the successor to Horizon 2020 and will run from 2021-2027 with a budget of around €95.5 billion. It has three main pillars: Excellent Science, Global Challenges, European Industrial Competitiveness and Innovative Europe. EU funds can be used by Technology Transfer Entities for a variety of activities, such as research and technological development, cooperation with industrial and academic partners, technology

transfer and commercialization of research results. The application process for EU funds is competitive and requires rigorous planning and preparation.

In terms of the effectiveness of these funds, this depends on the capacity of the ETT to manage the funds, the quality of the projects and the extent to which the results can be commercialized or lead to other forms of social or economic impact. ETTs can contribute significantly to innovation and technology transfer, but it is essential that they are well managed and have adequate access to funding. In conclusion, we emphasize that technology transfer entities are diverse and play key roles in promoting innovation and technology commercialization. They can vary according to their specific field of activity, organizational structure and institutional affiliation. Sources of funding can vary significantly, reflecting the diversity of business models and objectives specific to each entity. Below we present, in summary, a list of the most popular ETTs and possible sources of funding for each of them:

Technology Transfer Offices (TTOs): Often located within universities or research institutes, these entities facilitate the transfer of technology developed within the institution to industry, managing patents and technology licensing. Funding for TTOs often comes from budgets allocated by host institutions (universities, research institutes), government funds dedicated to innovation and technology transfer, revenue generated from technology licensing and, in some cases, from partnerships with the private sector.

Science and Technology Parks (STPs): These areas are designed to promote collaboration between universities, research institutes and companies, providing space and resources for start-ups and innovative technology companies. STPs can be funded through government grants, investment from local or regional authorities, public-private partnerships, as well as by renting office and laboratory space to companies and start-ups.

Business Incubators (AI): Focuses on supporting the development of early-stage start-ups by providing access to office space, mentoring, technical resources and support in obtaining funding. Funding for AI can come from a variety of sources, including government funding, financial support from universities or research organizations, private investment and participation fees paid by incubated start-ups.

Business Accelerators (BAs): Similar to incubators, accelerators offer intensive mentoring and development programs to accelerate the growth of start-ups to a later stage. AAs can often be funded through private investment, venture capital funds, corporate sponsorships, and by taking a portion of the participating start-ups' capital in exchange for services.

Technology Investment Funds (TIFs): These funds provide capital needed to develop and scale innovative technologies, focusing specifically on start-ups and technology companies. TIFs are predominantly funded by capital committed by private investors, pension funds, financial institutions, venture capital funds and sometimes public-private partnerships.

Technology Transfer Companies (TTCs): These are private companies that specialize in evaluating, protecting and commercializing innovative technologies, often working in partnership with universities and research institutes to facilitate technology transfer. TTCs can obtain funding from a variety of sources, including revenues from licensing and consultancy services, private investment, venture capital funds and government grants dedicated to supporting innovation and technology transfer.

Research and Development Consortia (RDCs): These groups, which can include universities, companies and governments, collaborate to share resources and expertise in

research projects with the aim of developing new technologies that can then be commercialized. Funding for CCDs often comes from contributions from participating members (both public and private sector), research grants, government funding programs for collaborative research, and sometimes from revenue generated by licensing the technologies developed.

Government Agencies and Non-Profit Technology Transfer Organizations: Some government agencies or organizations are dedicated to facilitating technology transfer between the public research sector and industry, providing support in terms of regulation, funding and networking. These entities rely largely on government funding, grants, donations from foundations and other non-profit organizations, and in some cases partnerships with the private sector for specific projects.

As can easily be seen from the above summary the sources of funding for technology transfer entities are varied and reflect a combination of public and private support, highlighting the importance of collaboration between different actors in the innovation ecosystem to facilitate technology transfer and commercialization of innovations.

Next, I will present a study that explored the mechanisms and impact of investments made by technology transfer entities (TTEs), using a methodological approach anchored in the analysis of public data and financial reports. The aim of this analysis was to identify, through case studies, the ways in which invested capital, partnership structure and subsequent financial outcomes contributed to optimizing the technology transfer process.

The investigation is based on a mixed methodology, integrating quantitative analysis of financial data and qualitative analysis of partnership structures, in the context of three specific case studies: the investment in BioTechX, a technology transfer entity; the commercial partnership with TechSolutions, a technology transfer entity; and the financing of the technology transfer entity start-up GreenEnergy. Data was extracted from internal financial documents provided by the three technology transfer entities.

Analysis of the "Innovatech" investment in BioTechX: ROI assessment and impact on Innovation in Biotechnology

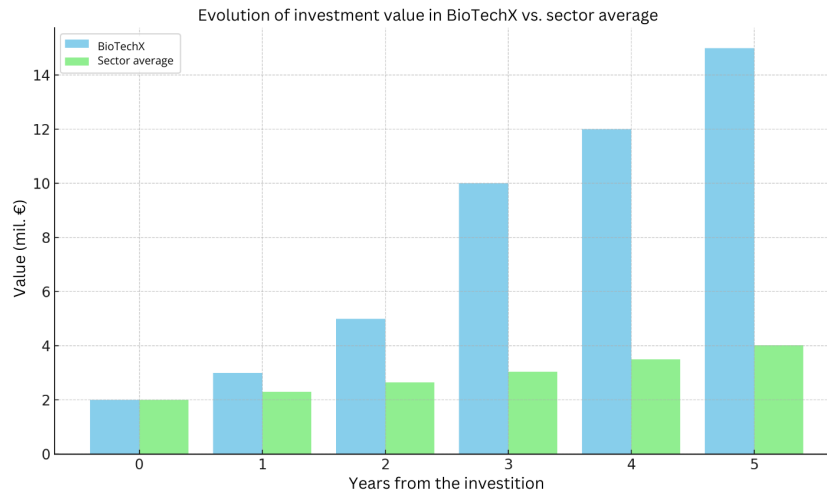
"Innovatech" has chosen to invest €2 million in the technology transfer entity BioTechX for a 20% stake. This structure suggests an initial valuation of BioTechX of €10 million. Venture capital (VC) investment in this context indicates a financial commitment to supporting early stage innovation and technology development, recognising the potential of BioTechX to generate value through its innovative solutions. By calculating the ROI (Return on Investment) based on the financial data provided, we were able to assess the financial effectiveness of the investment. With annual revenues of €50 million five years post-investment and a stake of Innovatech valued at €15 million, the ROI can be estimated by comparing the increase in the value of the stake with the initial investment.

$$ROI = \frac{\text{Final Value of the Investment} - \text{Initial Value of the Investment}}{\text{Initial Value of the Investment}} \times 100$$

The author's study found a positive correlation between significant venture capital investment and rapid revenue growth in biotechnology. This reflects the general trend in the biotech sector, where adequate funding is crucial for research and development (R&D), clinical testing and bringing innovations to market. The success of BioTechX in developing

and commercializing a new treatment for diabetes illustrates the positive impact of this type of investment on innovation and economic growth in the field. With an ROI of 650%, Innovatech's investment in BioTechX far exceeded the industry average for biotech investments. According to an internal audit financial report, the average return on venture capital investment in biotech and healthcare ranged from 10% to 20% per year. This indicates an exceptional performance of BioTechX, highlighting the effectiveness of Innovatech's investment strategy and the innovation potential of the start-up.

Table 1. Evolution of investment value in BioTechX vs. sector average



Source: public data collected by the author

The updated graph illustrates the comparison between the evolution of the value of the investment in BioTechX and the estimated growth of an average investment in the biotech sector, given an average annual return of 15%. It is clear that the investment in BioTechX has performed significantly better than the sector average, with an impressive increase from €2 million to €15 million in just 5 years, reflecting an ROI of 650%. In comparison, an average investment in the sector, adjusted for a 15% annual return, shows a much more modest growth, highlighting the exceptional performance of BioTechX and the investment strategy adopted by "Innovatech".

Financial Evaluation of the TechSolutions Partnership: Initial Investment, Revenue Generation and Financial Performance

In order to perform a detailed financial analysis of the partnership with TechSolutions, we considered the following key aspects: the initial investment, the generation of royalty income and the assessment of the financial performance of the investment by calculating the return on investment (ROI) and other relevant financial indicators.

Initial Investment and Partnership Structure. TechBridge invested €500,000 in the development of a software platform with TechSolutions, obtaining exclusive licensing rights. This partnership structure involved close collaboration, with TechBridge contributing financially to the technology development and in return receiving exclusive rights to commercialise the platform.

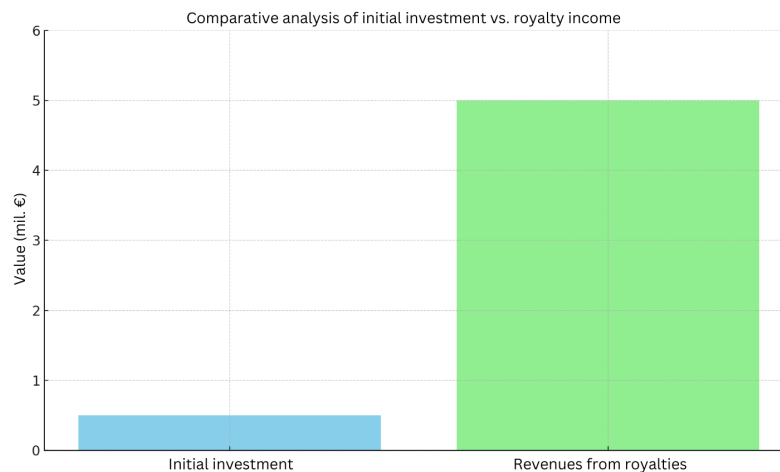
Generation of Revenue through Royalties. Since its launch, the TechSolutions platform has been adopted by over 1,000 companies, generating €5 million in royalty revenue over three years. This indicates a rapid adoption rate and an efficient business model that has enabled the initial investment to be recouped and multiplied. For the Return on Investment (ROI) calculation to assess the financial efficiency of the investment in TechSolutions we used the following formula:

$$\text{ROI} = \frac{\text{Final Value of the Investment} - \text{Initial Value of the Investment}}{\text{Initial Value of the Investment}} \times 100$$

Financial Performance Analysis. In addition to ROI, we can also consider other indicators to assess financial performance, such as payback period and Net Present Value (NPV), which require a discount rate to discount future cash flows. The return on investment (ROI) for the TechSolutions partnership is 900%. This result indicates exceptional financial performance, highlighting the effectiveness of the strategic partnership model and exclusive licensing structure in generating significant royalty income. Generating €5 million in revenue from an initial investment of €500,000 demonstrates the high potential for monetizing innovations in the technology sector, as well as the added value through widespread adoption of the platform developed in partnership.

This analysis highlights the importance of careful selection of partnerships and investment projects, particularly in the area of technology transfer entities, where exclusive licensing rights and the ability to expand rapidly into the market can have a significant impact on financial success.

Table 2. Comparative analysis of initial investment vs. royalty income



Source: public data collected by the author

The graph shows a comparison between the initial investment and the royalty income generated for the partnership with TechSolutions. A significant difference between the two figures is evident, with royalty income of €5 million compared to the initial investment of only €0.5 million. This illustrates the financial success of the partnership and the

effectiveness of the well-structured partnership model for monetizing innovations, as analyzed above.

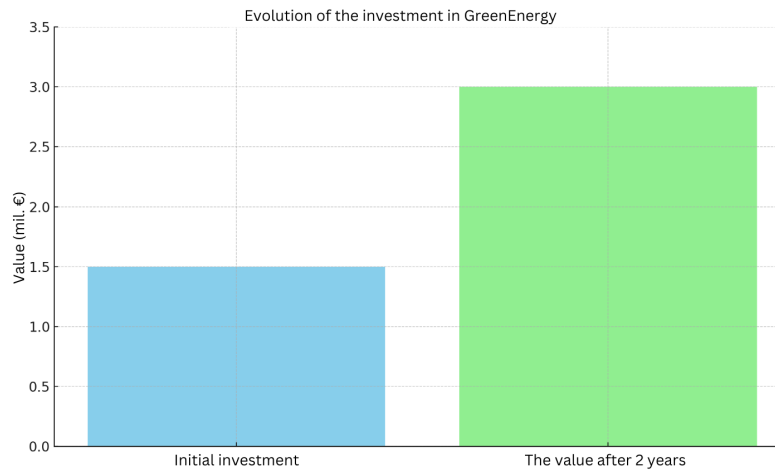
Initial Investment and Financial Impact of GreenEnergy Technology: An Analysis of Profitability and Sustainability

The initial investment of €1.5 million in the GreenEnergy technology transfer entity was directed towards the development of renewable energy technology. This type of early-stage investment is essential for start-ups developing innovative and sustainable solutions, providing the necessary capital for research and development, prototyping and early stages of commercialization. According to the author's study, the implementation of GreenEnergy technology in cities resulted in a doubling of the initial investment in just two years. This indicates not only rapid commercial success, but also market validation for the proposed technology. Doubling the investment in such a short time is an indicator of the start-up's high profitability and growth potential.

Return on investment (ROI) can be calculated to quantify the financial efficiency of the GreenEnergy investment. Given that the initial investment has doubled, we can assume that the value of the investment after two years is €3 million. The formula for calculating the ROI is:

$$\text{ROI} = \frac{\text{Final Value of the Investment} - \text{Initial Value of the Investment}}{\text{Initial Value of the Investment}} \times 100$$

Long Term Impact. Investments in green technology innovation, such as GreenEnergy, not only provide significant financial returns, but also have a profound impact on sustainability and the environment. The commercial success and adoption of the technology in cities indicates the potential to contribute to the energy transition and carbon reduction that are key to achieving sustainable development goals. The return on investment (ROI) for GreenEnergy financing is 100%. This means that the initial investment of €1.5 million has doubled to €3 million in just two years, reflecting an outstanding financial performance. A 100% ROI underlines not only the commercial success of the renewable energy technology developed by GreenEnergy, but also the enormous potential for early investment in sustainable and innovative solutions by technology transfer entities. This financial analysis highlights the strategic importance of supporting green technology start-ups, demonstrating that such investments can generate not only significant financial returns but also positive environmental and social impacts. GreenEnergy's success serves as a compelling example of the potential for growth and sustainable impact through investment in future technologies.

Table 3. Evolution of the investment in GreenEnergy

Source: public data collected by the author

The graph illustrates the evolution of the investment in GreenEnergy, comparing the value of the initial investment of €1.5 million and its value after two years, which increased to €3 million. This visual representation highlights the doubling of the value of the investment in a relatively short period of time, underlining the outstanding financial performance and success of the renewable energy technology developed by GreenEnergy.

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HUMAN RESOURCE ACCOUNTING AND BANKS PROFITABILITY: EVIDENCE FROM DEPOSIT MONEY BANKS LISTED ON THE NIGERIAN EXCHANGE GROUP

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Abstract: This paper investigates the connection between human resource accounting (HRA) and profitability of listed deposit money banks (DMBs) in Nigeria for period, 2010-2020. While controlling for size effect, this aims to determine the effect of salaries and wages, directors' remuneration, and retirement benefits and costs, on banks' profitability (proxy by Return on Asset (ROA)). Secondary data sourced from published annual financial statements of nine purposefully selected DMBs quoted on the Nigerian Exchange Group, were analyzed using Panel Autoregressive Distributed Lag (P-ARDL) model and panel Granger causality technique. This study reveals that retirement benefits and costs, and directors' emolument exert positive and significant effect on ROA while salary and wages has positive but non-significant effect on ROA. Furthermore, there is a unidirectional causality flow from ROA to salaries and wages and banks size. It is therefore concluded that investment in human resources have positive and significant effect on the profitability of banks in Nigeria and banks profitability dictates their wage-paying ability and size. It is recommended that banks should investment more in their HR particularly by providing a much more guaranteed retirement benefits to their employees and also handsomely rewarding their currently serving directors and employees.

Keywords Human Resource Accounting, HRA, Profitability, Listed Deposit Money Banks, DMBs, Nigerian Exchange Group.

Introduction

Human resources (HR) (people and their knowledge) are part of the company's key assets and therefore they should be well-managed by an organization for the good of the employees and other stakeholders (Shaumya. & Arulrajah, 2018). Thus, proper accounting for this key element of organisation (HR) is expected to positively impact organisation performance, particularly in the banking sector. This is because the performance of business organisation is a function of the resources of the organisation most especially the quality of human resources, in terms of employees' calibre, skills, efficiency, creativity, ability (Bhovi, 2016). Human resource accounting (HRA) entails the process of accounting for all costs, expenditures, benefits, and other issues pertaining human asset/resource working in an organization by ensuring that they are properly identified, recorded, presented, interpreted and communicated to interested persons and entities to permit informed decision making and prudent problem solving. In HRA, there are accounting procedures on expenditures related to human assets in the organization unlike the

traditional accounting which treats human resource costs as mere expenses that tends to decrease the reported profit. Human resources being most important asset of any organisation has not adequately and correctly attended to in the traditional (conventional) accounting system where all the investments in human resources are written off as expenses in the year it is incurred (Afolalu & Ezeala, 2022). According to the authors, this treatment has resulted in an informational gap between the management and investors and other stakeholders that need such information for decision making and analysis of performance. The performance of any organization relates to the degree to which such organization attains its set goals. Performance which could either be financial or non-financial, is a focus of all stakeholders of the organization. For instance, in the banking industry, stakeholders like shareholders, bank employees, bank customers, regulatory authorities and government agencies and others are always interested in how the banks performance financially. Thus, the management of banks have to deploy all available and legally perceivable strategies in improving the financial performance of the banks they manage. Banks like any other organisations, are a socio-technical set-up which are composed of human and non-human resources (material, money, machines) pooled together to achieve a common goal, of which profit maximization is key. To achieve this goal the investment in and accounting for the most importance asset of the organization (human resources) must not be taken with levity. Although, the influence of human resources management (HRM) practices differs from country to country and from sector to sector but the best use of the practices is likened to organisation's lifeblood, capable of impacting organisation's performance positively (Suvashthiha & Kengatharan, 2021). Although, most past studies have provided evidence in support HRA's positive influence on organisation's performance (profitability) (Bessong et al (2012), Edom et al (2015), Adebawojo et al (2015), Amahalu et al (2016)) but there are still few studies which proved that some human resource variables have negative impact (such staff development by Chukwuka (2018)) on banks performance. Some other studies indicate bank performance not to be significantly affected by human resource variables such as salaries and wages (Olaoye and Afolalu (2020)), and director's remuneration (Inua and Oziegbe (2018), Olaoye and Afolalu (2020)). This suggests that there is still some level divergence in findings on the subject matter of HRA and banks' performance (profitability). Another lacuna discovered in previous empirics is the fact none of these studies particularly reported evidence of both long-run and short-run relationship between banks profitability and HRA. Also, Panel Ordinary Least Squares (OLS) regression technique predominated the method of data analysis in the previous empirics (Bessong et al (2012), Enofe et al. (2013), Edom et al (2015), Adebawojo et al (2015), Zarei, et al. (2015), Amahalu et al (2016), Chukwuka (2018), Olaoye and Afolalu (2020), Onyeukwu et al (2021), Afolalu and Ezeala (2022)). This technique limited the previous studies to providing only long-run evidence on the relationship of HRA with banks performance.

Considering observed lacuna, this research attempts to fill in the gap in literature by providing empirical evidence of the short-run linkage as well as long-run nexus between HRA and banks financial performance (profitability) in Nigeria through the methodological instrumentality of panel ARDL and panel pairwise Granger causality techniques. Determination of the effect of human resource accounting on the profitability of banks in Nigeria is the chief objective of this study. The specific objectives of the research are to: assess the effect of salaries and wages on return on assets of listed deposit

money banks in Nigeria; evaluate the effect of retirement benefits and costs on return on assets of listed deposit money banks in Nigeria; and examine effect of directors' remuneration on return on assets of listed deposit money banks in Nigeria.

Literature Review

Conceptual Review

Human Resource Accounting

Human Resource Accounting (HRA) as defined by American Accounting Association (1973) is a process of identifying and measuring human resources data and communication of this information to interested parties. This line of definition was also adopted by Mohiuddin and Banu (2017) and Kusumastuti (2021). The term HRA is also conceptualized as accounting for people as an organizational resource through the process of identification and measurement of cost of recruitment, selection, hiring, training and development of human assets by the organisation (Chukwu, 2018). HRA involves accounting for the company's management and employees as human capital that provides future benefits (Danaei, 2014). Furthermore, Bhovi (2016) defines HRA as the process of identifying, measuring data of recruitment, selection, training and developing of human resources and communicating this information to the management for the decision making and proper and optimum utilization of human resources. In other words, human resource accounting, also known as human asset accounting, involves identifying, measuring, capturing, tracking and analyzing the potential of the human resources of a company and communicating the resultant information to the stakeholders of the company (Sharma, 2012). According to the author, human resource accounting reflects the potential of the human resources of an organization in monetary terms, in its financial statements.

Human resource costs are of different varieties, among which are salary and wages, directors' remuneration/emolument, pension cost, gratuity costs (retirement benefits and costs), staff training and development costs, recruitment costs, selection costs, etc. Accordingly, based on the tenets of human resource accounting, these costs and others are not to be expensed but should be capitalized and properly captured as an investment in human asset in the financial statement. Das (2018) describes HRA as a very important aspect of accounting in that: it improves the reliability of the financial picture of an organisation; it provides information that helps in solving industrial disputes; reflects that HR costs for productive purposes; it supplies information that stimulates the confidence of the shareholders and creditors in the company; and also helps in the correct treatment of investment in human resources as an asset capable of improving the earning capacity and growth of an organisation (Das, 2018). Usually, human resources policy of banks in Nigeria is included in the Notes to the Accounts section of their financial statements. These policies include issues pertaining employment of disabled persons, health, safety and welfare at work, pension fund scheme, employee involvement and training, breakdown of directors' remuneration, salaries and wages for employees, etc. This implies that capitalization of HR costs and investments on the asset side of the statement of financial position of banks has not been appreciated by banks in Nigeria.

Profitability

Profitability can be described as the ability to make profit from all the business activities of an organization, which is indicative of the efficiency of the management in making profit by using all the resources available in the market (Edom et al, 2015; Ckuwu, 2018). Profitability has been described as the capacity to make profits sustainable over a period of time (Dunmade, 2020). Profitability is an indicator of financial performance of an organisation and is usually measured using metrics like Net Profit Margin (NPM), Return on Assets (ROA), Return on Equity (ROE), and Return on Capital Employed (ROCE), Profit After Tax (PAT), Profit Before Tax (PBT) etc. ROA as a measure of financial performance is more encompassing in perspectives than other indicators. ROA relates firms' profit to the totality of the assets used in the generation of the profit and it is an indication of the efficiency of management in the utilization of firms' total assets to generate commensurate profits (net income or returns). Thus, the higher the ROA of a bank, the better for the bank.

Theoretical Review

Resource-Based View

Barney (1991)'s Resource-Based View (RBV) advocates that organisational resources provide for the easy attainment of organisational goals and objectives. Thus, for an organisation to be regarded as successful, it must continually gain competitive advantages over others in the same industry. The theory focuses on four ingredients, namely, value, rarity, imitability and organisation (VRIO) as pointers to the ability of the organisation to gain competitive advantage through proper utilization of their employees.

In line with the RBV, this competitive advantage is attained by organisation by proper utilization of its resources, particularly its human resources to ensure they are embodiment of value, rare, imitable and well-organized. Typically, three types of resources possessed by organizations are physical resources (like plant, technology and equipment, geographical location); human resources (employees' experience and knowledge); and organizational resources (like structure; management systems; social relations) (Edom et al., 2015). These resources are to be used by the organisation to gain competitive advantage. Therefore, employees that will be fountains of competitive advantage, must create value; must be rare; not easily imitated and the organisation-set should be an enabling environment for the display of employees' skills and ability (Adebawojo et al., 2015). According to RBV, competitive advantage is gained by organisation through the implementation of value-creating strategies that competitors cannot, easily copy and sustain (Barney, 1991)

Human Capital Theory

"Human capital consists of the knowledge, skills and abilities of the people employed in an organisation" (Armstrong, 2009, p.66). Human capital can also be described as an investment in education, skills acquisition, training and development and other programmes capable of improving the productive capacity of individual, firms and nation and the concept can simply be referred to as the set of competences, skills, knowledge and abilities of the workforce that contribute to organizational competitive advantage (Babarinde, 2018). Schultz (1961)'s human capital theory popularized by Becker (1964) states that investment in human resources in the form of education, training and

development of employees have positive impact on the capacity of the employees which increases their competence and also help them to contribute more meaningfully to the organisation's earnings, growth and development. Schultz (1961) posits that, all human abilities are either in-born or acquired, and it is when these attributes are invested in by way of development, training and education, that human capital can be birthed. The three components of human capital are intellectual capital (stocks and flows of knowledge in the organisation), social capital (knowledge derived from social relationship within the organisation), and organisational capital (institutionalized knowledge stored by the organisation) (Armstrong, 2009). Human capital theory considers employees as assets and therefore any costs and expenditures incurred on them should be directed at their productivity and treated as investment. In other words, the theory considers education and training as lifter of the employees' productivity and this is achieved by imparting useful knowledge and skills in them, thus raising their future income (Adebawojo et al., 2015). This study derives its theoretical strength from human capital theory which is of the view that HR costs and expenditures should be regarded as investment capable of increasing the productive capacity of the employees and by extension the correct and proper accounting treatment of these as human asset in the books of accounts is also in line with the doctrine of human resource accounting. Thus, as emphasized by human capital theory, "the added value that people can contribute to an organisation' brings about the treatment of "people as assets and stresses that investment by organisations in people will generate worthwhile returns" (Armstrong, 2009, p.68). This line of thought is also shared by human resource accounting, hence, the choice of human capital theory as the theoretical bedrock of this current study.

Empirical Review

Different studies have been carried out on human resource accounting and its linkage with organisational performance both in Nigerian context and in the international environment. These past studies are reviewed in this sub-section. In Nigerian context, in a study of human resource valuation and the performance of banks by Bessong et al (2012), the authors applied OLS to the panel data series and proved that human resource valuation have positive and significant influence on the performance of the banks in Nigeria. Likewise, from the OLS regression analysis of the relationship between firms' financial performance and human resources accounting disclosures of quoted Nigerian companies between 2007 and 2011, Enofe et al. (2013) established the existence of a positive relationship between the two variables. Ijeoma and Aronu (2013) employed Kruskal Wallis test to determine the effect of human resource accounting on financial statement of Nigerian bank using Zenith Bank Plc as a case study. The authors submitted that accounting for human resource has the potential of improving the financial position of the bank. Also, Ikpefan et al (2015) carried out a survey of human capital accounting and performance of microfinance banks in Ogun State, Nigeria using content analysis and OLS regression technique. The study confirmed that human capital accounting has a significant effect on MFBs performance. In the same vein, Edom et al (2015) evaluated the impact of human resources accounting on the profitability of Access Bank of Nigeria Plc, from 2003 to 2012. The study concluded that there was a significant positive relationship between training cost, development cost and the profit of the bank. Adebawojo et al (2015) examined the effect of human asset accounting on the performance of selected deposit money banks in Nigeria. From the result

of the OLS regression, the study concluded that human asset accounting has positive and significant effect on the banks' performance.

Still in Nigerian environment, Amahalu et al (2016) applied correlation and OLS techniques to the investigation of the effect of human resource accounting on financial performance of deposit money banks between 2010 and 2015. The study concluded that human resource accounting has a positive a significant effect on financial performance of banks in Nigeria. Asika et al (2017) also determined the effect of the adoption of HRA on the profitability of commercial banks in Nigeria, between 2010 and 2014 using paired sample t-test. The study reveals that increase in staff salary, and staff retirement benefits have positive effect on organizational profitability. In another study, Inua and Oziegbe (2018) assessed the effect of human resource accounting on the performance of quoted banks in Nigeria based on random effects model. The study concluded that, except director remuneration that was not significantly impactful; staff cost, staff strength, and firm size have positive significant impact on the return on assets of the selected banks. In 2018, Chukwuka also evaluated HRA's impact on the profitability of First Bank of Nigeria and United Bank for Africa Plc. Results of the OLS applied in the study reveal that staff salary and staff training have positive effect on bank profitability while staff development exerts negative effect on the profitability of the two banks.

In another Nigerian study, the effect of intellectual capital dimension (human, relational and structural capital) on the financial performance of deposit money banks in Nigeria between 2009 and 2018 was carried by Oyedeko and Zubairu (2019). Using static panel approach, study concluded that human capital has negative and non-significant effect on the performance of the selected banks. Olaoye and Afolalu (2020) also studied the effect of human capital accounting on earning per share (EPS) of deposit money banks in Nigeria between 2006 and 2017. The study's results from the random effects model indicate that pension cost, and training and development cost have significant and positive relationship with EPS unlike salaries and wages have insignificant positive relationship and director's remuneration which has insignificant negative relationship with EPS.

In another study, Onyeukwu et al (2021) assessed the nexus of human resource accounting with financial performance of the two quoted micro-finance banks in Nigeria between 2011 and 2019. From OLS regression, the study shows that personnel cost has significant effect on both net profit margin and return on equity with only return on assets having insignificant relationship. In a recent study, Afolalu and Ezeala (2022), where human resource accounting was examined in terms of its effect on shareholders' wealth of DMBs in Nigeria. From the random effect model, the study reveals that return on equity of the selected banks was not significantly affected by directors' remuneration, salaries and wages, pension cost and training costs.

From Nigerian studies reviewed above, it is clear that panel OLS regression technique is the predominant method of data analysis applied by most of the previous empirics (Bessong et al (2012), Enofe et al. (2013), Edom et al (2015), Adebawojo et al (2015), Zarei, et al. (2015), Amahalu et al (2016), Chukwuka (2018), Olaoye and Afolalu (2020), Onyeukwu et al (2021), Afolalu and Ezeala (2022)). The limitation of the method applied them (OLS) lies in the fact it lacks the capacity to account for the dynamic relationship between variables of interest. Moreover, while the results of extant Nigerian empirics are skewed towards supporting the positive effect of HRA on organisations' (banks') performance; there are still few studies that show that some human resource variables have negative

impact (staff development by Chukwuka (2018)), as well as have no significant effect (salaries and wages, and director's remuneration by Olaoye and Afolalu (2020)) on banks' performance (profitability).

Evidence from international studies are also documented below. An example is Prosvirkina (2014) which examined human resources effectiveness and its effects on Russian banking industry using Pearson correlation. The study found evidence of a statistically significant, positive and moderate correlation between return on investment in human capital, and performance (return on assets, return on equity and productivity) of banks in Russia. In Iran, Zarei et al. (2015) examined the effect of intellectual capital on financial performance of Iranian banks listed in Tehran Stock Exchange between 2004 and 2013. From the OLS regression analysis, the study establishes that structural capital and human capital efficiency have positive and significant effects on banks financial performance.

In an empirical study in India, where Shukuhian and Ashraf (2017) evaluated HRA practices in Indian companies and analyzed the relation between the value of human resources and financial performance of nine selected public enterprises for the period 2006 to 2015. From the multiple regression and analysis of variance (ANOVA), the study reveals that net profit has the most significant impact on human resources value and then followed by return on asset. Similarly, Vaddadi et al (2018) studied the relationship between human resource accounting and performance of selected banks located in Andhra Pradesh, India. From correlation analysis, the study indicates that shelter cost, and training and development cost were strongly correlated with firm's performance, but health and safety cost was moderately correlated with firm's performance. Shaumya and Arulrajah (2018) investigated the impact of electronic human resource management (e-HRM) on environmental performance of selected commercial banks in Sri Lanka via survey approach. Findings from univariate, bivariate and multivariate analyses, reveal that e-HRM practices have positive and significant impact on bank's environmental performance. Furthermore, the study proves that communication as an aspect of e-HRM practices have positive and significant impact on bank's environmental performance unlike recruitment and selection, employee data and pay management, performance management, training and development, knowledge management and operational which did not have significant influence on the selected bank's environmental performance. In a comparative study of Nigeria and Ghana carried out by Akintoye et al (2018), the authors investigated how inclusion of human asset can enhance the value of selected companies in the two Sub-Saharan African states for the period 2012 to 2015. The study argues that inclusion of human assets reveals the actual position of the firm.

In Indonesian context, Kusumastuti (2021) examined the impact of the performance of banks on its disclosures of human resources accounting between 2017 and 2019. From panel OLS, the study indicates that the size of the business, leverage, capital adequacy ratio and liquidity ratio have positive and significant impact on the disclosure of human resources accounting. However, company age and profitability were shown not to have significant impact on the disclosure of human resource accounting.

From the review of international studies above, it can be deduced that unlike Nigerian empirics reviewed in which panel OLS regression method dominates the estimation method, in international studies reviewed, the methods of data analysis employed are shared among ANOVA, OLS and correlation techniques. It is also clear that most foreign studies (available for reviewed) did not focus on HRA's impact on banks profitability

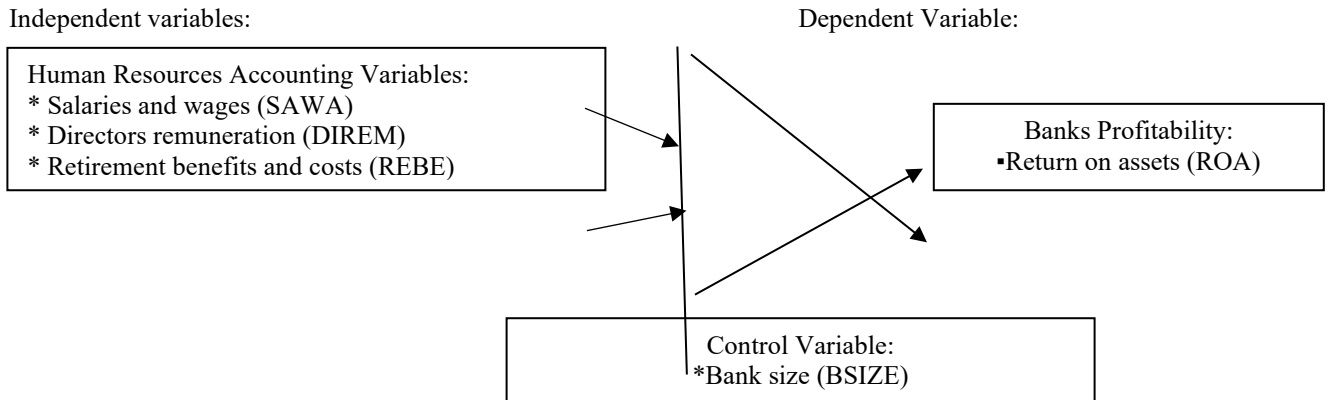
unlike in Nigeria where there are some empirical studies that particularly dealt with the subject matter.

This study attempts to apply panel autoregressive distributed lag model to account for both short-run and long-run connection between human resource accounting and banks profitability using Nigerian data sets. This is unlike previous studies that employed only OLS technique which limit itself to accounting for only long-run relationship. In addition, this studies tries to also determine the direction of causality between HRA and banks profitability using panel Granger causality technique, a technique rarely applied by extant studies on the subject. Finally, while there are few evidence that some human resources variables have negative impact on banks performance (staff development by Chukwuka (2018)) and others like Olaoye and Afolalu (2020) proved that salaries and wages, and director's remuneration exert no significant effect on banks performance (profitability); there are numerous studies that established a positive significant connection between HRA and banks performance. With this divergent results, one cannot say categorically that all human resource accounting variables are empirically significant in improving the financial performance of banks. Therefore, it is also empirically expedient to contribute to the subject matter of HRA nexus with banks profitability so as to clarify the divergent findings reported by some past empirics.

Conceptual Framework

The conceptual framework in the form of schematic/diagrammatic description of the linkage between human resource accounting variables and profitability of listed deposit money banks in Nigeria is shown in Fig. 1.

Figure 1: Conceptual Framework of the Nexus between Hunan Resource Accounting and Profitability of Listed Deposit Money Banks in Nigeria



Source: Researchers' Conceptualization.

In the conceptual model of this study depicted in Fig. 1, three human resource accounting variables (Salaries and wages (SAWA), directors' remuneration (DIREM), and retirement benefits and costs (REBE)) are conceptually related to affect return on assets as the indicator of banks profitability. This study also controls for size effect in the model.

Methodology

Data and Research Design

This current study in line with similar studies (such as Chukwuka (2018), Onyeukwu et al (2021), Kusumastuti (2021), Afolalu and Ezeala (2022)) is based on ex-post facto research design. The design allows the assessment of causal relationship among variables of interest after the events have occurred (using historical data). Accordingly, secondary data on annual basis obtained from the published financial statements of the selected listed deposit money banks in Nigeria were employed in the investigation.

The variables of study are described in Table1.

Table1. Description of Variables

| Variable | Notation | Description/ Supporting Literatures |
|-----------------------------|----------|--|
| Return on asset | ROA | This is the quotient of profit after tax to total assets, used as a measure of profitability (Prosvirkina (2014), Zarei et al., 2015), Amahalu et al (2016), Akintoye et al (2018)). |
| Directors remuneration | DIREM | The remuneration paid to the directors of the bank (excluding pension and certain allowances) which include fees and sitting allowances, executive compensation, directors' other expenses, used as a measure of HRA (Olaoye and Afolalu (2020), Afolalu and Ezeala (2022)). |
| Salaries and wages | SAWA | Compensation for the currently serving employees of the organisation (excluding executive directors), used as a measure of HRA (Ikpefan et al (2015), Asika et al (2017), Chukwuka (2018), Olaoye and Afolalu (2020), Afolalu and Ezeala (2022)) |
| Retirement benefit and cost | REBE | Compensation for the employees of the organisation who have resigned or retired (excluding executive directors) (Asika et al (2017), Olaoye and Afolalu (2020), Afolalu and Ezeala (2022)). |
| Bsize | BSIZE | Natural logarithm of total asset used as a control variable (Inua and Oziegbe (2018), Oyedeko and Zubairu (2019)). |

Source: Authors' compilation from literature

Population of the Study

The population of the study is the 15 deposit money banks in Nigeria listed on the Nigerian Exchange Group (NGX) as at December 2020. The banks are: Access Bank Plc, Ecobank Nigeria Plc, Fidelity Bank Plc, First Bank of Nigeria Plc, First City Monument Bank Plc, Guaranty Trust Bank Plc, Jaiz Bank Plc, Polaris Bank Plc, Stanbic-IBTC Bank Plc, Sterling Bank Plc, Union Bank of Nigeria Plc, United Bank for Africa Plc, Unity Bank Plc, Wema Bank Plc, and Zenith Bank Plc (NSE Fact Book, 2020; [www.ttps:ngxgroup.com](https://ngxgroup.com)).

Sampling Technique and Sample Size

This study purposefully sampled 9 of the 15 DMBs listed on the Nigerian Exchange Group between 2010 and 2020. The sampling criteria are that the banks should be listed on the NGX for the period 2010-2020; and their annual financial statements are published on Nigerian Exchange Group. Based on the predetermined criteria, the nine banks that constitute the samples for this study are: Access Bank Plc, Sterling Bank Plc, Zenith Bank Plc, United Bank for Africa Plc, Union Bank of Nigeria Plc, Fidelity Bank Plc, Stanbic-IBTC Bank Plc, Wema Bank Plc, and Guaranty Trust Bank Plc.

Model Specification

This study aims to evaluate the effect of HRA on profitability of DMBs in Nigeria. Consequently, banks profitability is expressed as a function of human resource accounting. Banks profitability = $f[\text{Human resource accounting}]$ (1)

The three human resource accounting of study are salaries and wages (SAWA), retirement benefits and costs (REBE), and directors' remuneration (DIREM), while profitability is measured as return on assets (ROA). The control variable of this study is bank size (BSIZE).

Therefore, equation (1) is expanded to accommodate the measures of the variables of study and this presented in equation (2).

$$ROA = f(SAWA, DIREM, REBE, BSIZE) \quad (2)$$

Flowing from equation (2), therefore, the panel ARDL model for the study is specified equation (3):

$$\begin{aligned} ROA_{it} = & \beta_0 + \sum_{i=1}^k \Psi_i \Delta ROA_{it-i} + \sum_{m=0}^o \gamma_m \Delta SAWA_{it-m} + \sum_{j=0}^l \beta_j \Delta DIREM_{it-j} \\ & + \sum_{n=0}^p \alpha_n \Delta REBE_{it-n} + \sum_{q=0}^r \phi_q \Delta BSIZE_{it-q} + \delta_1 ROA_{it-1} \\ & + \delta_2 DIREM_{it-1} + \delta_3 SAWA_{it-1} + \delta_4 REBE_{it-1} + \delta_5 BSIZE_{it-1} \\ & + u_{it} \end{aligned} \quad (3)$$

The variables in the model (3) retain the definition as provided in Table 1 above. Note that Ψ_i , β_j , γ_m , α_n and ϕ_q are short-run coefficients while $\delta_1 - \delta_5$ constitute the coefficients of the long-run estimation and u is the error term.

Furthermore, to determine the direction of causality between HRA variables and profitability of banks in Nigeria, the panel pairwise Granger causality equations (4) to (8).

$$ROA_{it} = \beta_k SAWA_{it} + \beta_j DIREM_{it} + \beta_l REBE_{it} + \beta_m BSIZE_{it} + u_{it} \quad (4)$$

$$DIREM_{it} = \beta_j ROA_{it} + \beta_k SAWA_{it} + \beta_l REBE_{it} + \beta_m BSIZE_{it} + u_{it} \quad (5)$$

$$SAWA_{it} = \beta_j ROA_{it} + \beta_k DIREM_{it} + \beta_l REBE_{it} + \beta_m BSIZE_{it} + u_{it} \quad (6)$$

$$REBE_{it} = \beta_j ROA_{it} + \beta_k DIREM_{it} + \beta_l SAWA_{it} + \beta_m BSIZE_{it} + u_{it} \quad (7)$$

$$BSIZE_{it} = \beta_j ROA_{it} + \beta_k DIREM_{it} + \beta_l SAWA_{it} + \beta_m REBE_{it} + u_{it} \quad (8)$$

Estimation Technique

This study applied panel ARDL model to empirically evaluate both the long-term and short-run causal relationship between human resource accounting and profitability of listed deposit money banks in Nigeria. The ARDL procedure to cointegration is more advantageous than other cointegrating techniques in that it can be used to model variables that are purely $I(0)$, and $I(1)$ but not $I(2)$, as well as a mixture $I(0)$ and $I(1)$ series. The technique has also been found to be efficient in small sample size distribution and also gives impartial estimations in the long-run equilibrium, and eliminates endogeneity problems (Pesaran et al, 2001; Kutu & Ngalawa, 2016, Kollie, 2020). The panel ARDL also produces both short and long run coefficients simultaneously. The panel ARDL/PMG approach produces unbiased estimates even in the presence of endogenous covariates and is also effective even if the variables have different optimal lag lengths. (Kutu & Ngalawa, 2016; Kollie, 2020).

In implementing the panel ARDL procedure, this study first performed unit root test using three panel unit root tests- Im, Pesaran and Shin W-stat; ADF - Fisher Chi-square; and PP - Fisher Chi-square panel unit root tests. Thereafter, correlation test reported in the form of correlation matrix was also conducted. Furthermore, the panel cointegration tests through the instrumentality of two panel cointegration tests, namely, Kao (1999)'s Kao cointegration test and Pedroni residual cointegration tests were conducted. Finally, the panel ARDL model was estimated. In this study also, the panel pairwise Granger causality tests procedure was applied to the panel data sets (99 observations) in order to evaluate the direction of causality between human resource accounting and profitability of banks in Nigeria.

Results and Discussion

Descriptive Analysis

The descriptive statistics in Table 2 shows that the average salaries and wages paid by the selected listed deposit money banks per annum over the study period (2010-2020) stood at ₦22418.52million while the respective average figures for directors' remuneration (DIREM), and retirement benefits and costs (REBE) were ₦715.9111million and ₦2212.995million respectively. The return on assets (ROA) was averaged 3.170526 per cent while the bank size had a mean of 13.9301. Except salaries and wages (SAWA) which is normally distributed at 5 per cent alpha level, all other variables (ROA, DIREM, REBE and SIZE) are not normally distributed.

Table 2. Descriptive Statistics

| | ROA | SAWA | DIREM | REBE | BSIZE |
|--------------|-----------|----------|----------|----------|-----------|
| Mean | 3.170526 | 22418.52 | 715.9111 | 2212.995 | 13.93801 |
| Maximum | 28.28784 | 57763.00 | 4425.000 | 24590.00 | 15.84694 |
| Minimum | -13.62812 | 170.0000 | 51.00000 | 18.00000 | 11.19145 |
| Std. Dev. | 5.126056 | 14800.31 | 678.5008 | 3174.679 | 1.111957 |
| Skewness | 2.453111 | 0.412467 | 2.669186 | 4.140479 | -0.800592 |
| Kurtosis | 13.26684 | 2.291644 | 13.13695 | 26.77738 | 3.192628 |
| Jarque-Bera | 534.1006 | 4.876927 | 541.4305 | 2614.994 | 10.72869 |
| Probability | 0.000000 | 0.087295 | 0.000000 | 0.000000 | 0.004681 |
| Observations | 99 | 99 | 99 | 99 | 99 |

Source: Authors' computation

Correlation Analysis

The correlation analysis presented in the form of matrix in Table 3 shows that salaries and wages is negatively correlated ($r=-0.281737$) with return on assets and the relationship is significant at one per cent. Similarly, retirement benefit costs had a negative correlation of -0.080929 and an associated p-value of 0.4258, thus the variable is negatively correlated with return on asset but the relationship is not statistically significant. Furthermore, with a coefficient of -0.403858 and a p-value of 0.0000, bank size can be described to have negative and significant correlation with return on asset. However, directors' remuneration is positively correlated ($r=0.083647$) with return of assets but the relationship is not statistically significant ($p=0.4104$).

Table 3. Correlation Matrix

| | | | | |
|-------------|--|--|--|--|
| Correlation | | | | |
|-------------|--|--|--|--|

| Probability | ROA | SAWA | DIREM | REBE | SIZE |
|-------------|-----------|----------|----------|----------|----------|
| ROA | 1.000000 | | | | |
| | ----- | | | | |
| SAWA | -0.281737 | 1.000000 | | | |
| | 0.0047 | ----- | | | |
| DIREM | 0.083647 | 0.366781 | 1.000000 | | |
| | 0.4104 | 0.0002 | ----- | | |
| REBE | -0.080929 | 0.146937 | 0.186206 | 1.000000 | |
| | 0.4258 | 0.1467 | 0.0650 | ----- | |
| BSIZE | -0.403858 | 0.763672 | 0.285322 | 0.131383 | 1.000000 |
| | 0.0000 | 0.0000 | 0.0042 | 0.1949 | ----- |

Source: Authors' computation

Panel Unit Root Tests

This study employed three categories of panel unit root tests, namely, Im, Pesaran and Shin W-stat; ADF - Fisher Chi-square; and PP - Fisher Chi-square panel unit root tests. The results of these tests as presented in Table 4 indicate that return on assets (ROA), and directors remuneration (DIREM) are stationary in level enabling us to reject the null hypothesis of non-stationarity (unit root) at level but bank size (SIZE), retirement benefit costs (REBE) and salaries and wages (SAWA) became stationary only after first difference. Therefore, the results of the panel unit root test indicate the variables to be of mixed order of integration of one (I(1)) and zero (I(0)). Based on the mixed order of integration of the variables, the Panel ARDL can be safely applied to the study data (Kollie, 2020).

Table 4. Panel Unit Root Test Results

| Variable | Test | Im, Pesaran and Shin W-stat | ADF - Fisher Chi-square | PP - Fisher Chi-square | I(d) |
|----------|----------------------|-----------------------------|-------------------------|------------------------|------|
| ROA | Level | -6.73715* | 68.8992* | 47.5033* | I(0) |
| | 1 st Diff | - | - | - | |
| SAWA | Level | -1.02680 | 29.5203 | 17.6745 | I(1) |
| | 1 st Diff | -3.59867* | 49.0349* | 81.6269* | |
| DIREM | Level | -0.99923 | 26.4813*** | 38.7961* | I(1) |
| | 1 st Diff | -3.20831* | 45.2407* | 89.9215* | |
| REBE | Level | -1.29808*** | 27.2283*** | 37.5189* | I(0) |
| | 1 st Diff | - | - | - | |
| BSIZE | Level | 1.68470 | 19.9992 | 26.6258*** | I(1) |
| | 1 st Diff | -4.50920* | 49.9132* | 85.7992* | |

Source: Authors' computation. Note: *, ** and *** stationary at 1%, 5% and 10% respectively because their respective p-value is less than 0.01, 0.05 and 0.10.

Panel Cointegration Tests

The Kao, and Pedroni Residual cointegration tests constitute the two panel cointegration tests conducted in this study in order to determine the existence or otherwise of cointegration between human resource accounting and profitability of banks in Nigeria between 2010 and 2020. Based on the results of the Kao, and Pedroni Residual cointegration test in Tables 5 and 6 respectively, the null hypothesis is no cointegration rejected, and the conclusion is that there is cointegration (long-run) between human resource accounting and profitability of listed deposit money banks in Nigeria in the study period.

Table 5. Kao Residual Cointegration Test Result

| Test | T-Statistic | Prob. |
|-------------------|-------------|-----------|
| ADF | 1.499529 | 0.0669*** |
| Residual variance | 23.45243 | |
| HAC variance | 6.084858 | |

Source: Authors' computation.

Note: *** indicates rejection of the null hypothesis of no cointegration at 10 per cent significance level.

Table 6. Pedroni Residual Cointegration Tests

| | Statistic | Weighted Statistic |
|---------------------|---------------------|---------------------|
| Within-Dimension | | |
| Panel v-Statistic | 0.814675(0.2076) | -1.945005(0.9741) |
| Panel rho-Statistic | 0.686995(0.7540) | 2.077397(0.9811) |
| Panel PP-Statistic | -9.300631(0.0000) * | -3.010181(0.0013) * |
| Panel ADF-Statistic | 0.349381(0.6366) | -0.610294(0.2708) |
| Between-Dimension | | |
| | Statistic | |
| Group rho-Statistic | 3.288719(0.9995) | |
| Group PP-Statistic | -4.479265(0.0000) * | |
| Group ADF-Statistic | -0.246686(0.4026) | |

Source: Authors' computation.

Note: * indicates rejection of the null hypothesis of no cointegration at 1 per cent significance level

Panel ARDL Model Estimation

It is safe to apply panel Autoregressive Distributed Lag (P-ARDL) model since the variables are of mixed order integration of not exceeding one and are still cointegrated. Therefore, the panel long run and short run ARDL model estimates are presented in Table 7. Specifically, the mathematical equation of the results of the long-run estimation is presented in equation (9):

$$ROA_{it} = 0.000170_{(p=0.0002)}SAWA_{it} + 0.001961_{(p=0.0000)}DIREM_{it} \\ + 0.000726_{(p=0.0081)}REBE_{it} - 2.024447_{(p=0.0000)}BSIZE_{it} \\ + u_{it} \quad (9)$$

From the results of the long-run estimates in equation (9), this study indicates salaries and wages to be positively signed (0.000170) with return on asset and the relationship is statistically significant at one per cent. ($p=0.0002$). Likewise, directors' remuneration is positively associated with return of asset of deposit money bank considering the coefficient of 0.001961. The associated p-value of 0.0000 also suggests that the long-run relationship between directors' remuneration and return of asset is significant at one per cent alpha level. Furthermore, with a coefficient and p-value of 0.000726 and 0.0081 respectively, retirement benefits and cost has positive and significant effect on return on asset of listed deposit money banks in Nigeria in the long run. Moreover, the long-run effect of bank size on their financial performance (return on asset), is established to be negative (-2.024447) and statistically significant ($p=0.0000$).

Furthermore, equation (10) is representation of the results of error correction and short-run P-ARDL model.

$$\begin{aligned}
D(ROA)_{it} = & -1.216035_{(p=0.0291)} ECT_{it} - 0.000184_{(p=0.2935)} D(SAWA)_{it} \\
& + 0.005224_{(p=0.3843)} D(DIREM)_{it} + 0.001528_{(p=0.6719)} D(REBE)_{it} \\
& + 2.835876_{(p=0.4202)} D(BSIZE)_{it} \\
& + u_{it}
\end{aligned} \tag{10}$$

In equation (10), the error correction term (denoted as ECT) is negatively signed (-1.216035) and statistically significant at five per cent ($p=0.0291$). Unlike salaries and wages which is negatively signed (-0.000184), all other variables, directors' remuneration (0.005224), retirement benefit and cost (0.001528), and bank size (2.835876), have short-run positive effect on return on asset of listed deposit money banks in Nigeria in the study period. However, with associated p -values of 0.2935, 0.3843, 0.6719 and 0.4202 respectively, none of these variables (SAWA, DIREM, REBE, and BSIZE) is significant in explaining the short-run variation in the return on assets of listed deposit money banks in Nigeria in the study period.

Table 7. Panel ARDL Model Estimation Results

| Dependent Variable: ROA | | | D(ROA) | | |
|-------------------------|-------------|---------|-----------------------------|-------------|-----------|
| Long-Run Estimates | | | Short-Run and ECT Estimates | | |
| Variable | Coefficient | Prob. | Variable | Coefficient | Prob. |
| SAWA | 0.000170 | 0.0002* | ECT | -1.216035 | 0.0291* * |
| DIREM | 0.001961 | 0.0000* | D(SAWA) | -0.000184 | 0.2935 |
| REBE | 0.000726 | 0.0081* | D(DIREM) | 0.005224 | 0.3843 |
| BSIZE | -2.024447 | 0.0000* | D(REBE) | 0.001528 | 0.6719 |
| | | | D(BSIZE) | 2.835876 | 0.4202 |

Source: Authors' computation. Note: * and ** significant at 1% and 5% respectively.

Note: * and ** indicate statistically significant at 1 and 5 percent alpha level respectively.

Panel Pairwise Granger Causality Tests

In addition to the impact analysis via the panel ARDL technique, this study also determined the direction of causality between human resource accounting and profitability of listed deposit money banks in Nigeria using the panel pairwise Granger causality tests. The results of the panel pairwise Granger causality tests as summarized in Table 8 indicate that existence of a unidirectional causality running from return on asset to salaries and wages, and bank size. However, bank size granger-cause return on asset, and salaries and wages but not vice versa. Furthermore, there is a unidirectional causality running from directors' remuneration to salaries and wages while retirement benefits and cost granger-cause directors' remuneration in a unidirectional approach.

The study fails to establish any causality between each of the following pairs of variables; return on asset and directors remuneration; return on asset and retirement benefits and cost; retirement benefits and cost, and salaries and wages; bank size and each of directors' remuneration, and retirement benefits and cost.

Table 8. Panel Pairwise Granger Causality Tests

| Unidirectional Causality (→) | No causality (—) |
|------------------------------|------------------|
| ROA → SAWA | ROA — DIREM |
| BSIZE → ROA | ROA — REBE |
| DIREM → SAWA | REBE — SAWA |
| BSIZE → SAWA | BSIZE — DIREM |
| REBE → DIREM | BSIZE — REBE |

Source: Authors' computation.

Note: ROA=Return on capital employed; SAWA=Salaries and wages; SIZE=Size of the banks; DIREM=Directors remuneration; REBE=Retirement benefits.

Discussion of Findings

From the panel-ARDL analysis of the effect of human resource accounting on the profitability of listed deposit money banks in Nigeria, this study found human resource accounting to have long-run relationship with the profitability of listed deposit money banks in Nigeria. Hence, in the long-run salaries and wages was found to be positively signed and significantly related with return on asset of the selected banks in the study period. In the same vein, directors' remuneration was found to exert significant and positive effect on the return of asset of the selected banks in Nigeria in the long-run. Furthermore, retirement benefits and cost has long-run positive and significant effect on return on asset of listed deposit money banks in Nigeria. However, this study shows that the long-run effect of bank size on their return on asset is negative and statistically significant.

Therefore, basically, this study argues that human resource accounting variables have long-run positive and statistically significant effect on the profitability of listed deposit money banks in Nigeria. This assertion is in congruence with similar studies carried by Bessong et al (2012), Edom et al (2015), Adebawojo et al (2015), Amahalu et al (2016), Onyeukwu et al (2021). However, the findings of this study donot agree with the submissions of other studies like Chukwuka (2018) which reveals that staff development cost impacts negatively on banks performance; Inua and Oziegbe (2018) and Olaoye and Afolalu (2020) which argued that director's remuneration have no significant effect on banks performance; as well as Olaoye and Afolalu (2020) which contended that salaries and wages is of no significant influence on banks performance. The positive significant link proved to be existence between human resource accounting and banks profitability in Nigeria also throws weight behind Schultz (1961)'s human capital theory which considers employees as assets and the costs and expenditures thereon as valuable investments capable improving employees and organsiational performance.

The short-run analysis of this empiric reveals that, unlike salaries and wages which is negatively signed, all other explanatory variables of study (directors' remuneration, retirement benefit and cost, and bank size), have positive effect on return on asset of listed deposit money banks in Nigeria. However, none of these variables is significant in explaining the short-run variation in the return on assets of listed deposit money banks in Nigeria in the study period (2010-2020).

Furthermore, the panel pairwise Granger causality tests indicate the existence of a unidirectional causalities from return on asset to salaries and wages and bank size. This implies the profitability of banks is pointer to their capability to paying higher wages and salaries to their employees. Thus, the more profitable the banks are, the higher their wage-paying capacity. This in line with the Biblical scriptures: "Pray for the peace of Jerusalem: they shall prosper that love thee" (Psalm 122:6, Kings James Version). This implies that employees' contributions to the organisation's profitability will in turn ensure the security of their employment as well as better pay package and welfare for them.

However, further evidence from causality analysis reveals that bank size granger-cause return on asset, and salaries and wages but not vice versa. Furthermore, there is an evidence of a unidirectional causality running from directors' remuneration to salaries and wages

while retirement benefits and cost granger-cause directors' remuneration in a unidirectional approach

Conclusion and Recommendations

This study evaluates both short-run and long-run effects of human resource accounting on the profitability of listed deposit money banks in Nigeria between 2010 and 2020 via panel-ARDL and panel Granger causality test approach. This study empirically proved that in the long run, salaries and wages directors' remuneration, and retirement benefits and cost have positive significant effects on return on asset and the relationship is statistically significant. However, the long-run effect of bank size on their profitability (return on asset), is established to be negative and statistically significant. The short-run analysis reveals that human resource accounting do not have significant effect on the profitability of listed deposit money banks in Nigeria in the study period. Furthermore, this study indicates the existence of a unidirectional causality flowing from return on asset to salaries and wages and bank size which suggests the profitability of banks is pointer to their capability to paying higher wages and salaries to their employee as well as a determinant of corporate size of the banks.

It can therefore be concluded that human resource accounting is a long-run determinant of profitability of banks in Nigeria but in the short-run banks' profitability cannot be explained significant by human resource accounting. This study also argues that the profitability of banks is a pointer to their wage-paying capability as well as a determinant of their corporate size.

The study recommends that banks should investment more in their human capital (HR) particularly by providing a much more guaranteed retirement benefits to their employees while handsomely rewarding their currently serving directors and employees. HR should be properly and prudently accounted for in line with the doctrine of human resource accounting for the ultimate improvement of organisational performance in the banking industry. Since the profitability of the banks is pointer to their capability to paying higher wages and salaries to their employee, it is high time that employee as well as other stakeholders contributed much more fully to the bottom line (profitability) of the banks, for in doing so will their employment, better pay package and welfare be secured and guaranteed.

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COVID-19 MANDATORY VACCINATION OF SPECIAL STATUS PUBLIC SECTOR EMPLOYEES. AN ANALYSIS OF REQUESTS FOR EXEMPTION IN THE US AIR FORCE

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Abstract: *One of the largest public sector operations in the world is within the United States of America military, with over 2 million service members and approximately 1.4 million full-time equivalent civilian workers, with bases and operations in at least 80 different nations. The US military made COVID-19 vaccinations (COVAX) mandatory among all members but allows for requests to accommodate refusals for reasons of personal beliefs. These can be beliefs of conscience, personal morality or religious expression, whether from organized or individual tenets. Multiple articles have been produced during the COVID-19 pandemic identifying willingness to receive COVAX or reasons for COVAX reluctance and refusal, but almost all data has been obtained from short-response surveys. Taking a departure from that, this study reviews the qualitative data from over 100 extensive interviews conducted with individual military members (from the US Air Force) who requested COVAX exemption. Their reasons given to refuse vaccination are also provided in a letter written by the member, regardless of rank, directly to the general at the top of their particular command. Examination of the reasons given provides unique insights into the thought processes of requestors. Regardless of the request's outcome, this data demonstrates the administrative and policy importance placed by the US military on at least considering personal beliefs, even in a pandemic, and protecting individual freedoms, even of military members with curtailed rights. By far, disproportionate requests came from lower ranks with some mid-level leadership making formal requests to refuse the COVAX. In this sample, no top leadership requested exemptions.*

The analysis finds evidence for pressure exerted on members to not submit an exemption request. For those who did, the 111 requests were not a static or set doctrinal view. Arising from at least 29 distinct religious traditions, all requests showed signs of an emerging or developing sense of belief praxis in the face of new situations. Other dominant patterns also emerged. The study found critical objections to the use of fetal stem lines in developing available vaccines and concerns about potential vaccine side effects to the requestor's body. Trust in the process and a sense of autonomy in participation also were found to be critically important to most requests.

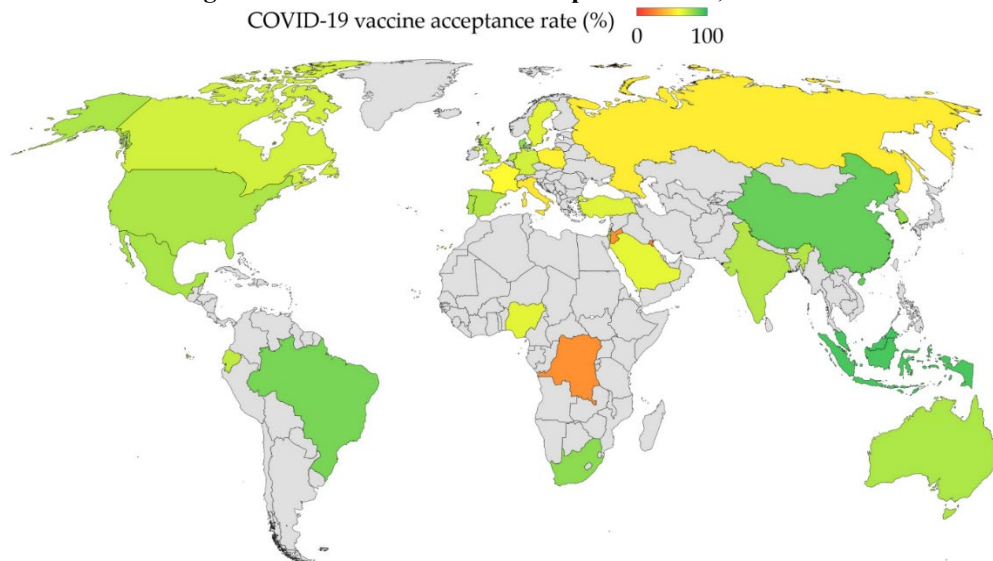
Keywords: *public health policy, special status civil servants, Covid-19 vaccinations.*

Introduction

The COVID-19 pandemic influenced societies and transformed life as well as the functioning of public (see Mar and Buzeti, 2022; Comite, 2020; Onofrei et al., 2021), private, and non-governmental organizations in a degree and to an extent that was not

imaginable in the years preceding the pandemic. Even if policy makers generally believed that the discovery of vaccines and mass campaigns for vaccination would be accepted with open arms by the population – despite the assumed limitations and constraints on personal, social and professional life – the actual feedback and reactions to this solution were mixed and nuanced. For example, according to a meta-analysis of 172 studies from 50 countries published between 2020 and July 2021 by Norhayati, Yusof and Azman (2022) only 61% of individuals accepted the COVID-19 vaccine, though the vaccine acceptance rate was slightly higher among males, healthcare workers and for vaccines with higher (95%) effectiveness. In general, the vaccine acceptance rate ranges between 50 and 60% (also see for example Cordina, Lauri and Lauri, 2021; Alqudeimat *et al.*, 2021; Cerda and Garcia, 2021). This level is below what is necessary to reach herd immunity. The COVID-19 vaccination processes also was plagued by other issues beside vaccine hesitancy and reluctance, such as inequity and its financialization within global health (Stein, 2021) or usage as a political or power play (de Bengy Puyvallée and Tagmatarchi Storeng, 2022). According to Sallam (2021), the countries where the general population was most accepting of the COVID-19 vaccine were Ecuador (97.0%), Malaysia (94.3%), Indonesia (93.3%) and China (91.3%), while the lowest vaccine acceptance rates were in Kuwait (23.6%), Jordan (28.4%), Italy (53.7), Russia (54.9%), Poland (56.3%), US (56.9%), and France (58.9%) (see Figure 1). Differences regarding Covid-19 attitudes and behaviors, as well as the acceptance of the vaccine can be connected with cultural values and characteristics, an aspect which is often ignored in policy analysis (Barnes and Moldovan, 2019).

Figure 1. COVID-19 Vaccine Acceptance Rates, 2020-2021



Source: Sallam, 2021

Our research provides useful insights into the reasoning of public sector employees that requested COVID-19 vaccination exemptions, focusing on the characteristics of requestors as well as the reasons of conscience, religious practice, or moral beliefs that they provided in their formal letter of request and subsequent interview. The results can be used by national policy makers and local decision makers to design more efficient and effective

mandatory vaccination policies and to establish adequate rules for granting exemptions. The paper continues with a brief analysis of the literature (looking mainly into the reasons people vaccinate or refuse vaccines, as well as government policies to increase vaccination), a methodological section, results and discussion and concluding remarks.

Theoretical framework

What determines people's willingness to be vaccinated?

Multiple articles have been produced during the COVID-19 pandemic identifying willingness to receive COVAX or reasons for COVAX reluctance and refusal, but most of the data has been obtained from short-response surveys (e.g. see Cordina, Lauri and Lauri, 2021; Alqudeimat *et al.*, 2021). According to de Menezes Succi (2018, p. 574) 'beliefs and arguments of the anti-vaccine movements have remained unchanged in the past two centuries, but new social media has facilitated the dissemination of information against vaccination'. The new widespread adoption of social media in the last decade can be seen as one of the main differences between the COVID-19 vaccination campaign and previous ones, and as a key factor in understanding personal views and behaviors regarding this issue. Misinformation within these new social media formats, or the so-called "infodemic", was one of the main challenges to successful vaccination campaigns identified by OECD (2021), while better education by itself proved to be ineffective in combating misinformation regarding vaccines and vaccinations campaigns (Kata, 2010). Lupu and Tiganasu (2024) also found evidence that 'education counts in the COVID-19 vaccination, the tertiary one having the greatest meaning in accepting it'.

In a study conducted on a large sample of 229,242 individuals, Song and Lee (2023) found consistent evidence that vaccine refusal depends on health literacy, as both respondents who 'found spoken directions very difficult to understand' and those who 'did not pay attention to written information' had a higher likelihood to refuse COVID-19 vaccine. Based on data from 170 (high, middle and low-income) countries, Lupu and Tiganasu (2023) found evidence that governance influenced Covid-19 vaccinations (more in high-income countries, less in low income ones), with the most significant predictors of vaccination being 'government effectiveness, regulatory quality and control of corruption'. Globalization was one of the main factors that facilitated the widespread circulation of the Covid-19 virus, but was also an element that influenced the recovery from the pandemic, as more globalized European countries were more efficient in managing the vaccination campaign (Lupu and Tiganasu, 2022) and achieved higher vaccination rates. Cordina, Lauri and Lauri (2021) conducted two online surveys of the general population on Malta in late 2020 and found that males were more willing to take the vaccine than women. The survey also found that willingness to take the vaccine increased with favorable opinions of significant others (family and friends) or health professionals, as well as due to previous positive experiences with vaccines (such as having acquired the influenza shot in the previous year), or when providing care for others. A similar online survey was conducted by Alqudeimat *et al.* (2021) in Kuwait and provided corroborating findings: men were more likely to be vaccinated than women, while previous recent experiences with influenza vaccines and the high self-perceived chances to contract the infection increased the likelihood of receiving a COVID-19 vaccination. Kaplan and Milstein (2021) conducted experimental studies in 2020 in order to explore vaccine acceptance decisions and observed

that vaccine efficacy was an important factor in deciding to receive the vaccine. The authors found that the potential existence of minor side-effects does not seem to influence vaccination opinions, but respondents did pay more attention to the possibility of adverse reactions. Roy *et al.* (2022) conducted a systematic literature review in order to identify factors that can influence vaccine hesitancy and acceptance and found that issues such as ‘safety’, ‘side effects’, ‘effectiveness’, ‘trust’, ‘information sufficiency’, ‘efficacy’, ‘conspiracy beliefs’, ‘social influence’, ‘political roles’, ‘vaccine mandates’ and ‘fear and anxiety’ are the main common elements mentioned by previous studies. Brakel and Foxall (2022) noticed an interesting trend, as some of those that refused to be inoculated against COVID-19 had previously received other standard recommended vaccines, thus their stance on the new vaccine were even more complicated to explain.

What influences vaccine refusal / hesitancy?

On the other hand, lack of vaccine safety or insufficient information about the vaccine were the main reasons offered by those who refused to take the vaccine in late 2020 (Cordina, Lauri and Lauri, 2021, p. 5). Other researchers (Alqudeimat *et al.*, 2021, p. 262) found evidence that those who ‘viewed vaccines in general to have health-related risks were less willing to accept vaccination’. Cerda and Garcia (2021, p. 4) cite main reasons why people could avoid vaccination as being the possible existence of side effects or associated risks, lack of knowledge regarding vaccines, and the desire to see others vaccinated first to ‘test the waters’. Although vaccine hesitancy is not a new phenomenon at the global level, it represents a serious risk to public health, and it can be connected with the reappearance of previously eradicated infectious diseases, such as measles (Sallam, 2021). Clarke, Giublini and Walker (2017) distinguish between three main ‘rationalities and justifications’ for refusal:

- Beliefs that vaccines can cause health concerns, are ineffective or that there are better disease treatment alternatives available or possible;
- Selfishness or the desire to ‘free ride’ and enjoy the benefits provided by herd immunity from those who are vaccinated without assuming any of the costs, potential risks or possible side-effects of vaccination – this is not an issue specific to vaccination, as such behaviors occur whenever collective action takes place; and
- Conscientious grounds or conscientious objection to vaccinations ‘based on religious, moral, or philosophical convictions, such as the conviction that health and disease should not be controlled by vaccination, or that governments should not coerce citizens to receive medical interventions’ (Giublini and Walker, 2017, p. 155).

According to Menezes Succi (2018, p. 576), vaccine hesitancy or refusal can be attributed to multiple factors of socio-cultural, political or personal characteristics, such as ‘doubts about the actual need for vaccines, concerns about vaccine safety, fear of possible adverse events, misconceptions about the safety and efficacy of vaccines, concerns over a possible ‘immune system overexposure’, past negative experiences with vaccines, mistrust of the seriousness of the vaccine industry and healthcare system, heuristic thinking, and philosophical or religious issues.’ However, other authors noticed that in some cases ‘during the pandemic, the restrictions imposed on religious life were politically bargained by the government rather than being mediated through national law and international standards and commitments on Freedom of Religion or Belief and based on the democratic principles of the rule of law’ (Raiu and Mina-Raiu, 2022, p. 81).

Based on a sample of 5,323 participants in 24 countries, Hornsey, Harris and Fielding (2018) showed that anti-vaccination attitudes were stronger in the case of respondents who: (a) were high in conspiratorial thinking, (b) were high in reactance (have a low tolerance for infringements on their freedoms), (c) reported high levels of disgust toward blood and needles, and (d) had strong individualistic/hierarchical worldviews; demographic variables (such as gender, age, educational level) had a rather low influence on anti-vaccination attitudes. Simply repeating facts such as those related to the safety and effectiveness of vaccines is not enough to convince people who manifest anti-vaccination beliefs and attitudes (Hornsey; 2022); policy makers should also pay attention to the way in which the message is transmitted (communication should be respectful and inclusive in order to enact positive behavioral change).

One key factor to better understand vaccine hesitancy refers to analyzing special situations and individuals such as those with chronic diseases (Dubé and MacDonald, 2022), pregnant women (Ayhan, 2021), minorities (Kricorian and Turner, 2021) or parents (Ruiz and Bell, 2022), as other more potentially justified worries can play a role in their decision to reject or be skeptical of vaccination. Focusing only on the general population or healthcare workers provides partial view of the situation to create a distorted image for policy makers, potentially skewing vaccination policies and awareness / information campaigns that are supposed to reduce hesitation and increase vaccination rates.

Some authors (Giubilini, 2020; Giubilini and Savulescu, 2021) adopt a less nuanced, more authoritative stance on COVID-19 vaccination, positing that saving lives (as a public good) should be prioritized over religious or personal freedom, and that the good of the many outweighs individual need. In this line, Giubilini and Savulescu (2021, p. 242) argue that ‘religious or personal moral objections to vaccine research are unethical and irresponsible, and in an important sense, often irrational. They are unethical because of the risk of causing serious harm to other people for no valid reason; irresponsible because they run counter to individual and collective responsibilities to contribute to important public health goals; and in the case of certain kinds of religious opposition, they might be irrational because they are internally inconsistent.’ However, ‘the moral and ethical obligation’ or the ‘interest of public health’ argument are argued to be false constructs (see Kowalik, 2022) as ‘mandatory vaccination amounts to discrimination against healthy, innate biological characteristics, which goes against the established ethical norms and is also defeasible a priori’.

Government policies: the pros and cons of mandatory vaccinations

As the initial Covid-19 vaccine roll-out had a mixed success in different countries, either due to logistical complications (lack of infrastructure to actually deliver the vaccine, organizational deficiencies), lack of trust in government or vaccine refusal/hesitancy, governments designed and implemented additional policies to improve the rate of vaccination, ranging from communication/awareness or public marketing campaigns to mandatory vaccinations. However, even these policies, aimed at increasing vaccination rates and voluntary compliance, were not ideal, as some of them had unintended consequences and the potential to ‘cause more harm than good’ (Bardosh et al., 2022) if not designed and implemented with due consideration. Even in exceptional cases, such as healthcare workers which were in the first line of defense and had a higher likelihood to

contact the coronavirus disease (Covid-19), the vaccine mandate imposed on them is not 100% defensible from an ethical point of view (Gur-Arie, Hutler and Bernstein, 2023). As previously mentioned, mandatory vaccinations are assumed to be ethically justified ‘if the threat to public health is grave, the confidence in safety and effectiveness is high, the expected utility of mandatory vaccination is greater than the alternatives, and the penalties or costs for noncompliance are proportionate’ (Savulescu, 2020, p. 78). Even so, there are more nuanced ethical considerations regarding mandatory vaccinations campaigns that have to be taken into account (World Health Organization, 2022, pp. 2-4):

- Mandates have to be necessary (as there is no other viable solution/alternative) and proportional (they take into account the nature of the disease and are established accordingly);
- There has to be sufficient (reliable, consistent) evidence for the safety of the vaccine, for its efficacy and effectiveness before instilling obligations for citizens;
- The vaccine roll-out has to be effective and efficient before the mandate, so that anyone who is willing to receive the vaccine has access to it (justice in access and vaccine availability should both be observed);
- The mandate should be based on public trust and must not ‘undermine confidence and public trust’ (also see Radu, 2022);
- Decision-making regarding vaccine policies (mandates in particular) and public health policies (in general) should be transparent and clearly communicated to all targeted groups.

On an institutional level, according to OECD (2021), trust in vaccination and in the ability of governments to communicate and successfully ensure vaccination roll-out is influenced by:

- the extent to which governments instill and support public confidence in the safety and effectiveness of vaccines;
- the competence and reliability of the institutions that deliver them;
- the principles and processes that guide government decisions and actions in vaccine procurement, distribution, prioritisation, and administration;
- the capacity and effectiveness of regulatory agencies in handling issues and communicating consistently as events arise, while retaining public confidence in their review processes; and
- the effectiveness of the public engagement and communications that accompany these.’

Lupu and Tiganasu (2023) also highlight the importance of trust in relation to state actions, the aforementioned authors concluding that ‘public policies should be designed in such a way as to strengthen trust in vaccination regulations and in governments’.

Methodology

This study reviews qualitative data from 111 requests by individual military members from the US Air Force (AF) who sought COVAX exemption for reasons of Religious Accommodation (RA). The data was collected based on a chaplain review letter after a formal interview was conducted; the member’s letter of request, and written comments in their commander’s memorandum for record (MFR from here on). AF policy provided a clear process for members to request an exemption from immunization as found in Department of the Air Force Instruction (AFI from here on) 52-201, which was revised in

June 2021. AFI 52-201 guarantees a process based on: “Sincerely Held Beliefs – a member’s conscience, moral principles or religious beliefs demonstrated through a pattern of behavior ... consistent with the beliefs.” Therefore, data was collected regarding which of these three beliefs – conscience, moral principle or religious practice – the requests were based on. In addition to the 111 member letters, extensive interviews were conducted with each member by one of 11 different AF Chaplains, who then wrote a letter of evaluation based on the criteria set out in AFI 52-201. The members’ letter of request and the Chaplain’s interview letter then went through a procedure of review which, regardless of rank, were directed to the general leading the Major Command (MAJCOM). Reasons provided in requests were coded into 18 categories, after reviewing the qualitative data for common themes.

Data was collected through the chapel office at one AF base location. Some members were deployed and thus interviewed off-site, however their packages were submitted through the one AF base collection site. At this base, requests for exemptions began to be formally submitted on August 8, 2021, before the August 24, 2021 USAF Secretary of Defense (SecDef) Memorandum ordered all members to be vaccinated. The last request was initiated on December 15, 2021. The interview/submission process was expected by leadership at this location to be completed by the end of the 2021 calendar year. All requests were then packaged with proof of medical briefings on the COVAX as well as a formal MFR from the member’s direction commander. These final packages were submitted to the Religious Resolution Team (RRT from here on) for an added review and recommendation that was then submitted to the base/wing leadership for transmittal through the chain of command to the respective MAJCOM, where a second RRT would review the package and submit for a decision by general MAJCOM Commander (MAJCOM/CC).

The exemption request process

Our data was collected from a formalized, though relatively new review process for all immunization exemptions established within in the AF. In August 2021, the US Department of Defense (DoD) SecDef made COVID-19 vaccinations (COVAX) mandatory for all uniformed military members (SecDef Memorandum). As one of the world’s largest public sector employers, the DoD possesses unique persuasive and coercive administrative tools to enforce standards of personal immunization, though a subsequent order requiring vaccination of all civilian DoD employees is on hold, as of April 2022, by court mandate. (And on January 10, 2023 the DoD SecDef rescinded all COVID-19 COVAX requirements for military members.) Implementation of administering the required COVAX immunization was delegated to the individual DoD branches: Army, Navy, Air Force (AF), Coast Guard, Space Force and Marines. Each service had its own process to review accommodation requests for COVAX refusals based on personal belief. The DoD has approximately 2.4 million active duty and reserve military members in all service branches, with an estimated 22% or 532,000 in the AF, from which this paper’s research is based. As of April 2022, the DoD reported 395,578 cases with 2,598 hospitalizations and 94 deaths (www.defense.gov/Spotlights/Coronavirus-DOD-Response/). The AF reports 92,594 total cases with 53 hospitalizations and 15 deaths. Currently 96.5% of members are vaccinated, and 0.1% partially vaccinated. The AF has approved 2,509 medical or administrative exemptions and administratively discharged 236

members. Of 7,608 requests for exemption based on personal beliefs, 22 were approved; 2945 are pending; 4,641 were denied; 1,163 are pending appeal; 1,502 were disapproved after appeal; and 3 were approved upon appeal. The AF approved a total of 25 COVAX religious accommodations, or 0.3% of all requests.

The AF assigns responsibility to adjudicate all vaccine accommodation request to the commanding general in charge of each major command (MAJCOM/CC). The AF has 9 MAJCOMs: 7 functional and 2 geographic. Appeals were decided by the AF Surgeon General (AF/SG). Processing COVAX accommodation requests are handled at the base/wing level and funneled up to the MAJCOM/CC by a process outlined in AFI 52-201 on Religious Freedom, a policy administered by the AF Chaplain Corp (HC). The process requires a requestor to write a letter addressed to the MAJCOM/CC, which is reviewed by a Chaplain assigned to interview the member. Most often, the base/wing of a MAJCOM requires the member receive documented briefings from both base medical providers and from the members' unit, squadron or group commander. The Chaplain writes an MFR describing the member's beliefs; which can be based on conscience, personal morality or religious expression. Personal beliefs do not have to align with tenets of an organized religion, but are expected to demonstrate genuine belief, consistent practice, and a real personal burden if not granted the exemption being requested.

AFI 52-201 requires the assigned interviewing Chaplain to prepare "a memorandum documenting the interview and making a recommendation to the decision authority." This MFR is submitted with the member's package which include the request letter, CC briefing MFR, medical briefing MFR, and any additional documents the member wants to include in support of their claim. The Chaplain's interview MFR was generally reviewed with the member before submission up the chain of command to assure clarity and accuracy. The Chaplain's evaluation or recommendation is based on the assessed sincerity of the request, alternate means of accommodation explored, and "substantial burden infringing on religious free exercise" (AFI 52-201, Chaplain Interview Checklist, Attachment 5).

Completed request packages for each member are then delivered to the base's Wing Commander (CC) by way of this CC's Religious Resolution Team (RRT). The RRT was a new process implemented by the revised AFI 52-201, and is chaired by the Wing Chaplain (who appoints the interviewing chaplain). The RRT often includes representative leaders from the Wing CC's legal, medical and public affairs offices. After review the package, the RRT makes a written recommendation, and the request is sent to the Wing CC for transmittal through the chain of command to the MAJCOM/CC. Requests from members within Geographically Separated Units (GSUs) of MAJCOMS located on bases of another MAJCOM are processed by the host wing / base but forwarded to the member's actual MAJCOM. At the MAJCOM level, the MAJCOM/CC also has an RRT review before making his or her final a decision, based on the needs of the military mission.

This research samples data from 111 formal requests at one single base/wing within one AF MAJCOM. The requests from members at GSUs of two other MAJCOMs were also interviewed by assigned Chaplains at this location though forwarded for review by the GSU's RRT to the member's actual MAJCOM. All requests and their respective data are kept anonymous for this research, as is the base location and MAJCOMs involved. However, it is noted that this base location reportedly had one of the highest levels and rates of members requests from RA COVAX exemptions in that base's MAJCOM. All

proper review and permissions have been obtained from the appropriate AF offices by the researchers to analyze and present this data and its analysis results.

Sample

The data was obtained from military members' written requests and memorandums written by the assigned interviewer to assess sincerity of the belief(s), burden of the requirement and alternatives explored. The age, rank, gender and career field of the individuals were analyzed, though no personally-identifiable information is released. The type(s) of belief – religious, spiritual, moral, ethical – from both documents are analyzed, as was whether the request was completed and/or allowed by the member to go forward for official review by the RRT and MAJCOM/CC. The location from which data was collected experienced a higher-than-normal volume of requests for the AF, but documented informal requests (calls, in-person conversations, participation in medical or commander briefings, etc.) were not included if the formal written requests were not submitted. 145 formal requests were made, but 2 were duplicates made through different channels, and 1 was misidentified or misplaced. Of 142 completed formal requests, 31 were not completed, and 111 were analyzed for this study (Table 1). These 111 include 104 submitted for review and 7 which were completed but withdrawn at the member's request before being submitted for MAJCOM review.

Table 1. Requests initiated by members

| Date | Requests Initiated | | | Submitted | Total |
|-------|--------------------|-----------|-----------|-----------|-------|
| | Incomplete | Withdrawn | Completed | | |
| Aug | 1 | 100% | 0 | 0 | 1 |
| Sep | 27 | 22% | 4 | 92 | 123 |
| Oct | 3 | 20% | 3 | 9 | 15 |
| Nov | 0 | - | 0 | 2 | 2 |
| Dec | 0 | - | 0 | 1 | 1 |
| Total | 31 | 22% | 7 | 104 | 142 |

Source: The authors based on AF data

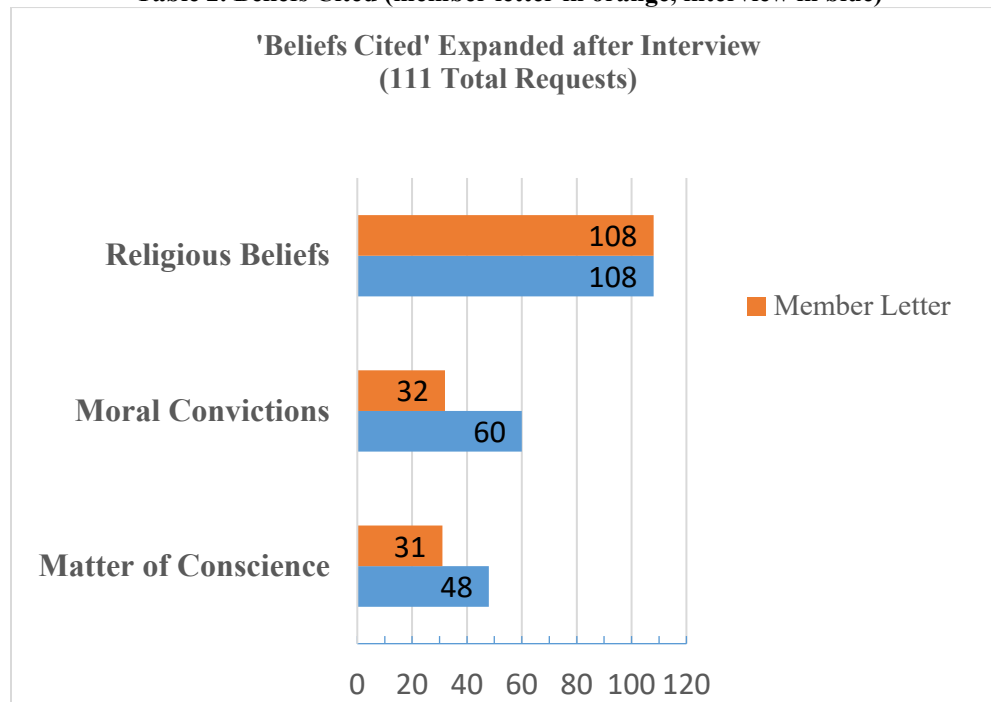
The 31 incomplete requests not included in this analysis were withdrawn by the member before the letter or interview were completed or because the member did not chose to complete their medical or commander briefing. Reasons for withdrawal include receiving vaccination, being medically exempted for pregnancy, transferring to a new base, or separating from military service.

Results

Table 2 shows that Religious Beliefs were cited as a reason for 108 of the 111 requests, the same from both the Chaplain assessment letter and the member's letter of request. However, after the interview, Chaplains found twice as many members also were basing their requests on Moral Convictions (60 vs. 32 respectively) and 55% more included a belief based in conscience (48 vs. 31 respectively). Chaplains were required to investigate and detail which (if any) of the three AFI 52-201 criteria (beliefs of conscience, personal morality or religious expression) the member request fell under because the AF Judge

Advocate (JA) office had different evaluation criteria of the request's legal aspects based on which of the three different types of belief concerns were involved.

Table 2. Beliefs Cited (member letter in orange, interview in blue)



Source: The authors based on US Air Force primary data

The review of the data found some discrepancy within the process, as well as between the written AFI guidance in most Chaplain Recommendations compared to the AFI guidance provided in the member's Commander MFR (see Table 3, "Possible Request Suppression"). In 94 of the Commander (CC) MFRs, members were instructed that requesting an exemption could damage their career. A common phrasing of that wording stated that "noncompliance with immunization requirements may adversely affect readiness for deployment, assignment, international travel, or result in other administrative consequences". Policy AFIs were rarely, if ever, cited for this admonition; however, a different AFI released at a previous date to AFI 52-201 does include similar language as that used by many commanders in their briefing MFRs. In relation to this warning by the member's squadron commander, for 25% of the cases, the interviewing Chaplain gave no related guidance. In 1% of the cases, the Chaplain affirmed the Commander's warning. But in 72%, the Chaplain cited the more current AFI 52-501 to contradict the Commander admonition. Common citations were: "However, DAFI 52-201 §1.3 provides that 'expression of sincerely held beliefs may not be used as the basis for any adverse personnel action, discrimination, or denial of promotion; and may not be used as a basis for making schooling, training, or assignment decisions.'"

Table 3. Possible request suppression

| | Conflicting Advice | |
|-----------------|--------------------|-----|
| CC Warn | 13 | 12% |
| CC Warn/CH Warn | 1 | 1% |

| | | |
|--------------------|------------|-------------|
| CC Warn/CH Protect | 80 | 72% |
| No Negative Advice | 17 | 15% |
| Total | 111 | 100% |

Source: The authors based on US Air Force data

Table 4 shows a “Timeline of Requests.” Most were submitted in the first full month after the COVAX mandate. From the data reviewed in Table 3 and 4, it is a valid assumption that some members who were likely inclined to request exemption did not do so because of pressure from their leadership. Of the 142 formal requests received by this office, 22% were withdrawn, with 31 packages not fully completed and 7 completed but pulled by the member.

Table 4. Timeline of requests

| | Requests Initiated | | | | |
|-------|--------------------|------|-----------|-----------|-------|
| | Withdrawn | | | Submitted | Total |
| 2021 | <i>Incomplete</i> | % | Completed | | |
| Aug | 1 | 100% | 0 | 0 | 1 |
| Sep | 27 | 22% | 4 | 92 | 123 |
| Oct | 3 | 20% | 3 | 9 | 15 |
| Nov | 0 | - | 0 | 2 | 2 |
| Dec | 0 | - | 0 | 1 | 1 |
| Total | 31 | 22% | 7 | 104 | 142 |

Source: The authors based on AF data

Table 5 outlines the “Demographic Data of Requestors” by age and rank, and an analysis of this data suggests that older members at a given rank resisted pressure to take the vaccination and were more likely to submit an exemption request.

Table 5. Demographic Data of Requestors

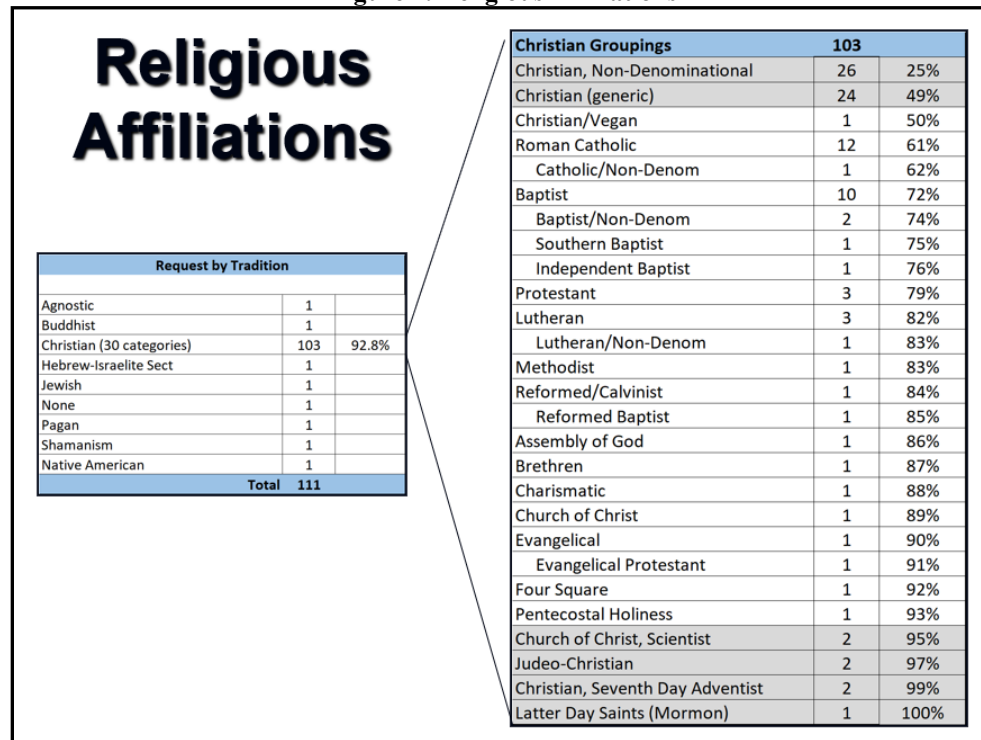
| Age of Requestors (by Rank) | | | | |
|-----------------------------|-----|-----------|------------|-------------|
| | | Avg. Age | # | Share |
| Airmen | E-1 | 40 | 1 | 1% |
| | E-2 | 20 | 3 | 3% |
| | E-3 | 35 | 25 | 23% |
| | E-4 | 31 | 33 | 30% |
| NCOs | E-5 | 35 | 16 | 14% |
| | E-6 | 35 | 15 | 14% |
| SNCOs | E-7 | 39 | 6 | 5% |
| | E-8 | 48 | 1 | 1% |
| Officers | O-2 | 26 | 4 | 4% |
| | O-3 | 54 | 5 | 5% |
| | O-4 | 36 | 2 | 2% |
| All | | 34 | 111 | 100% |

Source: The authors based on AF data

Religious affiliations of the 111 requests varied widely, though the population is predominantly Christian. Figure 2 shows that 103 requests fell under 30 different sectarian categories, with the largest (nearly half) self-described as simply “Christian” (24%) or

“Christian, Non-Denominational” (25%). Each can be stated as both a generic term and as a specific worship or theological preference. Over 10% were Catholic, 9% Baptist, and 6% (7 of the 111 requests) were from closely Christian-adjacent traditions of Christian Scientists, Judeo-Christian practitioners, Mormon, and Seventh Day Adventists faith communities.

Figure 2. Religious Affiliations



Source: The authors based on AF data

The reasons given for requesting a COVAX RA exemption are summarized in Table 6 and Figure 3 below. While the three types of beliefs cited (beliefs of conscience, issues based on personal morality, or religious expression) expanded with the Chaplain interview, the specific reasons given consolidated after the Chaplain interview. This is expected, as the Chaplain interview is intended to test and explore the depth and consistency of reasons given with long-term practices in other areas of the member’s life or as a new expression of established religious thought. By far, opposition to the use of fetal stem cell lines in the testing or development of the vaccines was the largest concern, followed by both body autonomy and body sanctity.

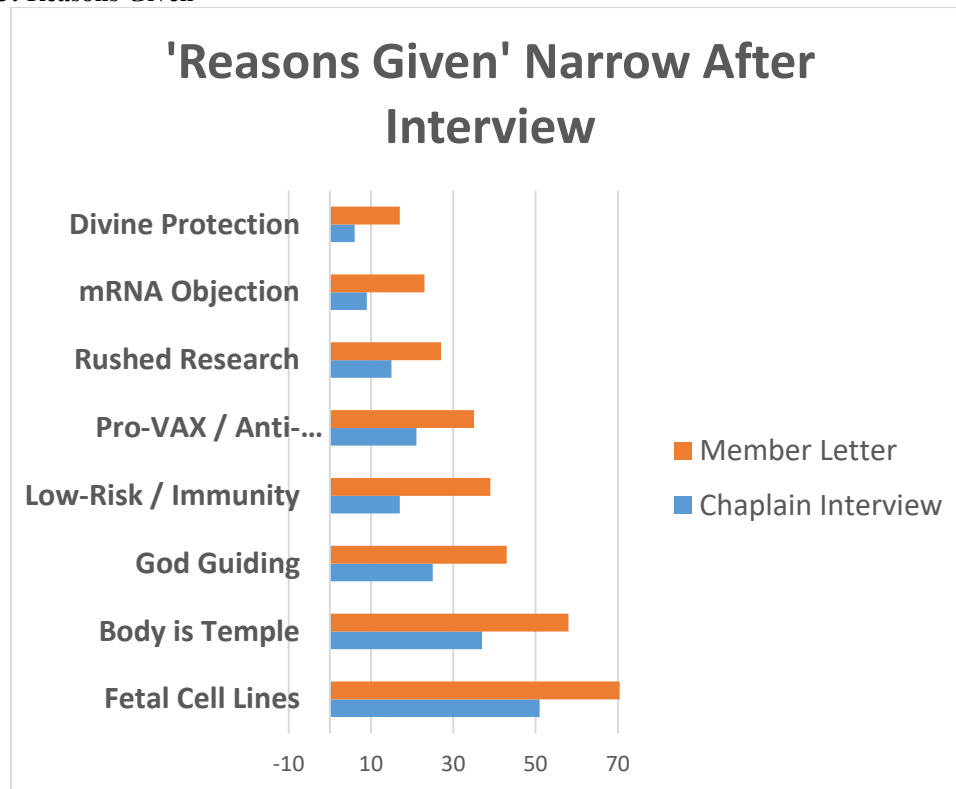
Table 6. Categories of Reasons Given

| Code | Reasons Cited | Member Letter | | Chaplain Interview | |
|------|--|---------------|-----|--------------------|-----|
| 0 | Health Concerns from Inadequate/Rushed Research, Long-Term/Pregnancy Information | 27 | 5% | 15 | 2% |
| 1 | Fetal Cell Lines/Abortion/Sanctity of Life | 71 | 14% | 51 | 6% |
| 2 | Not Opposed to Vaccines/Should Not Be Mandated | 35 | 7% | 21 | 3% |
| 3 | Religious Beliefs | 108 | 21% | 108 | 13% |
| 4 | Moral Convictions | 32 | 6% | 60 | 7% |

| | | | | | |
|----|---|------------|-------------|------------|-------------|
| 5 | Matter of Conscience | 31 | 6% | 48 | 6% |
| 6 | Alternate Vaccine | 4 | 1% | 24 | 3% |
| 7 | Mask | 4 | 1% | 68 | 8% |
| 8 | Social Distance | 6 | 1% | 85 | 10% |
| 9 | Testing | 7 | 1% | 45 | 5% |
| 10 | Healthy Diet | 6 | 1% | 63 | 8% |
| 11 | Regular Exercise | 3 | 1% | 60 | 7% |
| 12 | Quarantine for Exposures | 2 | 0% | 56 | 7% |
| 13 | Handwashing/Hygiene | 2 | 0% | 31 | 4% |
| 14 | God Will Protect Me | 17 | 3% | 6 | 1% |
| 15 | God is Guiding Me | 43 | 8% | 25 | 3% |
| 16 | mRNA is Unnatural/Unhealthy | 23 | 4% | 9 | 1% |
| 17 | Low-risk, natural/created immune system | 39 | 8% | 17 | 2% |
| 18 | Protect body in-take as God's temple or personal domain from harmful substances | 58 | 11% | 37 | 4% |
| | TOTAL | 518 | 100% | 829 | 100% |
| | CONFIRM TOTAL | 518 | 829 | 1347 | |

Source: The authors based on US Air Force data

Figure 3: Reasons Given



Source: The authors based on US Air Force data

Discussion and conclusions

These findings suggest four key considerations for the introduction of major new public policy requirements. First, beliefs and values are emergent and developing, just as policy mandates are emergent and developing. Consideration of and alignment between the new initiatives in both public policy and individual practice are to be expected. These can be

viewed as being not only similar in nature but also as being reciprocal with each other, even though one is formed primarily at the public level and the other is formed at the more individual or community level. From this perspective, it could be easily argued that policy-making should not be based only on political and expert / technical criteria, but that transparency and public participation should also be key factors (Rodriguez and Komendantova, 2022).

Second, trust is a necessary condition for adoption of new recommendations (see for example Radu, 2021 and 2022). For adoption in pressing concerns like a pandemic, policy makers can recognize that new medical treatments like the COVAX, require trust as a critical aspect in acceptance rates. A primary path to building trust is in the quality of proposed treatments. So following standard practices to test new treatments to assure the highest quality of treatments in terms of maximizing effectiveness and minimizing adverse effects. As cited above in section 2.2, vaccine safety and sufficient information on the vaccine and its potential side effects were the main reasons offered by those who refused COVAX in late 2020 (Cordina, Lauri and Lauri, 2021, p. 5). Long-term testing is challenged by an immediate-term medical crisis, yet the burden of regulatory assurance remains with the public sector. Where the delays in typical testing regimes of new treatments is not deemed appropriate or possible, policy makers have two options to build trust. They can highlight expected benefits or the risks of refusal, and they can acknowledge any gaps in normal testing procedures while citing steps taken to compensate for that lack of testing. Public adoption relies on a personal analysis of their risk compared to the expected efficacy and adverse effects of the new treatment. Policy makers build trust by first trusting the public and showing transparency in available information. The public policy concern with full disclosure is that the public or public sector employees are not experts and may recoil from a treatment if told potential risks of adoption. However, in the social media age, that information will be disseminated in some form. Despite the best efforts of experts to decide on what is best for the public, adoption of COVAX was below what was needed. A meta-analysis of 172 studies from 50 countries finds that only 61% of people accept COVID-19 vaccine, which is below the level needed to reach herd immunity (Norhayati, Yusof and Azman, 2022). Similarly, a 50-60% range was found by Cordina, Lauri and Lauri (2021), Alqudeimat et al. (2021) or Cerda and Garcia (2021). With the widespread availability of the COVAX and a strong public push for adoption, this mid-range rate of acceptance suggests that people did not fully trust or agree with the introduction of the COVAX options or process for implementation. Even in an environment like the US military, where coercive pressure is severe even against a hint of dissent, requests for exemptions based on personal beliefs and religious convictions suggest that some pushback from a lack of trust or agreement is strong enough to resist even the most coercive measures to secure broad adoption. Members risked a loss of status, income and career, as well as their health. Perhaps the reasons cited by those in this study can inform and guide future approaches taken by public administrators in presenting new initiatives. This data is valuable because it shows public sector employees – a group often associated with risk aversion – are willing to face threats to health and employment if they do not sufficient trust the quality of mandated vaccinations.

Third, these findings reveal a strong, clear preference of individuals for body autonomy and personal agency. Recommendations for policy makers from this obvious priority can mirror that given to the developers and makers of new vaccines or treatments. Liability

limitations were offered to pharmaceutical companies to reduce exposure to potential lawsuits. A reverse version of the same is offered in the US military in the form of disability payments to veterans who are exposed to conditions that produced long-term personal harm. Military members exposed to napalm in Southeast Asia, open pit burning in the Middle East, and even back pain from carrying heavy weights commonly seek medical approval for partial disability payments. By assuming risk in either the government entity mandating a policy or the providers of a vaccine must take precedence over assigning risks to recipients of the desired treatment. Consumers calculate that in a rational, cost-benefit analysis to make their choice to comply. As people express a preference to make their own informed and considered choices, public policies, such as new vaccines, also certainly can benefit from utilizing approaches that aim to persuade by building trust. Advertising or administrative tools that tend toward coercion over choice are effective but experience push-back among those least likely to respond to the mandate in the first place. In fact, many interviewed for this study cited a COVAX resistance or refusal because they felt pressured. That pressure was both in their local command or in the political discourse in general. And many of those stated the health of their own bodies as their top concern. Diet and medical treatment are influenced by a host of individual health issues and personal beliefs. And niche access to information in a social medical age can target their highly specialized priorities. Information is not limited to government-approved platforms or advocacy supportive of new policies. Policy makers do well to embrace that individual choices may not align with public mandates due to a wide variety of deeply held personal or communal beliefs. Therefore an approach of cooperative planning and mutual appreciation or respect can form the basis of trust that may facilitate adoption.

Fourth, the process officials use to encourage adoption has long-term impacts on future policy initiatives. Trust may not come immediately or in the current medical crisis, but can be built over time to support adoption in the next crisis. Forming partnerships with stakeholders is possible through dialogue, concession and mutual respect. This is how trust in public policies grow over time. This study demonstrates that beliefs also change over time and react to new or perceived information. These beliefs may not be specifically-defined before the introduction of a new policy initiative, however, people will include their own views in adapting to new norms. Trust-building helps in that process if the policy makers are not adversarial or parental but embrace a mutual re-alignment in the face of shifting or evolving policy needs. The person who refuses today may advocate for the next policy if they see that their autonomy was respected.

In the case of the military members whose data is provided here, all their career outcomes are not known. However, the US Air Force policy did change based on political and judicial pressures, and many of those who requested exemption and did not receive the COVAX, are known by the study authors to still in the military. Some have even been promoted. They simply rode out the pandemic mandate and adhered to their personal beliefs. For public administrators, this is a well-known and highly effective tactic that many long-time civil servants pursue in a bureaucracy. Staff can avoid adopting new policies by waiting for the political leadership or climate to change. So those reluctant to adopt new policies are not powerless to do so, even in the face of a military mandate.

Decision makers should design, develop and implement public health and safety policies and programmes (such as vaccination campaigns, which can be voluntary or mandatory, curfews, mask mandates, etc.) only after taking into account multiple objective and

subjective factors that influence individual behaviors and attitudes, using a multi-dimensional policy framework (see Moldovan and Barnes, 2017) or a mind map, as proposed by Kourtit and Nijkamp (2023). Clear, consistent and understandable communication, especially coming from a trustworthy source, could reduce vaccine hesitancy (Song and Lee, 2023). Furthermore, more analytical nuances should be included in policy design and subsequent public vaccination programs, as there is no ‘one size fits all’ miracle solution to convince skeptics to vaccinate; for example, it would be useful to better distinguish and design specific measures for vaccine-resistant individuals and for vaccine-hesitant ones (Smith, 2017). A key reminder for all policy makers to remember is the adage of US President Bill Clinton: “Do not let the perfect be the enemy of the good.”

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EUROPEAN FINANCIAL MARKETS CONNECTEDNESS AND MONETARY POLICY COMMUNICATION STRATEGY: SPILLOVER EFFECTS FOR CENTRAL AND EASTERN EUROPE

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Abstract: This study evaluates the impact of unconventional policy announcements by the European Central Bank (ECB) on the interconnectedness of sovereign credit default swaps (SCDS) markets in the European Union (EU) from 2009 to 2014. The findings suggest that ECB's unconventional policy measures reduced sovereign default risk not only in Eurozone nations but also in Central and Eastern European countries. To investigate the transmission of monetary policy effects across European countries, we employ the Diebold & Yilmaz connectedness framework along with an event-study approach. Our analysis reveals robust evidence of substantial positive spillovers from ECB monetary policy measures to all EU countries, effectively shielding the SCDS market from adverse shocks. Among various policy tools, we observe that asset purchase programs enhance overall connectedness, while mixed policy measures bolster within-cluster connectedness. Furthermore, our results highlight the efficacy of specific monetary policy instruments, indicating that asset purchase programs and quantitative easing are particularly effective in reducing sovereign risk.

Keywords: communication strategy, financial markets, monetary policy, sovereign risk, Central and Eastern Europe

Introduction

Since the beginning of the financial crisis in 2007, major central banks have implemented both conventional and unconventional monetary policy measures to control the spread of financial instability. Central banks around the world struggled to tackle economic negative consequences not only by lowering key interest rates, but also by designing innovative programs and tools to ease the flow of credit. For the European Central Bank (ECB), the sovereign debt crisis added an extra layer of responsibility testing its capacity to contain financial instability through non-conventional policy measures. Confronted with the

possibility of multiple debt crises, ECB engaged in targeted sovereign debt purchases exercising its lender-of-last-resort capacity. Between 2009-2014 the shift from its traditional operating framework included even more new policy measures. However, their impact on Central and Eastern European (CEE) markets has rarely been assessed.

While the literature investigated cross-border spillover transmission channels of unconventional monetary policy focusing on various financial variables (Georgidas & Grab, 2015; Apostolou & Beirne, 2017), only a few studies focused on spillover transmission from European Monetary Union (EMU) member states to six Central and Eastern European economies (Falagiarda et. al., 2015; Ciarlone & Colabella, 2016) . Moreover, a vast literature investigated how sovereign credit risk changes spillover transmission depending on global factors (Ang & Longstaff, 2013; Pan & Singleton, 2008) or country-specific domestic fundamentals (Aizenman & Park, 2013; Beirne & Fratzscher, 2013; Jeanneret, 2018). Investigating sovereign market connectedness in an intended integrated monetary union by taking into account the impact of unconventional monetary policy measures proves to be valuable not only for measuring credit risk magnitude in the European Union but also for designing monetary policy programs aimed at containing financial distress.

Thus, our paper stands between two research fields: one exploring unconventional monetary policies' impact on financial markets and one exploring spillover transmission. First, this paper aims to investigate how monetary policy announcements increase or decrease spillover transmission between Eurozone and Central and Eastern European countries during turbulent times (more specifically, during sovereign debt crisis). Second, we examine the short-term impact of monetary policy announcements on the European Sovereign Credit Default Swap (SCDS) market.

We contribute to the literature in at least two ways. First, we explore EU sovereign market connectedness through the application of Diebold & Yilmaz (DY) methodology to SCDS which represent a measure for sovereign default probabilities. This provides an undetermined estimation of country-specific sovereign risk. In addition, to account for the influence of global or domestic factors in spillover transmission, we compare two different measures: SCDS returns and SCDS idiosyncratic returns. Second, through an event study methodology, we explore the unconventional monetary policy announcements' impact on SCDS market while other studies focused exclusively on bond or equity markets. This supports other empirical findings about the importance of spillover transmission within an increasing sovereign risk environment. Overall, studies about spillovers triggered by unconventional monetary policy measures in the EU are insufficient and limited by the impossibility of designing a model that takes into account all the factors that impact financial assets. Exploring spillovers transmission through the application of two separated methodologies may be the most effective way to describe the impact of specific policy events on sovereign connectedness and risk.

The results indicate that ECB unconventional policy measures contained financial distress not only for Eurozone countries but also for the CEE region. We find evidence of strong spillovers from ECB's monetary policy measures to all countries, including CEE countries. Among different types of monetary policy measures, we find that spillovers from asset purchases programs were the most noticeable, while spillovers from mixed unconventional measures are rather unclear: spillovers from asset purchases programs increase all-in-all connectedness and spillovers from mixed measures increase within-cluster connectedness.

The results also shed light on the effectiveness of several monetary policy instruments: asset purchases programs and quantitative easing are the most effective policy instruments for decreasing sovereign default risk.

The paper is structured as follows. Section 2 presents briefly the literature related to spillover transmission from advanced economies to emerging markets, from Eurozone countries to CEE. It simultaneously considers the influence of domestic and global factors on spillover transmission. Section 3 presents data and methodological elements. Section 4 presents the results, while conclusions are drawn in Section 5.

Literature Review

Financial market connectedness and the impact of unconventional monetary policies have recently dominated academic research, as well as policy debates. The impact of unconventional monetary policy in spillover transmission from advanced economies to emerging markets has not been directly assessed through econometric techniques. However, empirical studies related either to market connectedness or to unconventional monetary policies on financial assets observed the presence of spillover transmission across countries. To what extent spillover transmission impacts economic performance, especially within systems oriented towards monetary integration, remains understudied. Two research directions have a direct connection with our paper. On the one hand, studies focus on the impact of unconventional monetary policy on financial assets prices. On the other hand, authors discuss spillover effects from unconventional measures to emerging economies. While exploring both issues within the same methodology to observe a direct impact of policy in spillover transmission encounters econometric difficulties, both directions point out implications of monetary policy actions for emerging economies.

A large proportion of the literature focusses on the impact of FED's policies spillover transmission to emerging markets. Aizenman et al. (2014) assess the impact of Fed's tapering monetary policy on financial markets in emerging economies arguing that countries with weaker domestic fundamentals experience a smaller depreciation of exchange rate, a less significant fall in stock prices and a less significant increase in CDS spreads than countries with stronger domestic fundamentals. Fratzscher et.al. (2013) finds that FED's measures since the implementation of the second round of quantitative easing policies (2010) globally increased equities, while their impact on yields is rather unobservable. They conclude that US's unconventional monetary policy triggered portfolio rebalancing and acted in a pro-cyclical manner for capital flows to emerging markets. Similar to Aizenman et al. (2014) who describe the importance of domestic fundamentals in spillover transmission, Georgiadis and Gräb (2015) show that the magnitude of spillover effects across economies depend on countries' financial openness, exchange rate regimes, trade and the integration with the Eurozone. Apostolou and Beirne (2017) study changes in the ECB and FED's balance sheets examining how much volatility in emerging markets financial variables can be explained by these changes. They find that bond markets are more responsive to positive volatility spillovers while FED has the most significant impact. They also find that EMs' stock markets are subject to negative volatility spillovers. We contribute to the European literature by comparing two SCDS returns and SCDS idiosyncratic returns. The comparison accounts for the influence of global and domestic factors in spillover transmission.

Moreover, several studies focused on the global impact of unconventional monetary policies. Lim et. al. (2014) find that quantitative easing policies have been transmitted globally through liquidity, portfolio balancing, and confidence channels arguing that these effects cannot be attributed to market expectations of country-specific domestic fundamentals. Fic (2013) examines unconventional policies' impact on BRIC countries (Brazil, China, India and Russia). They find that unconventional policies undertaken by major central banks (FED, BoE, ECB and BoJ) lead to lower yields, higher equity prices, and lower investment premia. Chinn (2013) discusses the impact of unconventional monetary policies on exchange rate and asset prices in emerging economies concluding that more volatility is introduced into global markets while supporting global rebalancing through emerging countries' motivation for market currency revaluation.

Two main conclusions are clearly visible from the above literature review. Firstly, there is a consensus regarding spillover effects from advanced economies' monetary policy measures. Secondly, most of the studies focused on spillover effects from FED's policies to emerging markets. We contribute to the literature regarding the impact of ECB's unconventional policy measures to emerging markets by exploring system-wide connectedness in the EU. This allows us to conclude on the magnitude of country-specific sovereign default risk.

Methodology and data

Data

Daily 5Y sovereign CDS data is used in both parts of our empirical analysis. We chose SCDS spreads to offer a good illustration of default risk. Compared to its corresponding market, the bond market, the SCDS market is more liquid enabling better estimates for default risk. SCDS spreads are quoted in basis points. Higher spreads indicate increasing market expectations about the possibility of a default, while lower spreads indicate diminishing market expectations about a default. The dataset comprises the daily exchanges on the 5-year credit risk representing the average premium (average between demand and supply) from 1st of January 2009 to 31st of December 2014 quantifying a total of 1565 observations. The selected sample comprises 23 EU member states. The data is extracted from DataStream being fully denominated in Euro to ensure the comparability of time series. Missing segments of the price series are interpolated through previous-day price repetition.

In the implementation of the DYCI model, both SCDS returns and SCDS idiosyncratic returns measures are chosen as variables of interest, rather than the SCDS spreads themselves. SCDS returns reflect to a certain extent systemic sovereign credit risk since it captures the influence of global financial market variables, while the idiosyncratic measure is more sensitive to countries' economic fundamentals capturing sovereign domestic risk and highlights the pure contagion component of the systemic risk.

To extract the idiosyncratic returns measures, we use the generalized dynamic factor model proposed by Forni et al. (2000) and adapted by Barigozzi and Hallin (2016). For our $N \times T$ panel dataset, we have $Y = \{Y_{it}; i=1, \dots, N; t=1, \dots, T\}$ of CDS returns. The generalized dynamic factor model decomposes Y_{it} into a common component, X_{it} , driven by q factors, and an idiosyncratic component, Z_{it} , as follows:

$$Y_{it} = X_{it} + Z_{it}$$

The common component takes the form of an auto-regressive representation as:

$$X_{it} = \sum_{k=1}^q b_{ik}(L)u_{kt}$$

where L is the lag operator, the q factors are defined as an orthonormal zero-mean white noise vector process $u_t = \{u_{1t}, \dots, u_{qt}\}'$, and the filters $b_{ik}(L)$ are one-sided and square-summable. We choose the number of factors by applying the Hallin and Liška (2011) criterion, which indicates one common factor.

Diebold-Yilmaz connectedness measures and graphical representations

Diebold-Yilmaz Connectedness Index (DYCI) methodology is based on generalized variance decompositions of a vector autoregressive (VAR) model. DYCI association with network graphical display results in a powerful spillover representation across countries connecting forecast error variance decompositions matrices with network edge weights. The measure reveals how much SCDS i 's variable future uncertainty results from shocks in variable j . DYCI methodology starts with the implementation of a covariance-stationary VAR model with N variables is defined as follows:

$$Y_t = \sum_{i=1}^p \phi_i x_{t-i} + \varepsilon_t$$

with $\varepsilon_t \sim (0, \Sigma)$. The moving average representation of VAR takes the following form: $Y_t = \sum_{i=0}^{\infty} A_i \varepsilon_{t-i}$

where $N \times N$ is a coefficient matrix. A_i follows recursive pattern as $A_i = \phi_1 A_{i-1} + \phi_2 A_{i-2} + \dots + \phi_p A_{i-p}$. A_0 is an identity matrix and $A_j = 0$ for $i < 0$. Because the number of estimated parameters increases quadratically with the number of variables, the VAR estimation adopts Dermirer et. al. (2018) approach to estimate sparse VAR of SCDS idiosyncratic and returns measures using an elastic net estimator. The estimator minimizes the sum of squared errors and shrinks coefficients to zero if estimating them does not substantially reduce prediction error. We calculate the decomposition of the variance of the forecast error at h steps ahead:

$$\varphi_{ij}(H) = \frac{\gamma_{jj}^{-1} \Sigma_{h=0}^{H-1} (e_i' A_h \Sigma e_j)^2}{\Sigma_{h=0}^{H-1} (e_i' A_h \Sigma A_h' e_i)}$$

The decomposition records how much variance of the forecast error of SCDS idiosyncratic or returns measures at h steps ahead is due to the shocks in another variable included in the VAR model. Each matrix element is normalized by summing the row so that the decomposition including shocks in each market equals the total decomposition of all variables sums to N :

$$\tilde{\varphi}_{ij}(H) = \frac{\varphi_{ij}(H)}{\sum_{j=1}^N \varphi_{ij}(H)}$$

For our graphical representation, it represents the estimated size of the edge from node j to node i . Similarly, directional spillovers received/ transmitted can also be decomposed:

$$DS_{i \leftarrow}^H = \frac{\sum_{j=1, j \neq i}^N \tilde{\varphi}_{ij}(H)}{\sum_{i,j=1}^N \tilde{\varphi}_{ij}(H)} \times 100 = \frac{\sum_{j=1, j \neq i}^N \tilde{\varphi}_{ij}(H)}{N} \times 100$$

$$DS_{\leftarrow i}^H = \frac{\sum_{j=1, j \neq i}^N \tilde{\varphi}_{ji}(H)}{\sum_{i,j=1}^N \tilde{\varphi}_{ji}(H)} \times 100 = \frac{\sum_{j=1, j \neq i}^N \tilde{\varphi}_{ji}(H)}{N}$$

These measures denote the spillover level received or transmitted by variable i within the system. Finally, the total spillover index is calculated as:

$$S(H) = \frac{\sum_{i,j=1, i \neq j}^N \tilde{\varphi}_{ij}(H)}{N} \times 100$$

denoting the overall spillover significance that originates in other countries on the determination of SCDS measures. This measure is called “system-wide connectedness” or “dynamic connectedness index”.

The graphical display of our empirical analysis follows the results obtained from DYCI presenting estimated connectedness measures. Corresponding to our sample, we have 23 nodes and as many as 232 edges. Presented shortly, networks graphical representations follow three simple rules: node size is a linear function of total directional connectedness “to others” representing a direct measure of default risk; node location is determined by the directional spillovers “to” and “from” (Nodes with many strong links to other nodes are located at the network’s center, while nodes with weak links are located close to the sidelines); edge thickness indicates a strong pairwise connectedness (Presenting whole network structure with all the resulting edges would hide the basic patterns in spillover transmission. Therefore, only the thickest edges are shown in our graphs).

High-Frequency Event Study

To quantify country-specific changes in SCDS spreads around monetary policy announcements we apply a high-frequency event-study initially proposed by Fama et. al. (1969). Changes in SCDS markets are measured in a narrow window of time to shortly measure the effects of policy announcements. Considering rational expectations theory’s implications for financial markets, SCDS pricing should promptly change after policy announcements. More specifically, one-day or two-day changes in SCDS spreads are sufficient in estimating an unbiased effect of monetary policy announcements. (The high-frequency event study methodology operates under several assumptions: (i) markets are efficient and rational, (ii) the lack of confounding factors impacting asset prices and (iii) events are unexpected. However, our event sample encompasses several monetary policy announcements aimed at re-orienting market expectations (more specifically, forward guidance - FG - discourses presented in Table 1) violating the third assumption. Moreover, the issue of confounding factors driven by the simultaneous implementation of monetary policy actions including changes in interest rates could also be a valuable concern. However, we keep all monetary policy events (incl. FG discourses and other unconventional monetary policy actions) since we used multiple -day event windows. Using more than one-day window allows for the possibility that SDSC may not react immediately to monetary policy announcements. Additionally, to consider this market inefficiency, for DYCI dynamic estimation we consider connectedness matrices 14 days before/ after a monetary policy announcement.). Thus, we can test our two null hypotheses presented under section 4.4. The statistic that we use is each event change divided by the unconditional standard deviation for the one/ two-days CDS change rate before the announcement date. We compute unconditional standard deviation using data from 14th of January 2008 to 8th of October 2008, a sample period that is not contaminated by

unconventional policy announcements. Similar methodologies are performed by Rebucci et. al. (2021) and Swanson et. al. (2011).

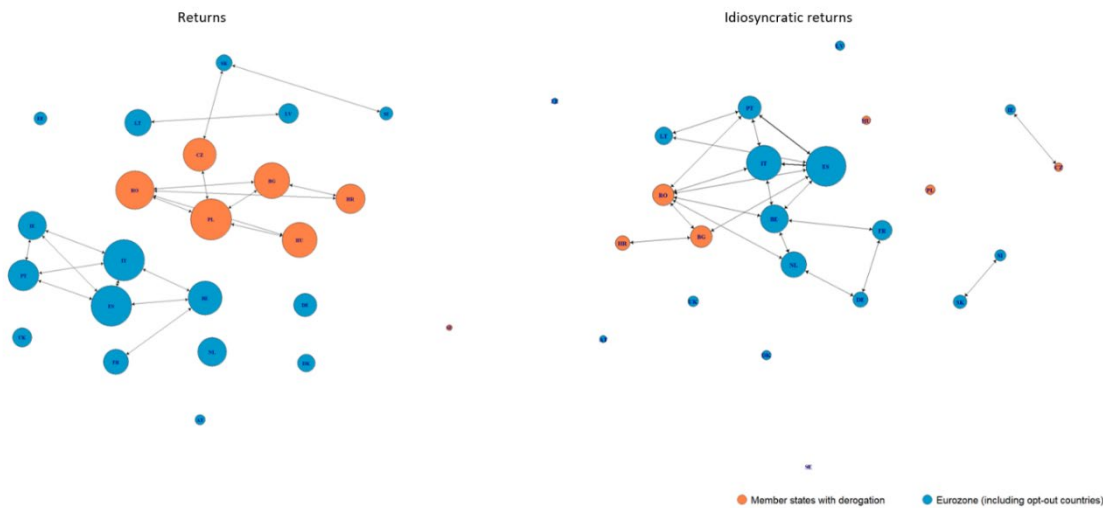
Results

Static network structures: idiosyncratic vs returns

This section presents the static sovereign CDS network estimating the average measure of connectedness among markets over the full sample period. Figure 1 presents sovereign CDS connectedness for returns and idiosyncratic measures. Both figures reveal sovereigns' connectedness is transmitted through three groups of countries: GIIPS countries (Italy, Spain, Portugal), CEE countries (Bulgaria, Croatia, Romania, Poland, Hungary), and Core Eurozone countries (excl. GIIPS). The multivariate cluster analysis performed on the correlation matrix displayed a strong connectedness measure among sovereigns based on their geographical distribution. The cluster algorithm attempts to sort the states into groups with similar characteristics. Following the literature, we assumed the existence of three clusters (GIIPS countries, Core Eurozone and CEE). Thus, the number of k-medoids equalled 3. The results showed a high degree of connectedness among neighbouring countries: an Eastern European cluster (EE, LV, CZ, PL, HU, LT, RO, BG, HR, SI, SK), a Western European cluster (AT, UK, NL, PT, IT, ES, BE, DK, DE, SE, FR) and a third cluster only with Ireland suggesting that Ireland risk is distinct from other states. Overall, these results show a strong regional component of sovereign credit risk supporting (Ang & Longstaff, 2013) findings about Europe.

The sovereigns' connectedness reported through edges' intensity is quite weak for both the idiosyncratic component and returns measures. These results are in line with Heinz & Sun (2014) that find that during the European sovereign debt crisis spillovers between Central, Eastern, and South-Eastern European countries were relatively small. Moreover, these results indicating weakness of spillovers intensity are compatible with Aizenman & Park's (2013) findings that observe a constant degree of spillover propagation suggesting a controlled contagion risk and a stable integration for different eurozone countries.

Credit risk magnitude determined by the node size shows that high credit-risk countries are strongly interconnected. While for the returns measures there is a clear distinction between the main GIIPS and CEE countries with all CEE countries being located at the center of the network, for the idiosyncratic component almost all countries transmit spillovers being all connected at the network's center. Even though the idiosyncratic network shows a slightly higher degree of connectedness between several Core Eurozone countries and GIIPS countries (Italy and Spain registering highest credit risk), Core Eurozone countries are weakly connected to high-risk countries. CEE countries also show a low degree of connectedness being located at the network's peripheries signaling a low credit risk. In addition, two bilateral linkages occur (Ireland – Czech Republic, Slovenia – Slovakia), but with no connection with the most- tightly connected countries within the network.

Figure 1. Static network structures during sovereign debt crisis for both returns and idiosyncratic returns

Dynamic index estimation

The dynamic index estimation provides an assessment of the average network during 2009-2014. The sample period starts on 30 January 2009 when a group of 10 Central and Eastern European banks requested bailouts and it covers the peaks of the European sovereign debt crisis. The sample ends two months after 4 September 2014 when ECB decided to cut interest rates to new record levels. However, financial linkages between countries vary over time and are influenced by specific economic, financial, and political events. To capture over-time connectedness dynamics, we use a rolling window analysis of 250 days, roughly 8 months. We connect the over-time connectedness index with important economic events to obtain an understanding of what type of events encourage or offset spillover transmission. Figure 1 presents the over-time connectedness measure for both the idiosyncratic component and returns. Comparing over-time connectedness between the two measures we make several observations.

First, the idiosyncratic index is significantly less high than the returns measure until the end of 2014 indicating a lower level of financial integration among sovereigns: while returns measures reach a spillover connectedness of 80% during turbulent times, the idiosyncratic index only reaches 60%. However, the half-year 2014 when interest rates hit the zero lower bound signals the occurrence of a convergence trend between the two both connectedness measures showing a high degree of financial integration.

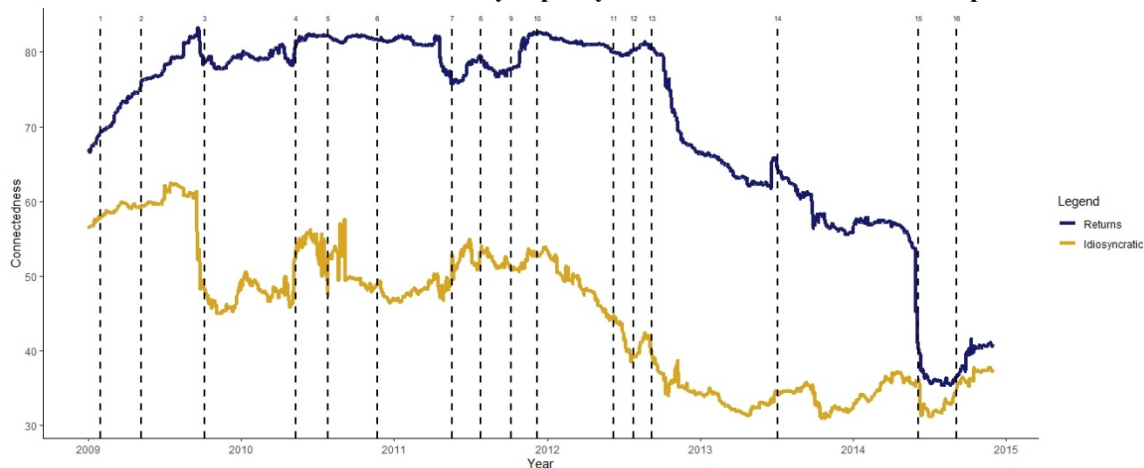
Second, the idiosyncratic connectedness index is more unstable with frequency highs and lows over shorter periods. For instance, the period between May 2010 and May 2011 is characterized by more than four highs and lows for the idiosyncratic index, while the returns index remains stable.

Third, there is a similar evolution pattern between the two measures allowing us to indirectly infer that the idiosyncratic index is mainly driven by global credit events, rather than by local events. The Granger Causality test was applied to check whether total spillovers obtained for returns can predict the total spillover for the idiosyncratic component (p-value = 0.04823). The significance test revealed that total connectedness on returns is useful in predicting the evolution of idiosyncratic connectedness. There is no

problem with reverse causation. There are only three time periods when the two indexes follow opposite directions: returns index increases while idiosyncratic index decreases. The first one corresponds occurs in the second half of 2011 during the implementation of SMP (10th of May 2010) and after the first Greek Austerity Plan (3rd of May 2010). The second one corresponds to the announcement of the Second Greek Economic Adjustment Programme (2011-July-21). The third one corresponds to the date when Portugal received financial assistance from the EU and the IMF.

Finally, while there are several indexes increases over time, we identify several juncture points corresponding to two types of events: monetary policy announcements and unexpected events announcements. These junctures show a significant increase or decrease in both returns and idiosyncratic indices. On the one hand, there are several sudden changes caused by unexpected events. For instance, after Greece revealed that its unprecedented budget deficit, the index decreased with approximately 10 percentage points for the idiosyncratic component and approximately 5 percentage points for the return measures in less than 30 working days. Moreover, when seven banks failed the stress tests performed by the Committee of European Banking Supervisors the idiosyncratic index with approximately 7 percentage points in less than 5 working days. On the other hand, unconventional monetary policy announcements have also a significant impact on sovereign market connectedness. For instance, when ECB announced SMP the idiosyncratic index increased by approximately 10 percentage points, and the returns index increased by approximately 4 percentage points in less than one week. Moreover, when ECB announced its decision to impose negative interest rates on banks' overnight deposits, the return index decreases by approximately 18 percentage points and the idiosyncratic index by approximately 5 percentage points.

Figure 2. Dynamic sovereign CDS market connectedness during Sovereign Debt Crisis (correlation with ECB's unconventional monetary policy announcement and unexpected events)



Events:

A group of 10 central and eastern European banks had already asked for a bailout (30th of January 2009)

Covered bond purchase program (CBPP1) and ECB reduced rates with 25 basis points (7th of May 2009)

Greece revealed that its budget deficit was 12.7% of gross domestic product (5th of November 2009)

A three-year program for Greece and Securities Market Program (SMP) announcement (10th of May 2010)

Seven EU banks fail stress tests (26th of July 2010)

Irish authorities request financial assistance (22nd of November 2010)

Portugal receives financial assistance from the EU and the IMF (18th of May 2011)

Second Greek Economic Adjustment Programme (21st of July 2011)

Covered Bond Purchase Program 2 (6th of October 2011)

LTROs expansion announcement and the reduction of ECB main policy rate by 0.25 basis points (8th of December 2011)

Spain requests financial assistance (8th of June 2012)

“Whatever it takes” speech (26th of July 2012)

Outright Monetary Transactions (OMT) announced (6th of September 2012)

“Keeping interest rates unchanged” Speech (4th of July 2013)

ECB policy rate breaking through the zero lower bound for the first time and imposed negative interest rates on banks' overnight deposits. TLTROs announced (5th of June 2014)

ECB's QE announcement (4th of September 2014)

Since we want to capture the impact of monetary policy announcements on spillover transmission during turbulent economic times in the European Union, we exclude unexpected events to focus on nine ECB's monetary policy announcements. All of them signal highs or lows of spillover index in both returns and idiosyncratic measures and they indicate either lender-of-last-resort program other unconventional monetary policy tools.

Dynamic network structures around monetary policy announcements

To assess the time-varying characteristics of the CDS network and the impact of monetary policy announcements, we look at the evolution of connectedness across time; more specifically 14 days before and after each event. Assessing connectedness around specific events allows us to observe whether spillovers propagation intensified or diminished. For better visualization, this sections only presents specific network structures, but we stress that our results follow the same patterns, as described in the following sections. Moreover, to assess the effectiveness of monetary policy actions on spillover transmission, we divide monetary policy announcements depending on the type of policy action managed by the ECB: asset purchase program (APP), interest rates changes (IR), targeted lending (TL), lending operations (LO) and forward guidance (FG).

| Event Number and Event Date | Type of policy action | Event description |
|-----------------------------|-----------------------|---|
| 7th of May 2009 | APP | Covered bond purchase program (CBPP1) |
| | IR | Reduction of main policy rate by 0.25 basis points |
| | LO | 12-month LTROs announcement |
| 10th of May 2010 | APP | Securities Markets Program (SMP) |
| 6th of October 2011 | APP | Covered bond purchase program (CBPP2) |
| 8th of December 2011 | LO | 36-month LTROs expansion announcement; enlarging the pool of eligible assets as collaterals |
| | IR | Reduction of main policy rate by 0.25 basis points |

Forward-guidance

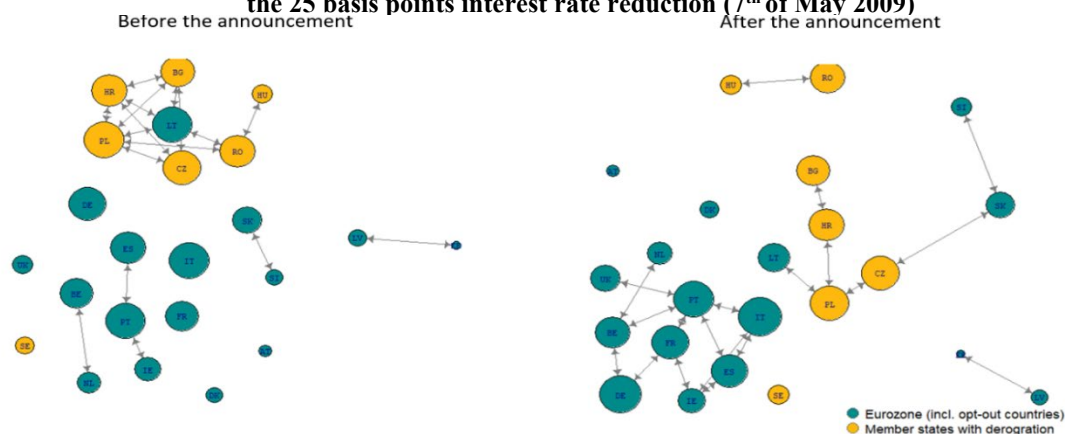
Among the toolkit for unconventional monetary policy tools, forward guidance corresponds to a communication strategy delivering a commitment to future interest rate decisions. Forward guidance aim is to influence long-term interest rates, rather than short-term interest rates which are, in turn, affected by market expectations on future short-term rates. While there is an increasing academic and policy attention on forward-guidance actions, our empirical results shed little light on its impact on financial markets. Mario Draghi's "Whatever it takes", a pure forward-guidance action followed by the announcement of OMT, as well as his speech notifying his intention of "Keeping interest rates unchanged" (26th of July 2012) have an insignificant impact on spillover transmission across European CDS markets. Indeed, "Whatever it takes speech" seems to have a slightly increased impact on the idiosyncratic measure connecting Eurozone CDS markets. Figure 4 describes this impact.

Mixed unconventional policy measures to increase geographical cluster-within connectedness

During the early sovereign debt crisis, ECB shifted its policy actions from traditional to unconventional monetary tools. During 2009 and early 2010, to support the flow of credit and increase public trust in the banking system, ECB conducted direct purchases of covered bonds and reduced its main policy rate by 0.25 basis points. In addition, ECB programs included LTROs (Long-Term Refinancing Operations) – time-limited loans to banks partially used for buying government debt. The connectedness impact on CEE countries of these measures was quite limited: Figure 5 presents the network structure on returns measure 14 days before and after the day of announcement of all the above-mentioned policy actions. It reveals an intensified spillover transmission for Eurozone countries but decreased connectedness within CEE. Similar results can also be observed for events 3 and 4 when the same mix of policy actions was deployed only 2 months apart. Increased connectedness is observed only depending on geographical clusters for most of the networks in our sample.

Overall, our empirical results show two important factors that contribute to sovereign risk connectedness: the over-time spillover unpredictability and monetary policy announcements' influence on spillover transmission. On the one side, over-time

Figure 4. Sovereign CDS market connectedness 14 days before and after the announcement of CBPP1 and the 25 basis points interest rate reduction (7th of May 2009)



unpredictability is determined by the fact that connectedness among SCDS markets changes over time. While we can identify an increase in bilateral/group spillovers between certain countries at certain moments in time, these patterns change substantially over time. An interesting finding is that both idiosyncratic and returns measures, as well as the spillover index evolution, generate similar results across the EU suggesting that sovereign risk is rather driven by global market factors such as risk premium or investment flows rather than by domestic fundamentals (Longstaff et al. 2011).

On the other side, the results shed light on the impact of unconventional monetary policy toolkit in spillover transmission across European Union member states. While FG actions do not seem to have a specific impact on spillover transmission, APPs increase all-in-all market connectedness generating spillovers from Eurozone to CEE (and vice versa), and mixed unconventional policy measures increase spillover transmission among geographical clusters. Particular attention needs to be paid to pure quantitative easing policy packages implemented after the fall of interest rate below the zero lower bound.

Event study results

The application of DYCI provides an understanding of the short-term impact of monetary policy announcements on the European CDS market. Given our previous results regarding spillover transmission around announcements about APPs and mixed-unconventional policy actions, we formulate our event study null hypothesis: monetary policy announcements do not affect European SCDS markets. The alternative hypothesis is that monetary policy announcements should produce an increase or decrease in SCDS basis points indicating growing or diminishing market expectations of default. Table 1 presents our results based on the geographical clusters.

Table 1. Event study results on geographical clusters

| | | Eurozone | | | | | | | | | | | | | | Member states with derogation | | | | | |
|---------------------------|--------------------------|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|--------|--------|--------|-------------------------------|--------|--------|--------|--------|--------|
| | | Core Eurozone | | | | | | GIIPS | | | | Eastern Eurozone | | | | CEE | | | | | |
| | | AT | N L | B E | D E | F R | I T | E S | P T | I E | E E | L V | L T | S I | S K | C Z | B G | H R | P L | R O | H U |
| Event 1 (7th of May 2009) | One-day market response | -15*** | -6** | -7* | -1.5* | -4** | -9* | -13** | -5* | -1* | -1* | -5* | 0 | -3 | -5* | 0 | -8* | -1* | 5* | 1* | -1* |
| | Two-days market response | -15*** | -4* | -9* | -2* | -4** | -9* | -14** | -5* | -1* | -1* | -5* | 0 | -3 | -5* | 5* | -8* | -1* | 5* | -1* | -5* |
| Event 2 (10th) | One-day market | -7.9*** | -8.9* | 4.9* | 0 | 2.9** | -1* | -5** | -1* | 1* | 0 | 2* | 1* | 0 | 1* | 1* | 5 | 4 | 0 | 2 | -4 |

| | | | | | | | | | | | | | | | | | | | | | |
|---|--|---------|-----------------------------|-----------------------------|-----------------------------|----------------------------------|----------------------------|--------------------|---------------------------------|---------------------------------|-------------|-------------|---------------------------------|-------------|--------|----------------------------|----------------------------|---------------------------------|----------------------------|----------------------------|----------------------------|
| of May 2010) | respo nse | | * | * | | | * | | * | * | | * | * | | | * | | | | | |
| | Two- days mark et respo nse | -7.9*** | - 8. 9 * * * | 0. 9 | - 2. 9 * * * | - 3* 2 7 * * * | - 2 7 ** * | - 27 ** * | - 6 1 * * * | - 1 5 * * * | - 1 0 | 1 | - 2 0 * * * | - 5 2 | - 2 | - 4 | - 2 6 * * * | - 1 1 3 * * | - 1 3 * * * | - 2 5 * * * | |
| Event 3 (6th of Octobe r 2011) | One- day mark et respo nse | 0.06 | 2. 4 3 | 0. 3 8 | 2. 3 | - 1. 3 | - 4 * * * | 6* ** | - 8 * * * * | - 3 * * * * | - 1 3 | 0 | - 4 * * * * | 2 | 2 | 0 | - 9 * * * | -5 | - 4 * * | - 9 | 6 |
| | Two- days mark et respo nse | -6.9*** | - 0. 4 9 | 1. 3 | 0 * * * | - 4. 4* ** | - 3 3 * * * | -2 | - 3 6 * * * * | - 2 5 * * * | - 1 3 | -2 | - 6 * * * * | 2 | 2 | - 2 | - 1 3 * | -9 | - 8 * * | - 1 3 | 1 |
| Event 4 (8th of Decem ber 2011) | One- day mark et respo nse | 0.04 | 2. 9 * | - 2. 2 * | - 2. 8 * * * | - 2. 4* * * | 1 0 * * * | - 7* ** | -1 | 6 * * * | 0 | 1 | 3 * * * | 0 | 1 | 1 | 4 | 2 | 1 | 2 | 2 |
| | Two- days mark et respo nse | 7.47*** | 6. 3 * * * | 9. 7 * * * | 0. 2 2 | 14 .7 ** * | 3 9 * * * | 10 ** * | 2 | 1 3 * * * | 0 | 1 2 | 1 8 * * * | 4 | 6 * | 3 | 1 3 * | 8 | 1 1 * * * | 5 | 1 7 * |
| Event 5 (26th of July 2012) | One- day mark et respo nse | -2.1** | - 4. 2 * * * | - 5. 3 * * * | - 3. 4 * * * | - 4. 3 | - 2 1 * * * | - 26 ** * | - 3 9 * * * * | - 2 5 * * * * | 0 | -4 | - 4 * * * * | 0 | 0 | - 2 | -4 | - 2 1 * * * * | - 5 * * * | - 1 8 * * * | - 8 |
| | Two- days mark et respo nse | -3.6** | - 5. 5 * * * | - 8. 1 * * * | - 3. 4 * * * | - 8. 5* ** | - 3 8 * * * | - 47 ** * | - 4 8 * * * * | - 3 4 * * * * | 0 | - 1 0 | - 1 8 * * * * | - 3 | - 2 | - 8 * * * * | -9 | - 2 1 * * * * | - 1 1 * * * | - 2 6 * * * | - 2 0 * * * |

Before discussing the impact of the different types of policy events on the SCDS market, we make two general observations. First, there is a geographical distribution of default risk among sovereigns determined by country-specific common elements captured previously by dynamic network structures on both idiosyncratic and returns measures: approximately all policy announcements produce a decrease in SCDS basis points in highly-indebted GIIPS countries; policy announcements have a significant decreasing impact on the Baltic

states, especially Latvia and Lithuania which are the most responsive countries; policy announcements impact on CEE countries is geographically unequally distributed due to the country-specific dissimilarities. Second, a chronological view on table 1 indicates some form of incremental effects for monetary policy announcements. Without a doubt, policy actions are gradually incorporated into financial prices through a slow-moving adjustment process, whereas FG might play a role in the incremental process of building market expectations (Rostagno et. al., 2021). Moreover, compared to our previous results about FG where spillover transmission is negligible, event study results indicate significant SCDS decreases at least for Mario Draghi's "Whatever it takes speech". However, our empirical results concerning the impact of FG remain debatable and problematic since our "pure FG" control measure - Keeping interest rates unchanged" Speech - does not shed the same impact as the "Whatever it takes speech" followed only two months after by the OMT announcement.

| | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|--------------------------|-------|-------|--------|-------|--------|-------|-------|-------|-------|----|------|-------|-------|----|-----|------|-------|----|-------|----|
| Event 6 (6th of September 2012) | One-day market response | -3.5* | -0.39 | 6.8** | 0.3 | -4.3** | -7* | -7* | -2.6* | -5* | 0 | -1.1 | -2* | -1.3* | 0 | 1 | 1.4* | -1.3* | 0 | -9 | -1 |
| | Two-days market response | -6.7* | -4.9* | -6.7** | -0.3 | -1.6 | -2.1* | -2.5* | -3.2* | -3.7* | 0 | -1.6 | -7* | -5.3* | -8 | -2 | -1.8 | -2.9* | -6 | -2.6* | -9 |
| Event 7 (4th of July 2013) | One-day market response | -0.6 | 0.5 | -1.9 | -0.9* | -0.7 | -2* | -3* | -2 | -1 | 4 | 3 | 3* | 4 | 0 | -4* | 2 | -7* | -3 | 0 | 0 |
| | Two-days market response | -0.5 | -0.7 | -2.3 | -1.4* | -1.2 | -8* | -6* | -7* | -2 | 4 | 3 | 3 | 4 | 0 | -4 | 6 | -7 | -3 | 0 | 0 |
| Event 8 (5th of June 2014) | One-day market response | -0.9 | 0 | -1.5 | 0 | -3** | -1.3* | -8* | 0 | -8* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -9 |
| | Two-days market response | -1 | -0.9 | -2.2 | -1.2* | -4.8** | -2.0* | -1.2* | 0 | -1.1* | -2 | 0 | -2.3* | -1.0* | 0 | 0 | 0 | 0 | 0 | -7 | -9 |

| | | | | | | | | | | | | | | | | | | | | |
|--|------------------------------------|--------------|--------------|----|--------------|---|-------------|----|-------------|---|--------|---|---|----|---|---|---|----|---|--------|
| Event 9 (4th of September 2014) | One-day market response | - 1. 5 | - 0. 9 | -1 | - 0. 3 | 0 | - 5 * | -1 | - 8 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - 1 |
| | Two- days market response | - 1. 6 | - 0. 9 | -1 | - 0. 6 | 0 | - 5 * | -1 | - 6 * | 0 | - 2 | 0 | 0 | -1 | 0 | 0 | 0 | -3 | 0 | - 8 |

Compared to mixed unconventional policy actions, APPs alone substantially decrease SCDS spreads diminishing default risk. After the SMP announcement, SCDS spreads fell by 3 to 9 basis points in Core Eurozone countries, by approximately 20 basis points in GIIPS countries with the highest decrease of 61 basis points registered in Portugal, by 20 basis points in Lithuania, and by approximately 20 basis points in CEE region. Surprisingly, while for most countries the two days market change in SCDS spreads is negative, one-day market change is positive for some countries: Belgium, Ireland, Latvia, Lithuania, Czech Republic. After the OMT announcement both one-day and two-day results, SCDS changes fell for almost all countries (only one-day SCDS change is positive for Belgium). GIIPS countries registered the highest average decline of 20 basis points, followed by the Eastern Eurozone cluster with an average decline of approximately 18 basis points and by the CEE region with an average decline of 13.5 basis points.

Mixed unconventional measures have mixed results especially if they are dispersed in time: while the introduction of CBPP1, the announcement of 12-month LTROs, and the reduction of policy rate (Event 1) determined a decline in SCDS spreads for all countries, only the announcement about LTROs expansion and interest reduction (even though preceded by CBPP2 two months before) determined a rise in SCDS spreads. More specifically, around event 4 SCDS spreads increased by approximately 13 basis points in all countries but with little impact on the Eastern European cluster, while event 1 determined a decline of approximately 11 basis points.

While we would expect to observe increases in SCDS basis points determined the be TLTRO I announcement, we noticed several declines. However, this situation occurs in a negative interest rate environment with a specific change in strategy for lending operations: compared to previous LTRO operations, TLTRO operations are „targeted” allowing banks to receive capital only if it is disbursed towards private clients. The 2014 policy actions form a quantitative easing package with a targeted impact on GIIPS countries. For instance, a fall of approximately 12 basis points occurs after the announcement of TLTRO I in Italy, Spain, and Ireland. Moreover, the announcement of CBPP3 and ABSPP, a program conflicting with TLTRO I, determined falls between 5 and 8 basis points in SCDS.

Conclusions

In this paper, we provide some insights into spillover transmission among EU member states. We find evidence of strong spillovers from ECB's monetary policy measures to all countries, including GIIPS and CEE countries. Among ECB's monetary policy measures, we find that spillovers from asset purchases programs were the most noticeable, while

spillovers from mixed unconventional measures are rather unclear: spillovers from asset purchases programs increase all-in-all connectedness and spillovers from mixed measures increase within-cluster connectedness. The results also shed light on the effectiveness of several monetary policy measures: asset purchases programs and quantitative easing policy measures are the most effective policy instruments for decreasing default risk. The results suggest that sovereign default risk decreases over time with the implementation of APPs. They are in line with Ciarlone & Colabella's (2016) findings indicating that the implementation of ECB's APPs was able to protect EU-6 financial markets from negative shocks. The results about Forward Guidance and the effectiveness of targeted lending operations below the zero lower bound need further study through different methodologies since event study application resulted in conflicting observations. In addition, we find strong evidence that SCDS market connectedness is subject to a high degree of market unpredictability since spillover transmission constantly changes over time. This finding reflects Apostolou and Beirne's (2017) observation that volatility proportion in emerging countries modifies over time along with changes in FED and ECB's balance sheets.

This paper has several limitations. One limitation of this paper is its limited lack of focus on CEE countries. To address this problem, we plan to restrict our sample even more. This will allow us to explore spillovers only among EU member states (excluding Sweden, Denmark, and United Kingdom) resulting in more clear conclusions about the effectiveness of policy instruments for European monetary integration. A second limitation is related to event studies methodologies: the impact of a policy actions gets perceived slowly and gradually by the market, and then, adjusted in prices. In this sense, event study methodologies have a build-in lack of memory which is a disadvantage in assessing spillover transmission even though our results show these incremental effects of monetary policy actions. A third limitation is the lack of connection between spillover transmission magnitude and monetary policy transmission channels. To solve this challenge, we plan to analysis ECB's programs specific objectives with regards to our event study results. Adopting another econometric estimation strategy for assessing monetary policy transmission channels and their impact on spillover transmission may result into a more complex analysis about the pricing of different financial assets.

In conclusion, our results shed light on the ECB's effectiveness in transmitting positive spillovers over the entire European SCDS market. There is a clear suggestion that portfolio rebalancing channel played an important role in spillover transmission across EU. Through this channel, ECB's policy measures decreased sovereign risk protecting all economies from negative shocks determined by international' investors risk aversion.

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OMBUDSMANANCE: A NEW CONCEPT IN SOCIAL SCIENCES ON OMBUDSMAN THEORY

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Abstract: *The Ombudsman is a public complaints body established in Sweden in the 18th century. Its main task is to solve public and administrative problems that reach it from citizens. Today, it is applied in almost all countries of the world. In this study, it is planned to reveal the basic building blocks of the grand ombudsman theory at the methodological level. The Ombudsman is an Anglo-Saxon invention that emerged with the Enlightenment and political liberalism. It is also a postmodern auditing paradigm. In fact, ombudsman is related to many different disciplines arising from ombudsman theory. It appears as a newly produced concept in social sciences. It is of great importance for societies in the world to organize themselves within the framework of social morality and justice. According to the results of this study; today, it is accepted that the societies called Anglo-Saxon have a stronger social morality as the cradle of liberal democracy. The study aims to provide a methodological and theoretical expansion of the concept of ombudsmanance by compiling Doğan's previous articles. The method of this research is literature review.*

Keywords: *Ombudsman, Theory, Ombudsmanance, Doğan*

Introduction

Ombudsman, as a concept, is a structure that receives complaints from the public in a state about issues that they are aggrieved about regarding public administration and decides on them within the framework of a certain legal procedure. Among its basic features; it institutionalizes democracy, strengthens human rights and is based on the rule of law. Today, it is implemented in almost all states of the world. It has almost become the common mind of humanity. In this respect, it is seen in all societies governed by capitalist, socialist, totalitarian or social democracy regimes. Ombudsman has a deep theoretical basis. As a matter of fact, the concept of ombudsman is at the theoretical and historical intersection of many disciplines in social sciences. It is also linked to modern political ideologies. On the other hand, the development of the ombudsman in the world is also related to the world conjuncture.

In this study, the literature was reviewed important information regarding the explanation of the "ombudsmanance" concept introduced by Prof. Kadir Caner Doğan has been compiled from articles previously published in different international indexed journals. The aim of this study is to place the concept of ombudsman on the ombudsman theory that was developed chronologically in a certain historical process. As a matter of fact, when expressed with a metaphor, according to Doğan; with the studies he carried out on the ombudsman theory, "the flag-ombudsmanance- on the top of the mountain" was planted. Therefore, studies or articles that are carried out by adding things to each other step by step for the purpose of a task eventually reach their goal and the task is completed. However, it

is thought that more philosophical, scientific and in-depth studies will continue to promote and accept the newly born or emerging concept of ombudsmanance in the national and international academic community. The main purpose of compiling this article, which consists of previously published articles, is to bring together research on the construction of the ombudsman theory in an organized manner, and in this way, it can directly give ideas to readers and research on the subject at a systematic and rational level. It also provides a basic source for the concept of ombudsmanance, which has recently been introduced to the literature. As a matter of fact, it is anticipated that the articles in this study are very related to each other and integrate each other.

Ombudsman Theory

Ombudsman is a citizen-focused complaint authority that resolves disputes between public administration and citizens and has mechanisms such as mediation. In this regard, the ombudsman basically takes action with complaints about mismanagement/human rights violations against the public administration received from citizens or the public, and is a public institution that operates within the framework of its mandate drawn by the law. It first appeared in history in Sweden in the 18th century. It was established only in Sweden and Finland until World War II, and then it was established in states on all continents of the world until today. Today, there are ombudsman institutions in approximately 190 states (Doğan, 2019). Although the ombudsman institution seems to have emerged in the modern period in the 18th century, it found its real identity with postmodern public administration. Because this structure or organization, which was seen in only two states until the World War II, has increased its spread and degree of acceptability within the framework of the above-mentioned political, sociological, scientific, cultural and legal dynamics and their impact on concrete national and international public policies. In this respect, ombudsman can be called a postmodern auditing paradigm. As a matter of fact, after the 1950s, the ombudsman increased its degree of acceptability due to reasons and approaches such as the rule of law in the world, democratic aspirations, institutionalization efforts in newly independent states, excessive growth of the state/bureaucracy, social welfare state, globalization, new right, new public management. In this context, dynamics such as science, ideology, transformation in social structure, economic conjuncture and national/global politics have an impact on the development and spread of the ombudsman in academic and practical terms (Doğan, 2019).

Social sciences were founded in the 19th century on the basis of Enlightenment and modernity. This methodological development approach, which has a positivist character, was questioned after the second half of the 20th century. The discipline of history continued its development by gaining a scientific identity in these periods. At this point, there is an important relationship between social sciences and the discipline of history. At some point, in order to produce knowledge and create a method, it is necessary, first of all, to have a historical thinking dimension. As a matter of fact, in order to produce knowledge about social sciences, it is necessary to first reveal the historical perspective. According to this study, there is a relationship with liberal democracy, Annales, a history writing technique, and the understanding of restructuring of social sciences, through the concept of ombudsman. With this relationship, it is thought that the ombudsman has a great connection with the mentioned historical, philosophical and sociological thinking methods. According to this study, it is claimed that the ombudsman is one of the paradigm shifts in

the field of social sciences in the 20th century. Ombudsman is a postmodern auditing paradigm and found its true identity in this period (Parlak and Doğan, 2021).

The Ombudsman is an Anglo-Saxon invention. There is political liberalism in its essence. Moreover, ombudsman is a postmodern auditing paradigm. As a matter of fact, the principles underlying the ombudsman are linked to certain formation and transformation phases of political philosophy, sociology, politics, management, economics, history and law sciences, at classical and contemporary levels. This connection provides the environment for the theoretical design of the ombudsman. Key words between social science branches and ombudsman theory can be listed as follows (Doğan, 2021):

- Positivism/British idealist philosophy/Hermeneutics (Political Philosophy),
- Classical sociology/American sociology (Sociology),
- Institutionalism/Behavioralism/System theory (Political Science),
- Classical public administration/Democratic public administration (Public Administration),
- Efficiency based on classical economics/Consensus based on social liberalism/Quality based on neo-liberalism (Economics),
- Enlightenment historiography/German history school/Annales school (History),
- Positivist law/Natural law (Law).

In the context of the above branches of science and the ombudsman connection; for example, sociological theories are decisive in the modern ombudsman literature. In fact, ombudsman is associated with many different schools of sociology, especially structuralism. Developments in the discipline of sociology strengthen the ombudsman literature in certain aspects (Doğan, 2022b).

The Ombudsmanance

In explaining the concept of ombudsman, the studies and views of Habermas, Fukuyama and Rawls were especially used. Apart from these thinkers, comments and analyzes in Doğan's other articles are also used here. Habermas's hermeneutic efforts in the field of social sciences, his tendencies to bring Marxist literature to contemporary philosophy and sociology, and his views on current issues of the world have made great gains in both left and right literature and influenced many disciplines. Habermas's deep interdisciplinary and especially philosophical, political and sociological writings; it is decisive in issues such as "participation, democracy, ethics, social policy, law and legitimacy". It should not be forgotten that different thinkers and schools have produced works on this subject. The reason why Habermas was chosen in the analysis of concept sets in this study is that he influences the concept sets that constitute the subject of the study with articles that are objective and in accordance with scientific principles. When the discussion with the ombudsman continues; first of all, Habermas's writings in both liberal and Marxist styles had an impact on this concept. As a matter of fact, in addition to being a liberal democracy project, the ombudsman is also a structure with social responsibilities. Habermas's writings on ethics, discourse and politics are directly important for the ombudsman literature. Again, the ombudsman is an organization of tolerance and happiness in society. Therefore, all citizens should come together, talk and solve their problems based on the negotiation principles stated by Habermas. Therefore, the ombudsman offers one of the most important platforms where people can strengthen their communication channels by combining their life and system worlds. In this respect, the ombudsman is thought to provide the concepts

of "discourse, communication and public sphere" that form the basis of Habermas's theories. It should also be added here that; it can be explained with examples that governance theory also creates many platforms on this subject. For example, white table practices established in public institutions, city councils and ethics committees organized in city centers. When it comes to the discussion, which is very important for the study; by combining the concepts of ombudsman and governance, it is desired that the concept called "ombudsmanance" takes its place in the literature. As a matter of fact, the relationship revealed by the Habermas perspective, the views of other schools and thinkers, periodic developments and the postmodern public administration discourse confirms that the two concepts complement each other and are nourished from the same source. The concept of ombudsman will make great contributions to social sciences and public administration in researching ombudsman in a clearer method and further strengthening the theoretical basis established on it. This new concept will not prevent the independent development of both concepts, provided that their essence is preserved. As a matter of fact, it is thought that the concept of ombudsman will ignite a new intellectual debate in public administration through its own set of concepts, theories and approaches (Doğan, 2022a).

Ombudsman can be considered a liberal democracy project. As a matter of fact, it is thought that there is a great connection between Fukuyama's basic theses analyzed in this study and the development, acceptability and future of the ombudsman in the world. It is stated below that there are four hypotheses to explain this connection and it is explained that they have a scientific basis (Doğan, 2023):

- Ombudsman is an Anglo-Saxon invention,
- The Ombudsman has a strong connection with the modern (natural) science method,
- The Ombudsman integrates right (liberal) and left (Marxist) literature in the twentieth century,
- Ombudsman is aligned with Fukuyama's end of history thesis.

The concept of ombudsmanance is a combination of governance and ombudsman, introduced to the literature by Doğan. As a matter of fact, according to Doğan, fair, strong and liberal societies of the future can be organized with the principles highlighted by the concept of ombudsman. In this way, a good basis can be established for democratic constitutional states in the world where human rights are strengthened and the rule of law is established. Rawls's theory of justice and its advanced forms are presented as ombudsman in Doğan. Although ombudsmanance is still in its development stage with a different content and method, it stands in the perspective of political liberalism drawn by Rawls. However, Doğan carried out the theoretical design of the ombudsman in his academic studies, which are stated above and explained in basic important aspects. The scientific basis presented as the theory of justice in Rawls was created by the ombudsman theory in Doğan. In this context, Doğan reaches ombudsmanance as an element at the peak of ombudsman theory. It presents the intellectual infrastructure of a newly produced concept in social sciences. Ombudsman, which is thought to be an important concept in political philosophy, will continue its development in "liberal, universal, just, moral, strong social, scientific, ethical and ancient civilizations" specified in the ombudsman model. From now on, it is necessary to make the necessary efforts to create works with more philosophical, political and sociological content for the development of the concept of ombudsman. In addition, it is important to ensure the recognition and acceptability of the concept both nationally and internationally. As a matter of fact, one of the most important

problems of today's states or societies is to integrate with the world while preserving their culture, moral structure and religious beliefs. If human history is read as a history of liberation, liberal democracy in our age can be read as a political regime that pioneers this. Since liberal democracy is the dominant ideology of the global world, with Anglo-Saxon character and origin; every society organized on the basis of constitution, democracy and freedoms will adopt the principles required by this ideology. However, it is possible to integrate liberal values with social values by taking into account the integrity, ethics and conjectural developments in social sciences. At this point, societies that are distant from Anglo-Saxon values or liberal democracy to a certain extent can follow a path that suits their own culture and beliefs, with support from initiatives such as the concept of ombudsman. In this way, integration with the world can be achieved, and social morality can be developed in the society in question, and political, economic and socio-cultural problems can be minimized. It is necessary for societies that have reached the consciousness of becoming a nation to build on their own cultural structures. As a matter of fact, nations with a common culture, civilization and society can find their place in global politics by developing a system suitable for the dominant global system in the world. It is certain that societies strengthened in this way will have a structure that influences other states in the world, sets an example and sets the agenda (Doğan, 2024).

Conclusion

Anglo-Saxon societies, the cradle of liberal democracy, are the culture and geography where human rights and democracy are most developed. Ombudsman was born here as a democracy project and spread around the world. In this study, the concept of ombudsman, which was first developed through Doğan's basic studies, was created especially in the perspective of Habermas, Fukuyama and Rawls.

As a result, in the context of reaching the concept of “ombudsmanance” through ombudsman theory, ombudsman was thought about, placed on the axis of ombudsman, and a universal original model of ombudsman was established. Doğan, with his studies and views on ombudsman theory, crowned it with the concept of ombudsmanance. According to Doğan, metaphorically the flag has been planted at the summit. Ombudsmanance as a flag will continue to be developed in conferences, other academic articles and books.

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CONTINUING PROFESSIONAL TRAINING AND DEVELOPMENT ACCORDING TO AN INNOVATIVE MODEL

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Abstract: Every morning, in Africa, when the sun rises, a gazelle wakes up. It knows it will have to run faster than the fastest lion ... otherwise the lion will kill it. Every morning, in Africa, when the sun goes up, a lion awakes. It knows it will have to run faster than the slowest gazelle ... or it will starve to death. So, it does not matter whether you are a lion or a gazelle: as soon as the sun rises, you must run. The learning cycle of professional development involves experience, action, reflection, decision, and processing. The continuing professional development of the staff activating in research involves boosting and diversifying the skills of the personnel to take part in far more complex activities and also requires higher responsibilities. Therefore, the present paper shows the factors, main objectives, chief obstacles, and principles of professional development and training. At the same time, a set of suggestions and recommendations is also proposed here, more precisely a plan of action for the researcher's professional training/ development.

Keywords: researcher, professional training, continuing development, innovation

JEL: Q01, Q56, I23

Introduction

Lately, there has been much debate on the need for continuing professional training and development of the employees of an institution, training that should be focused on competence requirements. The institutions adjusting to such a development get higher efficiency scores among their employees [Noveanu, Potolea, 2008]. The development focused on competence requirements can only comprehend a relatively limited number of fundamental competencies, regarded as necessary for reaching the institution's organizational objectives. In the case of autochthonous institutions, the development focused on competencies should include the following fundamental elements [Covey, 2011]:

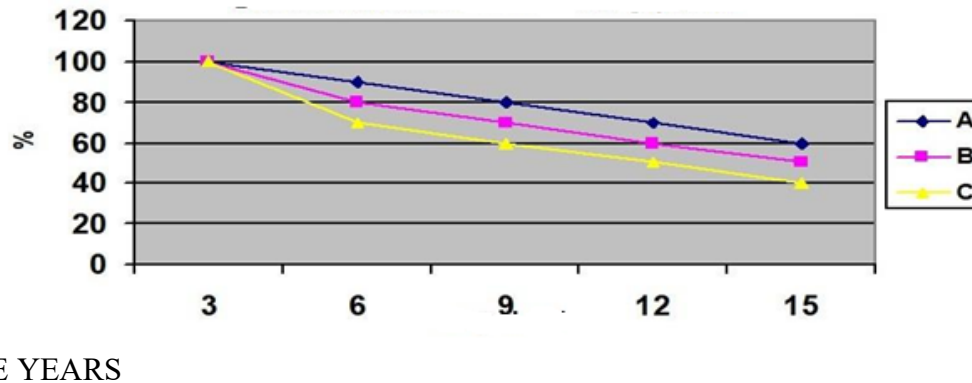
Strategic capacity involves a good understanding of the economic environment, development opportunities of both products and markets, as well as learning about the advantages and weak points of their institution.

The capacity to manage change considers identifying the need for change, building change programmes, encouraging other employees to get involved in implementing changes, etc.

Capacity to work in a team aims at facilitating a positive collaboration between people with different competence backgrounds.

The employee's knowledge wears out morally, which is why a constant update is so much needed in every domain where the employee activates. Figure 1 shows the model of how one employee's knowledge can degrade over time.

Figure 1. The knowledge degradation process of the employee
EVALUATION OF THE EMPLOYEE'S KNOWLEDGE



Source: data processed by authors

A - general level of knowledge

B - basic level of knowledge in the field of activity

C - specialized level of knowledge in the field of activity

According to the figure above, we can notice that, over time, it occurs a degradation of all knowledge categories of the employee. The most afflicted category is the employee's specialized knowledge in their field of activity. This is a natural occurrence since the organization is evolving over time and introduces new technologies, working methods, management types, and approaches to tackle problems, and the knowledge obtained years ago is no longer valid or has considerably changed. The key to personnel development is influenced by 3 factors, namely: knowledge, opportunities, and employer's behavior [Keller, 2014]. Knowledge is the foundation for developing the employee's competencies and has a direct impact on the intellectual potential and personality of the employee. Opportunities are the terms of using the knowledge acquired during studies and their usefulness in the field of activity. Behavior, as a development factor of the employee, plays a significant part, especially when their activity is carried out within a group.

Continuing training of the research personnel

Continuing professional development is the transformation process of the material represented by human, and the result of their performance obtained through this process, is the working force, the processed physical and intellectual skills in the native material, the work capacity of a certain qualification level [Câmpeanu-Sonea, Osoian, 2004]. The continuing development of the research staff is not merely a technique or even science, but, firstly, a social movement meant to assist human resources in understanding their place and role in society that makes employees capable of adjusting to the contemporary requests and demands, becoming more efficient and delivering performance. Accordingly, continuing development and training becomes a permanent necessity for the researchers, regardless of their professional background and domain of activity" [Pânișoară, Pânișoară, 2005].

Distinctions between training and continuing professional training [Mathis, P.C.Nica, C.Rusu, 1997]

| | |
|-----------------------|----------------------------------|
| Professional Training | Continuing Professional Training |
|-----------------------|----------------------------------|

| | |
|---------------------|---|
| Basic Qualification | - already qualified employees, in certain domains, acquire new knowledge, skills, and work abilities, attend training sessions that are part of their job, on short poliqualfication. |
|---------------------|---|

Source: data processed by authors

Continuing development and training are part of the process of becoming an adult, from a cognitive, affective, and psychosocial view, providing the framework for personal development that allows the employee to acquire new knowledge and adjust their bag of knowledge to new contexts in a shifting world. In this process of continuing training of the researchers, in particular, the trained persons are not just objects of the training, they become actively engaged elements open to partnership with their trainers. The most used organizing methods are educational forums, masterclasses, workshops, round tables, instructive seminars, individual study (under mentorship), updated scientific briefing and informing, internships and experience exchanges on certain topics, pedagogical/ andragogical circles and seminars, webinars, getting professional degrees, master degrees, doctoral degrees, etc.

A special role in continuing professional development and training of researchers is played by the professional development itself. Professional development, achieved by attending courses of continuing training and self-training as well, is quite necessary so a researcher can be able to convey a clear image of the present scientific world and learn efficient ways of working and interacting with their colleagues. Such a development is much dependent on the researcher's motivation to improve their qualification and ability to come up with a modern, diversified educational offer, focused on the employees' development needs [Joița, 2000]. Table 1 shows an action plan for the professional training/ development of the researcher.

Table 1. Action plan for the professional training/ development of the researcher

| Criterion no. | Form of professional training | Venue | Trainer/ Organizer | Period | Objectives |
|---------------|--|-------------------------------|--|-------------------------|---|
| 1. | Scientific Events (conferences) | Domestically& Internationally | universities, academies, and research institutes | all year-round | operational and regional programmes, projects, and training programmes addressing researchers |
| 2. | Individual Study | - | Research Team | monthly, all year-round | debating some ethical and research methodological topics of the economic theory |
| 3. | Attending courses organized by professional training service suppliers in the country and abroad | online | universities, academies, and research institutes | all year-round | operational and regional programmes, projects, and training programmes addressing researchers |

| Criterion no. | Form of professional training | Venue | Trainer/ Organizer | Period | Objectives |
|---------------|---|----------|--|----------------|---|
| 4. | Doctoral degree | - | universities, academies, and research institutes | all year-round | Ph.D. training |
| | Stata webinar | Internet | Stata Campaign | all year-round | Thorough studies of the data processing techniques with the newest Stata developments |
| 6. | Online courses Web of Science | Internet | Clarivate Romania | all year-round | improving knowledge on requirements in international research |
| 7. | Research seminars | - | universities, academies, and research institutes | all year-round | debating methodological topics on ethics, and research issues in the field of economics |
| 8. | Scholarships and internships carried out in the country or abroad | - | universities, academies, and research institutes | all year-round | improving knowledge about requirements in international research |

Source: data processed by authors

According to article 192, alignment (1), Bill no. 53/2003, the professional development and training of the employees have the following main objectives:

employee's adjustment to the job requirements

achieving a professional qualification

updating job-specific knowledge and habits and improving professional training for the basic occupation

professional reconversion caused by socioeconomic restructuring changes

acquiring advanced knowledge, modern methods and procedures needed for carrying out professional activities

preventing unemployment risk

job promotion and advancing in the professional career.

The scientific activities have been/ are run within courses, training classes, seminars, scientific councils, round tables, workshops, scholarships, internships, etc. The online conferences facilitate real-time dissemination and synchronized learning for all participants in the event. The most popular platforms among researchers are the following: Zoom, GoogleMeet, Webex, and Twinspace [Doncean, Suslenco, 2022].

Furthermore, we would like to suggest a series of exercises addressing actions of professional development and training.

Exercise no. 1

Task: Write a journal containing all the positive experiences you went through as a researcher (a sketch). Do not write anything if you regard the experience as insignificant. Quite often we experience positive experiences that we are more likely to forget, while the negative ones (which can prove very demotivational) have higher chances of being kept in our memories. Try to write this journal as if you were writing a book: give plenty of explanations, try depicting feelings we have experienced on that particular occasion, etc. Then, at times, take the time and go through your text again. Updating all those experiences and reliving those feelings can provide the perfect opportunity to recharge your batteries to move forward and appreciate what you do/ have even in the worst moments of your research job.

My Journal

Exercise no 2.

Please list 3 actions of continuing professional training for a period of 3 years:

1. _____
2. _____
3. _____

Exercise no 3.

Task: Reflect on your profession, and analyze those said before.

Sometimes, stress, routine, and fatigue, accompanying every profession, take their toll and demotivate the researcher. How can we fight this process whose occurrence is only natural but can cause inefficiency problems? In other words, a researcher will do less qualitative work and feel more unhappy and stressed with their condition. Under the circumstances, to fight such an appreciation of the scientific educative and instructive act, we can reupdate the initial motivational conception. Similarly, this exercise can be useful at any time when the current situation is a degradation of the past one.

Additionally, try the following imagination exercise: if you were a fresh graduate now (in case you are more experienced in the institution), would you still choose a research career? If your answer is affirmative, then your motivation for professional development is still there, yet it needs to be reinvigorated [idem].

Please write your reflections down, especially what motivates you in terms of professional development:

At the end of activities, there were established and hierarchized a series of motivational actions addressing the professional training/ development of the researchers based on the pyramid method.

Figure 2. Pyramid of motivational actions for the professional training/ development in the researchers' view

| |
|---|
| Action 5. INDIVIDUAL APPROACH |
| Action 4. CONSTANTLY PROVIDING FEEDBACK |
| Action 3. ENCOURAGING EMPLOYEES |
| Action 2. DELEGATING POWER |
| Action 1. EFFICIENT COMMUNICATION |

Source: data processed by authors

Motivational actions, in the researchers' view, are as follows: efficient communication, delegating power, encouraging human resources, constantly providing feedback, and individual approach.

Principle-based activities for continuing professional training/ development

When organizing and running activities of continuing professional training/ development for researchers, the manager of an institution should consider the following key principles: The principle of responsible professional reflection and decision implies regarding the researcher as a professional, whose decisions are based on reflection upon one's practice and arguments for advancing their professional development.

The principle of coherence and continuity addresses the transfer of concept and value-based fundamentals of change for the continuing professional development and training of the researchers. The professional development should be a continuous process encouraged within the institutional and academic framework for the overall benefit and advancement of the research activity.

The principle of individualization concerns two main aspects, namely (I) continuing training, which answers the needs for training of every trainee, and (II) continuing training, which provides development opportunities for the individuals involved in the training process. The first feature involves studying the training needs of the researchers and correlating training contents, forms, and strategies for continuing training with these. Creating the development conditions for the researcher's individuality remains the main task of the institutions concerned. It is necessary to identify the individual particularities of the scientific researcher, and also contribute to their development. This principle highlights the subject of the educational action, namely the continuing professional training of the researcher. The principle of individualization implies molding a person with integrity, both autonomous and responsible [Neculau, 1996].

The principle of free choice. The absence of choice makes quite impossible the development of individuality and subject of research action, update of the learner's capacities, and the advancement of professional competencies. The presence of opportunity to choose the best-tailored package of educational services, topics of high interest, the organizational framework for the professional training activities, the most suitable supplier of training services, and to go on their particular route of professional development (in the case of researchers or employees of the institutions concerned) turns out to be indispensable for the continuing training. The subject qualitative is dictated by the capacity for freedom of choice and proactive attitude, based on irrefutable arguments deducted from the self-evaluation of their activities.

The principle of creativity and success. *Creativitatea și succesul.* The individual and collective activity contribute to identifying, if not discovering, and developing the individual particularities and uniqueness of the study group. Creativity is the trigger of the researcher's insight into their capacities, limits, weaknesses, and strengths. Achieving success in any activity contributes to getting a positive self-image that boosts better performance in terms of self-improvement and defining a professional self. Self-evaluation of their professional activity, reflection, and experience learning are factors leading to success.

The principle of trust and support. The trust shown to the learner, and support given to their attempts at self-improvement and updating should substitute the excessive control and trainer's conduct over the trainee's activity [Blake, Mouton, 1979].

Accordingly, the researcher's framework should be empowered (motivated, responsible and able to make decisions) in their activity and professional development, and also supported through mentorship and other assisting programmes. The methodological circuit

of the evolution path of the researchers' training activities has the following stages: initial training - continuing training - self-training, and it is a determiner of the quality of the researcher's activity [Suslenko, 2021].

Thus, the continuing training process, developed within the research institution concerned, is a necessary operation in changing circumstances, of continuous motivation, and stimulation of both managers' and researchers' creativity, of meeting the modern requirements for organizing, running, and assessing the refresher process. This process should be focused on transforming the tutoring institution into a learning institution, and the tutoring researcher into a tutor providing the enabling environment for creative and independent learning.

Obstacles of the continuing training/ development process

Obstacles show a higher degree of objectivity, and, depending on frequency, are as follows:
long distance to the training center that provides more training opportunities
high cost of some courses answering the training interests of the researchers, possibly due to the smaller opportunities and more limited information resources on the diversity of training offer and, especially, about courses available to researchers
higher travel and accommodation costs caused by attending courses
inadequate duration of courses related to individual training needs
deficiencies of the law framework or failure to comply with the legal provisions of the institutions concerned.

Suggestions for continuing professional evaluation

Assessing the training results in the context of teaching, learning, and research is the main piece of the continuing professional development and training process. Evaluation is another tool that provides feedback for the self-regulation information that is necessary in the process of making decisions for improving/ developing the continuing professional training.

Under the circumstances, we can deduce the following:

- a) evaluation is a process, a stage-based activity ran over time
- b) evaluation is an indispensable piece of the training process
- c) evaluation is not limited to the trainees' opinions, it also addresses domains and issues of higher complexity
- d) evaluation involves measures, tests, comparisons, appreciations, etc. which allow adopting decisions meant to improve the process of professional training.

Evaluation is a professional endeavor by which it is defined, identified, and provided information about academic performance as a basis for making further decisions. The evaluation process of academic performance takes the following steps: measuring, appreciating, harnessing, and adopting measures for improvement/ harnessing/ decision-making.

Conclusions and recommendations

The continuing professional development of the staff implies increasing and diversifying the employees' attitudes to involve them in more complex activities and also have higher responsibilities. Unlike professional training, professional development provides the possibility to gather far more complex and diversified professional skills and knowledge,

and so create opportunities to advance in one career. Professional development comprises the entire personnel of an organization, mostly addressing the management board of the organization, and also the staff with technical expertise. The personnel development aims to improve the professional performances of the employees and develop their intellectual potential, so they can assume higher responsibilities in the future. The development of the staff is a must activity for every organization since, over time, some of the knowledge and skills degrade or wear out.

From the organization's standpoint, the development of its staff is a high-complexity activity that requires taking into account a series of aspects and performing more actions that are more or less connected. First of all, it is necessary to make an evaluation of the employees' professional performances and thus identify the areas that need appropriate professional development. This assessment process is the foundation for making decisions about the professional development of some staff categories or employees of a certain subdivision of the organization concerned.

Secondly, the organization should know its development potential, at least for certain staff categories. Accordingly, the evaluation of the employees' capacities and identification of their development possibilities is another must. Under the circumstances, the organization concerned should be aware of the maximal limit of professional development, especially for the key employees.

Thirdly, the organization should identify the employees' objectives for professional development. In this case, the objectives of personal development should coincide with the organization's development objectives. The main objectives for the professional development of the employee are the following: promotion, acknowledgment, improving self-image, assuming higher responsibilities, etc. Achieving these objectives is a desirable goal for the organization since employees with outstanding performances are more likely to be attached and interested in the development of the employing organization.

More specialists in the education field have come up with recommendations for increasing the efficiency of distance learning activities and better management of methodologies and emotions. Here are some of them:

- compliance with life contexts and reorganization of the distance learning process with regard to the new conditions, learning from past mistakes, and showing openness to changes
- methodology for organizing distance learning should include actual information on the tasks and responsibilities of the tutors, students, and parents in crisis situations, regulate the time spent in front of PC and TV, combine synchronous and asynchronous classes, make the schedule of the activities, etc.
- creating video lessons and educational programmes for various learning situations, including distance learning
- the isolation period can cause depression, stress, and tension among students, parents, and tutors, and for this it is recommended to run communication activities on various daily topics, listening to the problems shared by students
- since there are many digital learning platforms and tools, in the case of distance learning, it is necessary to start with those activities that are easily implemented by both students and tutors
- drawing attention to the disadvantaged students, who do not have appropriate learning conditions, and who require more attentions from both their tutors and colleagues.

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GOOD GOVERNANCE AND CITIZENS' WELL-BEING

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Abstract: This paper examined good governance as a panacea for the citizens' well-being. The well-being of the citizens is the essence of government. In other words, government exists to ensure the well-being of the citizens. The well-being of the citizens can only be assured and guaranteed when there is good governance and reverse would be case in the midst of bad governance. Of all the forms of government, democracy has the greatest potential to offer good governance because it is people's government and as such people have greater opportunity to participate one way or the other in the governance process making it possible for them to influence decisions that would be to their favor. It therefore means that for good governance to be enthroned in a polity; the people have great responsibility to bring it about by not being docile but to be seriously interested in participating in the governance process and system. Secondary method of data collection was adopted in this paper and analysis of data collected was done through the descriptive method. The paper found out that bad governance is responsible for the lack of the citizen's well-being. The theoretical framework adopted in this paper is structural functionalism. The paper recommended among other things that for the well-being of the citizens to be guaranteed there should be the encouragement of good governance by all and sundry.

Keywords: Government, Citizens, Democracy, Bad Governance and Governance Process

Introduction

The place of good governance in citizens' well-being cannot be overemphasized. This is because government and governance exist to ensure the well-being and welfare of the citizens. It is important to state that it is only good governance that can bring about citizens' well-being. According to Heywood (1992:35), "the principle of utility is, furthermore, a moral principle; in that it suggests that the rightness of an action, decision or even government policy can be established by its tendency to promote happiness". This shows that the people want happiness and expect government to make and execute policies that can bring about their well-being because it is only then they can be happy. Heywood went further to assert in line with the views of utilitarian thinkers like Bentham and Mill that human beings were thought, therefore, to be utility maximizers, seeking the greatest possible pleasure and the least possible pain or unhappiness. With this, it is very obvious that citizens prefer government and governance system that can promote their happiness to the ones that have the tendency to inflict pain on them. It is apt to state that in a truly democratic state, the citizens have responsibility to take part in bringing about government and governance system that can promote their happiness. This they can do by being active in politics and governance. According to Michel (2011), "citizenship participation in governance contributes to a better democracy". In a similar vein, Zuofa (2020:281) opined that "citizenship participation in governance makes contribution that can influence the decision of the government and at the same time seen as a means of empowerment for the citizens". The above views were corroborated by Merole (2016) when he averred that "the

principle of citizenship participation holds that those who are affected by a decision have a right to be involved in the decision-making process". From the foregoing, one can assert that the well-being of the citizens cannot be guaranteed when the citizens do not participate in politics and governance. When those in charge of governance know that the people are politically active and can hold them to account for their actions, they are likely to be responsive to the needs and aspirations of the citizens, this is because it is the majority of the citizens that voted them into positions of authority and can be voted out at the next available opportunity if they are not interested in the well-being of the citizens. This explains why citizens' participation in governance cannot be divorced from good governance, it is on this note the United Nations include participation as one of the factors used to measure good governance. Governance is said to be good when the citizens have unfettered access and opportunity to participate in it.

It is based on the foregoing that good governance is seen as a panacea for citizens' well-being and this explains why citizens across the globe and world governance bodies advocate for good governance. This is because to a very large extent the well-being of the citizens translates automatically to the well-being of the state particularly because the citizens are part of what make up the state. The problem with some governance systems is that those in charge are more interested in themselves than the citizens they are supposed to govern. They operate in ways that are antithetical to the welfare and well-being of the citizens. When the citizens' welfare and well-being are ignored and not attended to, the end result will be high level of poverty, inequality, unemployment and insecurity and all these lead to general level of underdevelopment which in turn further worsen the condition of the citizens. This type of governance system is known as bad governance. This paper is designed to assess the role of good governance in the well-being of the citizens.

Theoretical Framework

The paper adopts structural-functionalism as a theoretical framework. Herbert Spencer and Talcott Parson are the major proponents of this theory. This theory is an offshoot of the general systems theory of David Easton. The basic thrust of this theory is that there are structures in the political system that performs different functions. And it is the nature of the performance of the functions by the existing structures that determine whether there would be good governance or not. There are many structures in the political system and they include: Executive, Judiciary, Political Parties, Pressure Groups, etc. All these structures have assigned functions to perform. The nature of governance cannot be divorced from these structures because they are the basis for governance. It is therefore to be stated that when these structures perform the functions as they are meant to perform, it will aid good governance that will ultimately bring about citizens' well-being and the reverse would be the case when the structures do not live up to expectation in terms of performing well their assigned functions and when this is the case it will bring about bad governance which cannot promote citizens' well-being.

It is important to state that understanding the effects of the structures on the political system and by extension governance, one needs to dig deep to understand the personality traits of the individuals occupying those structures because it is the individuals that would carry out the functions of those structures. This explains why the structures in the developed countries are performing their functions more efficiently and effectively than those in the developing countries. This has also impacted positively on the citizens of the developed

countries more than the citizens of developing countries and this has equally manifested in the rat race of the citizens of the developing countries in their quest to migrate to developed countries.

Conceptual Clarification

It is very imperative and germane at this juncture to clarify major concepts in this paper, this is necessary because the clarification of the concepts would aid the understanding of the subject matter of the paper. The concepts to be so clarified and examined are: governance, good governance, and citizens' well-being. The place of governance in the life of man and the state has made it to attract the attention of scholars across the globe as well as many international organizations. The well-being or otherwise of man is a function of governance. In other words, governance determines whether the citizens' well-being would be guaranteed or not. According to Hyden and Court (2002:15-16), Kooiman and his collaborators argue that governance is composed of "purposeful action to guide, steer, and control society". They went further to assert that Kooiman and his collaborators recognized that this is not achieved with a single measure, but is a process that takes time and involves both governmental and non-governmental organizations. According to the United Nations Development Programme (UNDP) in its 1997 policy paper, governance is "the exercise of economic, politics and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences". Governance can be said to be the process or act of harnessing and utilizing both material and human resources by those responsible for doing so for the benefit of the people and society. The actual act of governance is the responsibility of certain people particularly those in authority while others can be of assistance one way or the other. The ultimate goal of governance is the well-being of the citizens. To Dwivedi (2002:37), the term governance denotes "a system of values, policies, and institutions by which a society manages its economic, political, and social affairs through interaction within and among the state, civil society, and private sector". World Bank (1992) defined the term governance as "the exercise of political power to manage nation's affairs". This shows that there are certain people that are entrusted with the responsibility of governance and the onus is on them to seek assistance and collaboration from some non-state actors to be able to effectively and efficiently discharge their governance functions to achieve the goals that are meant to be achieved. This brings us to the basic elements of the term governance. Hyden and Bratton (1992:38) suggested four basic elements: degree of trust, reciprocity of relationship between government and civil society, degree of accountability, and nature of authority wielded". The elements of governance as identified by Hyden can be said to be attributes of governance that can make it be in a position to ensure the well-being of the citizens and as well positively transform the society.

In a similar vein, the World Bank (2007) has key indicators of governance which include: respect for human rights and basic freedom, regular free and fair elections, the separation of power as checks and balances, decentralized government structures, free political organizations, free media, existence of civil society, and existence of watchdog institutions such as anti-corruption, auditor general, ombudsperson, civilian control of the armed forces, all emphasizing accountability and transparency and central values and standards of behavior. These indicators apart from being indicators of governance can be said to be

the necessary ingredients of good governance. This is because it is only when these indicators are present in any governance system that it can be able to ensure the well-being of the citizens. Bad governance cannot guarantee citizen's well-being because majority if not all the identified indicators are absent in a bad governance system.

Having examined governance as a concept, at this juncture the concept of good governance would be examined. Good governance can be said to be a governance system that has all the necessary ingredients that are properly utilized and applied in the governance process in such a way as to enable it guarantee the well-being of the citizens and society. Good governance has been defined by various scholars and world governance institutions. According to African Development Bank (1999), good governance is the "one that embodies and promotes effective states. Good governance is about effective and efficient structure providing optimal support for the citizens in leading a safe and productive life in line with their desires and opportunities". This definition reiterates the fact that it is only through good governance that the citizens' well-being can be guaranteed. There are certain features that are associated with good governance that make it so well positioned to effectively bring about the well-being of the citizens. This explains why the United Nations opined that good governance is measured by eight factors and they are: participation, rule of law, transparency, responsiveness, consensus oriented, equity and inclusiveness, effectiveness and efficiency, and accountability. Any governance system that has these attributes no doubt can be said to be good. On the issue of participation, it connotes freedom of the citizen to take part in how government is formed as well as how government should run to their satisfaction. Participation of the citizens take various forms which include: voting in election, expressing opinion to government agencies and officials on things that are of great importance to them, holding rallies and protests and so on and so forth.

On the rule of law, it is defined by Akingbogun cited in Alonge (2005:13) as "the respect for the general order of law, it is an appeal for obedience to law, just as custom and traditions are observed in a community. In essence, the rule of law is based on the philosophy of legality and impartiality". The United Nations Security Council cited in Bjornlund (2014:5) defines the rule of law as when all persons, institutions and entities, public and private, including the state itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards". When the rule of law is strictly observed and adhered to in the governance system, it provides opportunity for the people to be well served because there is justice in the actions and activities of government officials and its agencies. Transparency means openness in the conduct of government business. Those in positions of authority hold the positions on behalf of the people and as such they are meant to conduct the business of government in such a way as to allow the citizens to know and understand what is going on in government. When those in government are transparent definitely they would be in a position to serve the people better and the people in turn would be in a position to support the government. On the issue of responsiveness; according to Sharma et al (2013:953-954), "responsiveness means the state of being responsive i.e. answering, replying. In a democracy, the citizens expect civil servants to be responsive to their requests and demands". They went further to assert that a citizen who asks something of a government has the right to expect a response and to be treated as a legitimate source of demands. The concept of responsiveness denotes not only for the government officials to respond to the need and demand of the citizens but also in

a timely manner. It means that whatever government officials need to do for the citizens they should do as fast as possible. This explains why Sharma et al (2013:954) opined that “responsiveness is a procedural requirement for good government. Government and public administration do not have the right in a democracy to exclude citizens from expressing their demands for public; nor do officials have the right to exclude someone from a fair hearing concerning his claims. These institutions do, however have the right and duty to reject claims with no basis in law”. Consensus has to do with an agreement made by a group. It means generally accepted opinion. Consensus is built on issues when people are happy with the governance system. When the citizens are aware that a particular government is satisfying their wishes and aspirations, they would not have any choice than to support such a government.

Equity and inclusiveness are related to the other factors in the sense that they are part of the necessary ingredients of good governance. Equity does not necessarily mean equality but it has to do with given people their due share and also the provision of level playing field for all players. Inclusiveness has to do with carrying everybody along in governance. This means not excluding a section of people in governance in terms of appointment and provision of necessary infrastructure. Equity and inclusiveness give people sense of belonging which will make them to be happy and see the need to support government. Effectiveness and efficiency constitute another factor that determines whether there is good governance or not. This reflects in the services provided by the government; services are not just to be provided but they are to be provided effectively and efficiently. Effective and efficient services are what the citizens desire and appreciate. The last but not the least is accountability. According to Olowu (2005:140), “accountability refers to answerability for one’s actions or behaviors”. Accountability is a very important issue in the public sector because the officials of government are there to serve the interest of the people and as such can be questioned regarding their duties and responsibilities. When the public servants are aware of this scenario, they are supposed to conduct themselves in a way that can satisfy the people and not be found wanting in case they are called to account for their stewardship. This scenario can lead to efficient and effective service delivery by public servants. This explains why Olowu (2005: 140-141) opined that accountability is essential for the efficient functioning of all organizations and especially of governmental organizations in a democratically governed state”. Having examined and clarified the concept of good governance, the next concept to be examined and explained is the concept of citizens’ well-being. What does citizens’ well-being connote? Some scholars use the term well-being and welfare as if they are the same and they are not. This brings us to the distinction between welfare and well-being as far as the citizens are concerned. Well-being can be said to be an end while welfare is the means to achieving that end. For example, welfare packages of government are directed towards bringing about citizens well-being. According to Motila, Maitra and Prajapati (2021:120), “welfare refers to a range of government programmes that provide financial or other aid to individuals or groups who cannot support themselves. Welfare programmes are typically funded by taxpayers and provide means to cope with financial stress during rough periods of their lives”.

The concept of well-being has been viewed and explained by different scholars and different schools of thought. Sen and Nussbaum cited in Motilal et al (2021:120) see well-being as “the ability to live a life that one values for oneself”. For them, it means that whenever people live life that they desire, it can be said that their well-being is guaranteed.

Viewed from this perspective, one can say that citizens' well-being can be seen to be happiness. It means that what the citizens ultimately need is their well-being and if government guarantees their well-being, they will be willing to support the government for greater societal progress and development. Ingrid Robeyns in her book, *Well-Being, Freedom and Societal Justice* cited in Motilal et al (2021:121) discusses the use of the term "well-being" in the context of the capability approach and refers to it as "how well the life of a person is going for that person".

The Role of Good Governance in Citizens' Well-Being

The role of good governance in citizens' well-being cannot be overemphasized. This is because from time immemorial, people formed government so that government will do for them what they cannot do for themselves. The social contract theory by J.J. Rousseau, John Locke and Thomas Hobbes made us to understand that when people got fed up with life they were living in the state of nature which Thomas Hobbes described as solitary, nasty, brutish, poor and short, they decided to surrender their personal right to govern themselves to a leviathan or constituted authority so that they would in turn protect their lives and properties and ultimately ensure their well-being.

It is important to note that the well-being of the citizens can only be guaranteed through good governance. According to Diamond (2004:222), "the deepest root cause of development failure is not a lack of resources or international isolation. Rather, it is a lack of good governance – the inability or unwillingness to apply public resources effectively to generate public goods. Public goods benefit the entire community". He went further to explain and identify public goods which include physical infrastructure- roads, bridges, ports, sanitation, portable water, electric power, telecommunications, public transport – and social, economic and political infrastructure- schools, clinics, markets, courts, vaccination programme, improved agricultural techniques, a neutral and capable state bureaucracy. From the foregoing, it is very imperative to state that public goods and other welfare packages are what the citizens need to live the type of life they desire which ultimately constitutes their well-being. And the public goods are meant to be provided by government. It also shows that the public goods can only be provided in countries where there is good governance. This explains why good governance assures and brings about citizens' well-being and societal development generally. When there is the citizens' well-being in place, the citizens will find it easy to support government in various ways such as payment of taxes, obey laws, etc., and this further would in turn put the government in the right pedestal to further provide and maintain public good. The nature of citizens' well-being and general development in different countries is dependent on the nature of governance. This is because as there is good governance, there is also bad governance. While good governance ensures the provision of public goods and citizens' well-being and societal development, bad governance does not guarantee citizens' well-being and development. This explains why people in many developing countries risk their lives to migrate to developed countries. This is because many if not all the developed countries are witnessing good governance and their citizens are well taken care of and public goods are not in short supply.

Challenges Facing Good Governance

While good governance is desired by virtually all citizens of different countries because of its tendency to bring about citizens' well-being, a lot of factors have been noted to serve as challenges to its realization in countries where it is not in existence. These factors include but not limited to the following: corruption, non-adherence to the rule of law, lack of adequate citizens' participation in politics and governance, lack of transparency and accountability, electoral malpractices and weak state institutions. Good governance cannot take place in an atmosphere of corruption. Corruption has been noted to be number one enemy of good governance. This is because according to Johnson et al (2010:140) while explaining effects of corruption, opines that "in elections and legislative bodies, it reduces accountability, representation in policy-making and strangulates the rule of law". This view was corroborated by Shehu (2007:4) when he asserted that "in public administration, corruption results in unequal provision of social and economic services; in public sector, it undermines economic development by generating considerable distortions, inefficiency, and rent seeking activities". In countries where corruption is prevalent and pervasive, good governance would be a distant dream because virtually all the ingredients of good governance would be bastardized and, in that situation, the well-being of the citizens cannot be guaranteed. This explains why issue of corruption has been of serious concern to citizens of countries where it is widespread.

Non-adherence to the rule of law is another challenge facing good governance. Adherence to the rule of law is one of the ingredients of good governance. A governance system that upholds the rule of law stand a better chance of providing welfare packages to the citizens and ultimately ensures their well-being. This is because justice and fairness are part of what make up the well-being of the citizens apart from welfare packages from the government. When the citizens know that they are treated fairly without discrimination and injustice, it will make them to see the need to support the government in every way. But the reverse would be the case when there is non-adherence to the rule of law. This is why governance system without adherence to the rule of law will ultimately lead to chaos because injustice will make people to be dissatisfied with the system and as such will revolt against the system. Good governance cannot thrive in an environment of non-adherence to the principles of rule of law.

Lack of adequate citizens' participation in politics and governance is also a challenge to good governance. Good governance cannot be achieved in an environment where there is low citizens' participation in politics and governance, this is because when there is effective citizens' participation in politics and governance the people stand a better chance of electing leaders who will take their needs and aspirations seriously and try as much as possible to satisfy them. They will also hold government officials accountable; when government officials know that they are to be held accountable it will make them to operate in such a way as to act in accordance with the wishes and aspirations of the citizens. According to Ragamunickan (2013), Radzik-Maruszak and Batorovo (2015) cited in Zuofa (2020:281), "it is citizenship participation in governance that ensures transparency and accountability because it is a social democratic and socio-economic change as desired by the people. In addition, citizenship participation guarantees that the citizens are part of the democratic governance. But the reverse would be the case when there is lack of adequate citizens' participation in politics and government, aspiring political leaders will rig themselves into positions of power and authority and also have the tendency of operating in a corrupt manner which will not make them to serve the interest of the citizens.

According to Irvin and John cited in Zuofa (2020:281), “citizenship participation pursues cultural, economic, political and social development including the provision of opportunities, resources, services and security. Citizenship participation produces better decisions and thus professionalization benefits the rest of the society”.

Transparency and accountability are known to be part of the ingredients of good governance. When the political leaders imbibe the spirit of transparency and accountability, it will make them to conduct the business of government in such a way as to be able to provide welfare and well-being of the people. This is because they will allow the people to be aware of the happenings in government and can make their suggestion and support. But lack of transparency and accountability which is part of the challenges of good governance will make political leaders to operate the public sector as if it is their private affair and such would not be able to provide the people with their welfare and well-being. Leaders who operate without recourse to transparency and accountability hardly take people into consideration in governance. According to Olowu (2005:141), “public accountability underscores the superiority of the public will over private interests for those engaged in the provision and delivery of services to the general public. For this reason, it is often argued that where there is no accountability, the public administrative system runs amok”. Without transparency and accountability there cannot be good governance.

Electoral malpractice is another factor that constitutes a great challenge for good governance. Electoral malpractice has to do with the manipulation in the electoral process to produce results that do not reflect voting during elections. It is done to give victory to those who do not deserve to win by virtue of actual voting. When elections are rigged, the beneficiaries may not have the tendency to provide good governance to the people because they do not depend on the people to win elections and occupy governmental positions. When elections are free and fair there would be connection between the people and the leaders because the leaders would know that without the people through their vote they would not emerge as leaders. This will make them to try as much as possible to provide the people with their needs.

Weak state institutions also negatively affect good governance; in fact there cannot be good governance in an environment of weak state institutions. This is because the institutions are easily amenable to be manipulated to benefit some influential individuals to the detriment of the masses. In this case, instead of the institutions functioning to the benefit of all, they benefit only few in the state. Under this condition, injustice and inequality is the order of the day which is antithetical to citizens’ well-being.

Conclusion

Because of the potentials of good governance to produce citizens’ well-being, virtually all citizens of every country as well as world governance institutions have been clamoring for good governance to be enthroned in all the countries. This is because not every country is experiencing good governance. Citizens of countries where good governance is not in place are suffering untold hardship manifesting in poverty, hunger, unemployment and lack of public goods. The effects of these are manifesting in security challenges which is spreading from one part of the country to another because of globalization. This explains why many international organizations are interested in ensuring that there is good governance in virtually all countries of the world in order to bring about the citizens’ well-being in all

ramifications because with it there will be relative peace and security in the world which is panacea for sustainable development.

Recommendations

The place of good governance in the well-being of the citizens as well as the development of the country cannot be overemphasized. This explains why there is clamor to have good governance enthroned in all countries. It means that good governance is a virtue that must be struggled for to be able to bring about citizens' well-being, it is apt to state that countries where there is good governance people made it possible. This paper makes the following recommendations that would ensure good governance in countries where it is absent:

Political Education: According to Osuji (2020:16), political education has to do with the process through which citizens are exposed to the nature and workings of the institutions of governance, and are made to understand issues of party politics, democracy and public affairs. The docility and nonchalant attitude of citizens is a recipe for bad governance. The posture of this set of citizens may be as a result of lack of political education. The citizens must constantly be educated politically to be able to play their roles efficiently and effectively in the political arena. This will make them to be able to vote during elections and also be in position to demand accountability from government officials.

Proactive measures should be in place to discourage corruption and also fight corruption when it occurs. It has been observed that fighting corruption cases in courts has become so expensive to the extent that it leads to wastages of scarce government fund that is supposed to be devoted to bringing about public goods for the good of the citizens. On this note, countries should device means of preventing incidences of corruption; this will go a long way in reducing corruption.

Independent Judiciary: The judiciary exists to interpret the law and also serves as an avenue for dispute resolution. The rule of law which is a cardinal requirement for good governance can only be guaranteed when there is judicial independence. When everybody is made to be equal before the law, it reduces impunity by government officials and this will make them to discharge their duties without fear or favour and according to the laws of the land. Independent judiciary will also make it possible for government officials who steal and commit other offences to be appropriately sanctioned and this will serve as a deterrent to others who may want to toe similar path.

Citizenship Participation in the Political and Governance Process: Democracy has been defined by Abraham Lincoln as "government of the people, by the people and for the people". This means that democracy is people's government, if it is people's government it requires involvement of the people in the whole of the governance process. The needs of people can be taken more serious and efforts made to meet them when they get themselves involved in governance one way or the other.

Free, Fair and Credible Elections: Studies have shown that there is a correlation between elections and governance. This explains why Egugbo (2015:16) opines that "the nature and pattern of elections in any state reflects to a very large extent in the nature and pattern of governance". This is because if leaders emerge from a flawed and rigged elections, they are not likely to govern in a way that meet the needs of the people because they are not the ones that elected them and may not depend on them to be victorious at the polls subsequently. But the reverse would be the case when leaders emerge from free, fair and credible elections, such leaders would want to put people into consideration in the

governance process by trying as much as possible to satisfy their needs and aspirations because without that they stand the risk of being voted out in subsequent elections. This explains why it is imperative and desirable to have free, fair and credible elections because outcome of such elections can positively impact governance which ultimately will help to promote the well-being of the citizens.

Institutions of the state should be encouraged and strengthened to be able to perform their functions effectively and efficiently without fear or favor no matter whose ox is gored. This to a large extent will promote good governance because the people will benefit optimally from the optimum performance of the state institutions.

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INTRA-PARTY CONFLICTS AND DEMOCRACY: AN ASSESSMENT OF THE 2023 PRESIDENTIAL ELECTION IN NIGERIA

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Abstract: Hitherto, studies on democracy and party politics have directed more attention at inter-party wranglings across various levels of the Nigerian State. This study seeks to examine the nature, patterns and variables perceived to be responsible for conflicts within various political parties involved in the electioneering process. This study adopted the historical research design reflective of the qualitative nature of the study. The game theory and conflict theory were combined to examine the variables. Our findings show that, political parties determining the leadership pattern in Nigeria, internal conflict in political parties is an inevitability, intra-party conflicts occurs when the constitution of the party is not followed or there is a bias, when the interest of certain groups are not met, when the standard bearer is not sellable cum generally accepted, etcetera. We recommended that, zoning formula should be maintained, the runner-up in the primaries be given the leverage to choose who becomes the vice-president, and one of the major determinants to become a party's standard bearer, is a minimum of two years membership to align with party's ethos and etcetera. Our work would be the most recent that suggests a pragmatic approach to managing the internal politics in the party. Moreso, it is going to be a very rich and useful material for subsequent research of similar interests.

Keywords: Intra-party, conflict, democracy, presidential election, Nigeria

Introduction

The absence and/or operation of political parties make the whole idea of representative democracy somewhat unrealistic. Public opinion is well organized and represented by political parties, and it is still parties that organize as well as enhances interest. Whilst the aspect political leadership is a carried out by parties, of parties' articulation of public they support policy options and also serve as formidable options for the electorate to make informed decisions during election period. For some time now, it is becoming very obvious, that most of the political parties currently Nigeria prefer operating a rather secretive cum closed system with attendant denial or deprivation of members participation in making decisions, as well controlling and/or reducing the door of opportunity to pick nomination form and contest under the party during election (Aleyomi, 2013). It is as a result of this, Gambo (2022) asserted that the limitations party leaders introduced to socio-political activities is evil and outright wickedness, and has opened the door to acrimonious

action as well as cross-carpeting across most parties in the country. The importance of intra-party democracy and indivisibility is sine qua non to sustenance of its peaceful coexistence as far as a country is concerned.

To Scarrow (2000), for democracy to thrive there must be a very solid and consistent political parties having all it requires to act as voice for citizens cum strong values and principles that speaks to their readiness to control political power for the common good. The challenges faced by political parties during selection and election process of choosing credible candidates that have the character, competence and capacity is as a result of the ever-increasing reoccurring dissensions, leading to rising discombobulation in the internal workings of parties with attendant disconnect of the masses and leaders elected on the party platform, as well as complexities of autocratic elements. It is against this backdrop; this study seeks to understudy democracy and intra-party conflicts on elections in Nigeria. Democracy, alongside multiparty system with ideological differences cum manifestos are very important variables and determinant of good governance in many countries. Pwanagba (2015) argued that without clear-cut ideology, solid and independent political parties, good governance is likely a mirage. Representative democracy is centered on general participation of the electorates whilst representatives that are elected are expected to be accountable and transparency. Political party happens to be the bedrock for the activities of a democratic setting to thrive.

Though, we cannot control or end conflict within a parties as it is an inevitability amongst humans, it is detrimental to its existence cum relevance, as it can lead to betrayal, cross carpeting and selling out of parties by members with an attendant of annihilation of the common goal of the party. It is expected that the interest of the political party should override any selfish cum personal interest, therefore members are to be impersonal in their dealings. Dudley (1973) asserts, a fundamental quality, common to every human or social grouping is interdependence amongst members as they interact. Elections in Nigeria is been characterized with so much irregularities, violence and a whole lot of anomalies just because both those who contest during these elections and the so-called party leaders denigrate themselves to employing shenanigans and hoodlums simply because they want to control or perhaps maintain their hold of political power. According to Eline and Alexander (2014), elections play important role in democratization, no leader can claim de jure legitimacy, regardless of the means of attaining political power.

In Nigeria, it is the political parties that contest elections not individual. By this, no politician can hold political power without being involved and affiliated to a party. The political party is a key player in educating, organizing even mobilizing its members and influences them to get involved in the electioneering process. Sufficient to say, the political party has a major role to play in as regards the centripetal and/or centrifugal dispositions of members towards politics.

Statement of the Problem

Intra-party conflict has taken a new look for some time now. As more elections are being conducted in the country, new approaches and methods are being crafted by party men in order to propagate their agenda. The issue of fractionalization has is no longer new in the political space of the country. There are different factions, each struggling and politicking to seize the structure of the party. According to Gambo (2022), since there would continue to be varied opinions, values and beliefs, the issue of factional politics, conflict and what

have you would remain. Christopher (2013) argued that factional politics is needed for a political to maintain its democracy as well as make it solid. it is the internal party conflict that makes democracy possible and thick, thus these variegated groups wearing different ideological colours that come together to form parties. Considering the dynamic nature of parties, as well as the contradictions in ideology that are inherent, one can easily anticipate conflict from the structure and formation of the party. Although, there has been plethora of studies on this topic, however there is still a lacuna. Most of the studies focus on the reasons and/or causes of intra-party conflict. Only few have tried to suggest possible and realistic steps and/or action that will reduce the conflict.

Objectives of the Study

The objectives of the study are:

To understand the concept and forms of conflicts in a political party.

To understand the nexus between intra-party conflicts and democracy.

To study the causes of intra-party conflicts, especially in the 2023 Presidential election in Nigeria

Scope of the Study

This study is an assessment of the 2023 Presidential election in Nigeria, the intra-party party conflict and how it directly affected democracy. It focused on the internal politics that were visible in the major political parties that contested in the last election, which are; All Progressives Congress (APC), People's Democratic Party (PDP), Labour Party (LP) and New Nigeria People's Party (NNPP).

Literature Review

Conflict

Conflict is part of life. In any social gathering there must be disagreement, varied opinions, and ideologies. In the words of Pruitt (1998); definitions abound on conflict, as authors are plethora in numbers. For specificity, some definitions would suffice here. Rubin, et. al (1994) sees conflict, as a divergent perception of interests or values that the conflicting groups 'present aspirations cannot be realistic side-by-side. It is visible in different ways, it may be violent cum inflicting pain and injury on the conflicting groups, even as it affects other not involved directly (Gambo, 2022). Conflict occurs when two or more persons or groups are incompatible in their goals, regardless of whether it is just. It starts from the perceived belief of a negative impact on values by a party over another (Robbins, 1998). The sole argument of individual group to a conflict is interest. In this wise, there would be moves and counter one's to seize control, so as to achieve their goals. Moreso, when persons or parties are cut in the web of incompatibility vis-a-vis goals. It can either be functional or dysfunctional, based actions of the actors (Gambo, 2022). When conflict is functional, its end is growth, development and what have you. Kenneth Boulding (1963: 5) defines conflict from a political view. To him, it is a competition from the point of knowledge of incompatibility by the groups involved, in relation to futuristic positions they seek to occupy. What then is intra-party conflict Intra-party? Intra-party conflict is one that happens when party faithful compete for political offices that are not compatible or make moves to change the process making decisions in the party to suit their interest. It is very visible often during nomination, selection and screening of faithful for elective positions

both internally and externally. Political parties are social groups, they and conflicts are like five and six. It is so because, in every social set-up, there is bound to be persons whose sole aim is to project self rather than the party. Dudley (1973:8) asserts, a fundamental feature associated to social groups is interaction and interdependence of members. However, it is important that the group members' interests should be subordinated to the larger interest of the group. Political parties often aggregate the various interests to form a coherent and well-articulated party objectives. Boucek (2009) observed three forms of intra-party conflicts which are cooperative, competitive and degenerative (Gambo, 2022). The cooperative conflict is most accepted as it gives avenues for the resolution of the conflict, constructively between party faithful.

Political Party

The term political party speaks to - a group of individuals who are politically conscious other than a government whose sole aim is to control the state by selecting and electing party men/women who are in charge of government's operation as well as dictates how policies would be (Lemay, 2001). These parties allow a good way for aggregating choices into offices by election in systems that are democratized. The role parties perform in making sure the growth of democratization process continues, cannot be overemphasized. The Friedrich Ebert Foundation Centre for Governance and Development (2010) did research on making political parties to be institutionalized in Kenya, as they are the drivers of representative democracy. The functions of political parties in a democracy include:

- Representing interests of a group in the state (by being in Parliament);
- Educating leaders on the importance of democracy and participative democracy;
- They educate and communicate to the electorates about politics.
- They mobilize as well as encourage the public politically, on how to vote during elections;
- Recruiting political leaders;
- Aggregation and articulation of interests;
- They promote debates that are pluralistic by presenting bringing various policies options;
- and
- To integrate the various interests in a polity to make it cohesive.

The Evolution cum Metamorphosis of Intra-party Politics in Nigeria

The fundamental democratic role of parties is bridging the gap between the citizenry and the government (Sartori 2005). For clarity, political parties are to give room for opportunities for active party members, activists as well as stakeholder that are part of the decision-making process within the party. Scholars as well as theorists are arguing on the desirability and Debate continues among scholars and theorists of comparative politics and democracy depending on how durable and feasible is the internal democracy. The internal mechanism on how to integrate members to the process of making decision should be expanded as yardstick for enhancing and managing membership integration, political party unity internally, as well as cohesion, required to enhance a formidable push in the polity of the state, mostly a multi-party democracy.

Michels (1968) argues that, internal democracy is a threat to party stability. He improved on his "iron law of oligarchy", arguing that parties are generally undemocratic and tilts towards oligarchy, with the elite class and leaders seize party's structure at the expense of party faithful. This school of thought argues that, there is a high level of disparity vis-a-vis

intra-party democracy, and the elite preference for organization, structure as well as party system. Political parties are not democratic internally. In this regard, whether or not state democracy is present, system is not a function of intra-party democracy. Some other scholars, are of the view that intra-party democracy weakens political parties and is therefore undesirable. Proponents of this view argue that "in order to serve democratic ends, political parties themselves must be ruled by oligarchic principles" (Teorell 1999). The two named positions speak to the deep-rooted contention that characterizes the two approaches on intra-party democracy prescriptive and normative, with much emphasis on parties and democracies within the African continent. The argument in favor of intra-party democracy as a way to expand democracy in the larger society, is gaining momentum vis-a-vis the variables of feasibility cum desirability. Considering the nature of party politics in Africa, the role of intra-party activities in the consolidation and entrenchment of democracy in Africa, cannot be overemphasized. Notwithstanding, the term is less popular globally, arguments have been forward to counter it, assuming that decisions making process that are democratic, mostly are inefficient. When the internal wranglings within a political party is overwhelming, it further cripples its strength to face opponents during an election. The principles of democracy assert that, leadership must be derived through election, and it must be periodically, as well as collective in nature and must be organized. Morris Duverger (1954) expresses concern that necessary armaments needed for a political struggle is lacking in a party.

Intra-Party Politics and Democracy in Nigeria

Parties in Nigeria are bye-products of the environment they found themselves, most a times their formation, structures, functions, as well as operations. Regardless, the expectations, to serve as catalyst for ensuring as well as enhancing sustainable democratic patterns. However, seems to be an increasing public anxiety as to the future of the existence of democracy in the country (Anifowoshe, 2004). This increased in worry, is as a result of the style and degree of intra-party competition, which invariably had given room to great bickering, political pandemonium, as well as unrest in most part of Nigeria. By and large, the nature of intra-party activities has remained sacrosanct, as there has not been a real transformation, capable of solidifying democracy.

Variables like competition, politicking bargaining and compromise are inseparable to democratic ethos. The vehicle to make it a reality is the political party. Internal politicking and/or intra-party democracy has deteriorated to a very embarrassing state. The conventional way of operation is somewhat a challenge, e.g intra-party activities is becoming more confrontational, with the attendant of violent conflicts, destruction of lives and properties. The problem of intra-party activities as well as divisions within it in the country has consistently led to poor performance in general elections in Nigeria. During the build up to the general election in 2015, the party in government, Peoples' Democratic Party, (PDP) with opposition parties have established a dynasty of consistent intra-party violence and hostilities, where there is no discipline cum respect for party's values within the party.

The breakup due to lack of democracy within parties from ab initio of the 4th Republic in 1999 in Nigeria is a tragedy in project Nigeria. These conflict manifest in different forms viz the harsh feud between so called "godfathers" with their "godsons", brutal killings of candidates e.g Mr. Fatai Williams of Lagos PDP, violent clash, switching from one place

to another, snatching of ballot box, kidnapping, assault as well as never ending judicial cases with attendant of catastrophic cancellation and annulment of hitherto electoral triumph.

We have had incidences of internal party crisis, leading to violence, as a result of the imposition of candidates, as well as the overbearing disposition of party Leaders. A good example is the Ngige saga. The alignment ended brutally his boss, Chris Uba. Whilst Ngige was still in office as the Governor, was kidnapped 10 July 2003, by gun men supposedly connected to his godfather. Other incidences of soiled election by imposing candidates on the party by godfathers that turned out abysmally was the case of Governor Chimaroke Nnamani, who stayed in office from 1999 - 2007, and his estranged leader, Jim Nwobodo, all under the People's Democratic Party (PDP) women ended in violent and disastrous outcomes since the inception of this Republic were those involving former Enugu State Governor, Chimaroke Nnamani (1999 - 2007) and his estranged godfather, Jim Nwobodo both of the People's Democratic Party (PDP); there is also the case of late Mohammed Lawal (1999 - 2003) and his godfather, late Olusola Saraki of Kwara State Kwara State, members of the defunct All Nigeria Peoples Party (ANPP), the Oyo state case between Raheed Ladoja, Governor from 2003- 2007 versus Governor Adebayo Alao-Akala from 2007 - 2011. Another very important example was between President Goodluck Jonathan from 1999 most serious manifestations in the recent time, is that of the estranged relationship between the incumbent President, Goodluck Jonathan and his former boss, former President Olusegun Obasanjo from 1999 - 2007. The later superimposed Goodluck Jonathan on the party, People's Democratic Party (PDP) The Congress was held on 10 December 2010, in preparation for the 2011 presidential election. President Goodluck Jonathan won in a controversial manner. The northerners never saw his victory, an Ijaw man from a minority region, winning a federal election. However, in the next electioneering year (2011) the music changed, as a result of stiff opposition within the party. Five members left the party, indicating disapproval of the superimposed candidate. The five members were serving governors under the umbrella of the PDP. Their names are: Rotimi Amaechi, Rivers State; Rabi'u Musa Kwankwanso, governor of Kano State; Abdulfatai Ahmed, Kwara State; Murtala Nyako of Adamwa State and Aliyu Wamakko of Sokoto State), they all left the party for the All-Progressives Congress (APC), including about one hundred and fifty of members of PDP in the Federal House of representatives, joined the APC, in the build up to the 2015 nationwide election in the country.

The regime of hijacking and controlling parties structures gained momentum, disregarding the internal ethos cum value of the political party of the leadership and structures of political parties vis-a-vis inclusion, honor for party's constitution and discipline. A new form of gladiators emerged at all levels, disregarding the rules, and ethos of the party, sparkling provocative cum violence during party meetings, rallies, campaigns, and what have you. All sorts of atrocities viz killings, maiming, assaults, kidnapping, libel, slander, etc were perpetuated by the so-called gladiators of the political parties, threatening the stay of democracy, and further denigrating Nigeria backwards, as a country lacking values and respect for the rule of law, in the commonwealth of nations.

The threat to intra-party democracy is not peculiar to Nigeria alone, with the pace at which things are going, there is a threat to its survival in Nigeria, it is even getting worse in the hands of the All-Progressives Congress (APC), under the president Bola Ahmed Tinubu administration. The exodus movement of hitherto members of PDP to APC, increased rate

of propaganda, usage of state power to intimidate, and suffocate opponents, and the outright threat by the government on opposition parties, makes democracy to be standing on one leg in the country. Power is fast becoming a scam, enriching its holders, no longer held in trust in Nigeria, hence all and sundry wishes to have a bite from it (Mbah, 2011).

Theoretical Framework

The game and conflict theory were used respectively as theoretical guide for this study. Game theory, is a subset of applied mathematics introduced for analytical purpose. It analyzes peculiar cases, especially the interplay that exists amongst parties of similarity, antagonistic, or hybrid interests. This theory was propounded by the economists John von Neumann and Oscar Morgenstern in 1944 in the book: *The Theory of Games and Economic Behavior*. Ideally, in a normal game, where there are fixed rules, "players" come up with every trick in order to outwit themselves. They try to envisage the actions cum decisions of another. An antidote to a competition suggests the maximal strategy or strategies for individual as well as stating expected average or outcome. Not until 1967 when a very good alternative was recommended, the thought was, for every competition there is at least a solution.

This theory has been used to interpret quite a number of situations ranging from sciences to management cum social sciences, where players choices have to be engaged to disrupt outcomes. With emphasis on the crucial aspects of making decision, or the players-controlled aspects as against pure chance, the game theory can be supplied either as supplement or fully. Pragmatically, this theory has been used to predict political coalitions or the conglomerates of a business, price optimization in a competitive environment, voters' power, and who gets what, when and how in a political party. Games are categorized on certain characteristic features, chief amongst is the player's number. To this end, a game could either be by one-individual, two-individual, or n-individual (where n means more than two) game, each of these forms have its unique characteristics. Moreso, the player could be a party, nation, a player need not be an individual; it may be a nation, a company, or a group with of persons having similar interests.

Winning the structures of a political party is like a game of thrones, with requires one or a faction to be very strategic in planning and all that. Every gambler cum player knows that, the secret to survival is knowing what to throw in as well as, what to keep.

On the other hand, conflict theory sees conflict as an inevitability. To the proponent of this theory, as long as there are social gatherings, conflict is bound to occur. This theory was put forward by Karl Marx, a German sociopolitical philosopher. Conflict theorists argues that, the major cause of conflict in a society is the scramble for scarce resources (Hayes and Kelly, 2023). This theory holds that domination cum power, as against conformity and/or consensus are the guiding factors of societal order. Those who controls the structure of a political party, would rather die than to allow, anyone, especially those they consider inferior or godsons, to take it from them. This theory is premised on the believe that, the elite would work very hard to ensure that their influence, keep increasing and not decrease.

The basic assumptions of this theory are;

Competition: Competition is one major reason for conflict in a society. As long as there are various interest groups within a political party, competition would always be visible and this will give rise to conflict cum politicking.

Revolution: As long as there is a clash of interest, those who control the structure of the parties, deciding who gets what, when and how, and those who follow, a time will come when the ruled would want to have a say in decision making process. Just like in the just concluded presidential election in Nigeria, we saw a new wave of politics, hitherto godfathers losing their grip on power to their godsons e.g Delta State, former Governor James Ibori was politically overthrown by Governor Ifeanyi Arthur Okowa, Edo State, Godwin Obaseki has long called it a day with his godfather, Senator Adams Oshiomole.

Structural Inequality: As long as certain persons would keep asserting their interest on the party, eliminating oppositions and what have you, there would continue to be inequality. And this is one major reason that would lead to conflict in the party. Power is transient, as such the inequality graph can change at any time. During the last presidential election in Nigeria, we saw the rise of a third force, who threatened the influence of the so-called heavyweights. The emergence of Mr. Peter Gregory Obi, brought a new wave cum sensation in the political process.

War: When conflict is not well managed, it will bring about a breakdown of law and order in the society. Going by projections, prophecies etc. about the last presidential election in Nigeria, this country would have been divided. It took the intervention of some very few nationalists, religious leaders and international bodies, to avert what would have been a national disaster.

Method/Methodology

This study adopted the historical design that reflects the qualitative nature. Data was collected from secondary means which includes, books, journals, articles (published and unpublished), internet, and etcetera. Our focused was on the internal politics that are visible in a political party, especially in the last nationwide election in Nigeria.

Empirical Analysis

Intra Party Conflicts and Democracy in the Just Concluded Presidential election in Nigeria Political activities took a new wave in the history of Nigeria's democracy in the just concluded Presidential election in the country. The narrative changed, as it was no longer business as usual. One major reason for this development, is the factor of intra-party conflicts. Whilst we admit that there over 30 political parties in the country, only 18 of them contested in the last presidential election in the country (stears, 2023). They are: Accord (A): Christopher Imumolen, Action Alliance (AA): Hamza al-Mustapha, Action Democratic Party (ADP): Yabagi Sani, Action Peoples Party (APP): Osite Nnadi, African Action Congress (AAC): Dumebi Kachikwu, All Progressives Congress: Bola Tinubu, All Progressives Grand Alliance (APGA): Peter Umeadi, Allied Peoples Movement (APM): Princess Ojei, Boot Party (BP): Sunday Adenuga, Labour Party (LP): Peter Gregory Obi, National Rescue Movement (NRM): Felix Osakwe, New Nigeria Peoples Party (NNPP): Rabiun Kwankwaso, Peoples Redemption Party (PRP): Kola Abiola, Peoples Democratic Party (PDP): Atiku Abubakar, Social Democratic Party (SDP): Adewole Adebayo, Young Progressive Party (YPP): Malik Ado- Ibrahim (Stears, 2023). In the build up to the 2023 Presidential election, there were series of activities, politicking and internal wranglings within the various political parties. One major reason for it, is interest. Everyone and/or group has certain interest, as such would not mind scattering the system, provided their

ambition saw the light of the day. For this study we would address certain noticeable incidents in the four major political parties, PDP, APC, LP and NNPP.

Intra-Party Politics in PDP

The People's Democratic Party (PDP), was one of the major parties that contested in the 2023 Presidential election. The process of choosing her choice candidate was characterized with a lot of wranglings. Starting from the party's primary election, over ten aspirants bought the party's form. During the early days of awareness, the likes of Bukola Saraki, (former senate president), Nyesom Ezenwo Wike (former governor of Rivers State), Aminu Tambuwal (former governor of Sokoto State), Udom Emmanuel (former governor of Akwa-Ibom State), Bala Mohammed, Pius Anyim, Sam Ohabunwa and Olivia Tariela. The party's primary election was held on the 28th of May, 2022 at Eagle Square, Abuja. There was a dramatic twist of fate the moment one of leading aspirants, Aminu Tambuwal backed down for Atiku Abubakar, the newest entrant to the. And, the latter won the party's primary election. Immediately after, a new faction emerged, spearheaded by Nyesom Wike, who came second in the party's primary election. This new group called themselves, 'The Integrity Group'. It comprised of five state governors (then) viz Nyesom Wike (Rivers State), Samuel Ortom (Benue State), Seyi Makinde (Oyo state), Okezie Ikpeazu (Abia State) and Ifeanyi Ugwuanyi (Enugu State).

Event that followed the post PDP primaries to the general election, showed that the party was heading to a national disaster, as the internal mechanism of the party could not address the problem created. Whilst the integrity group are holding on the party's constitution which allows for zoning of key positions to the North and South, if the presidential tickets go to the South, National chairman would come from the North, and vice versa. The pro-Atiku group were of the opinion that, individuals are allowed to contest the election. Save to say that, it was the intra-party politics within the PDP that necessitated their failure in the general election.

Intra-party Politics in APC

The All-Progressives Congress (APC), in the build up to the 2023 general elections, was the ruling party, having won the previous election. As such, it was amongst the parties to watch out for in the forthcoming election. It fielded over 10 presidential candidates. Intra-party politics started from the removal of Adams Oshiomole as national chairman of the party, in the believe that, it would cause a major setback to ambition of Bola Tinubu, who was said to have been the major backbone of the former. A national Congress was held on 26th of March 2022 and Abdullahi Adamu (former governor of Nasarawa State) emerged as National chairman. This brought a new wave to the presidential race, as alot of persons who were hitherto afraid of the person of Bola Tinubu, bought presidential tickets. The events leading to the party's primary election was highly intriguing, following a committee led by John Oyegun (first national chairman of the party), a rival of Tinubu, asking aspirants to state what they would do, should the party decide to have an anointed (consensus) candidate. Whilst others confirmed their loyalty to the party's decision, Bola Tinubu had an objection, he was confident that in case t happens, the candidate must be him. Though it was not clear, the party's executives were dancing towards Ahmed Lawan (then senate president), or as alternate plan, Yemi Osinbajo (then Vice President). After a series of delay cum postponement, the presidential primaries of the party were held on June

6-7th 2024. The various aspirants were allowed to first greet the public; delegates, national executive, stakeholders, etc.

Some of the aspirants who participated in the primaries are: Bola Tinubu, Yemi Osinbajo, Ahmed Lawan, Rochas Okorocha, Chika Onu, Rotimi Amaechi, Godswill Akpabio, Dimeji Bankole, Kayode Fayemi, Uju Ohanenye, Ibikunle Amosun, etc. Some minutes into the primaries final greetings, there was a dramatic twist of fate, when one of the aspirants, Godswill Akpabio (former governor of Akwa-Ibom State) openly stepped down for Bola Tinubu and urged his supporters to give him block votes. Other aspirants kept coming to give their final speech, and four others openly stepped down for Bola Tinubu. The other aspirants that stepped down are: Dimeji Bankole, Kayode Fayemi, Uju Ohanenye and Ibikunle Amosun.

Right there, it was becoming clear as to who would have the day. When the result was announced, Bola Tinubu had a landslide victory and was declared the party's standard bearer. Rotimi Amaechi came a distant second, followed by Yemi Osinbajo and Ahmed Lawan, in this order. The emergence of Bola Tinubu as standard bearer, was able to manage the post primary conflict that characterizes such election, being the party's national leader. Although, there were some visible incidents of intra-party politics, as the Abdullahi Adamu wanted to choose the vice-president, but Tinubu stepped in and Kashim Shettima was selected.

The internal politics in the party was very well managed, and the party won the presidential election in 2023.

Intra-party Politics in Labour Party (LP)

Intra-party politics in labour party prior to and during the general election in 2023 was minimal. There was no open show of power display as we saw in the People's Democratic Party (PDP), between pro-Atiku and pro-Wike, such that the former was politically denied access to campaign in Rivers State. All three aspirants who indicated interest in contesting for president under the Labour Party's umbrella stepped down for Peter Obi, immediately he moved from PDP. These persons are Prof. Pat. Utomi, Eragbe Anselm and Olubusola Olufolake. Infact, the acceptance of Peter Obi's candidature brought alot of sympathy votes from other parties. He came out third in the general election. It was after the election, during the post-election events that, we saw some level of intra-party politics at play. One Lamidi Apapa claimed to be the new National chairman of the party, citing the suspension of Barr. Julius Abure. However, the court has reinstated the latter back to office.

Intra-party politics in NNPP

The New Nigeria People's Party (NNPP) declared Rabi'u Musa Kwankwanso as her standard bearer for the last presidential election in 2023. There were minimal cases of intra-party politics. The emergence of Kwankwanso managed the various interests within the party. And he led the party to winning Kano state, and some legislative seats at the Federal level. However, the post-election period saw some manifestation of internal politicking. Rabi'u Kwankwaso was accused of inter-party politics, and was suspended. A new faction emerged led by Major Agbo. These factions lay claim to being the original owners of the party, and that Rabi'u Kwankwaso should not be gallivanting around as the leader.

Conclusion

Intra-party politics is something that cannot be separated from the party. The party as a body is made up of various interest groups, who would do everything possible to ensure they remain relevant in the scheme of things. Therefore, an attempt to remove or stop it, is dead on arrival.

Recommendation This study would be futile without making some recommendations. Below are some recommendations:

First, in order to ensure for fairness, equity and inclusion, political parties in Nigeria should adopt and follow the principle of zoning.

Second, the runner-up (except stated otherwise), should be giving the opportunity to become the vice-presidential candidate of the party.

Thirdly, for anyone to emerge standard bearer of a political party, he or she must have stayed in the party for at least two years, to understand the ideology of the party.

Contribution to knowledge This study no doubt is not the first to be written with similar topics. However, our contribution to knowledge is in these two areas:

It is the most recent work that suggest a pragmatic approach to managing the internal conflict within political parties.

It is a useful resource for further research of similar interests, knowing that knowledge can only be improved upon.

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RENEWABLE HORIZONS: INVESTIGATING FEASIBILITY IN CONSUMPTION TRENDS

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Abstract The European Union's ambitious target to achieve zero emissions from passenger cars by 2035 has sparked significant strategic overhauls among European car manufacturers, pushing them towards a 100% electric vehicle fleet. Concurrently, a forthcoming heating law, slated to take effect from 2024 initially in Germany, aims to drastically curtail the installation of gas and oil heating systems in favour of heat exchangers. These legislative shifts are already straining the power grid, necessitating a substantial expansion of renewable energy capacity. Projections indicate an ongoing surge in energy demand, underscoring the imperative of a global transition away from fossil fuels. However, this endeavour poses formidable challenges for nations worldwide. This study delves into the current state of renewable energy and its projected evolution, stressing the imperative of significantly boosting renewable energy deployment to achieve sustainable electrification of passenger vehicles globally. It highlights the need to triple the share of renewable energy sources, quadruple efforts across all transportation sectors, and increase the overall transition away from fossil fuels fifteenfold. While conventional renewables such as solar, wind, hydro, and biofuels remain integral, emerging technologies like nuclear fusion offer promising avenues. Nonetheless, attaining complete independence from fossil fuels may prove elusive, considering non-energy applications of crude oil and other fossil resources. The study also assesses potential ecological ramifications and balances the environmental impacts of these energy transitions.

Keywords renewable energy, defossilization, nuclear fusion

Introduction

The discussions about opportunities to stop carbon dioxide emissions have remained as the most complex topic ever since. While environmental associations stress the fact that the ongoing measures targeting the goal of zero emissions had not been sufficient, companies and societies are struggling with political decisions. On the one hand, sustainable measures seem to be too expensive and inefficient, on the other hand specialists claim that talking about a decarbonization is not enough and that we had had to talk about a defossilization instead (Schlögl, 2019, Kramer, 2019). A global defossilization would remain in a stop of using crude oil, natural gas, and coal, especially for energy means. The usage of fossil fuels differs between economic sectors. While coal is mainly used for industrial purposes (about 84 %) and natural gas is mostly used for residential and commercial/public service purposes (about 43 %), and industrial purposes too (about 38 %), crude oil is used for mobility and transport purposes by about 65 %. The amount of energy associated with this is equivalent to about 25 % (around 36.361 TWh) of the total energy produced from fossil fuels worldwide in 2021 (IEA, 2021).

In the mobility sector most, manufacturers track a full electric strategy, which indicates the end of combustion engines and a future of electronic engines. Especially European OEMs

(Original Equipment Manufacturers) are forced to do so since the European Parliament had decided to reach zero emissions in the fleets of OEMs by 2035 (EU, 2019, EU, 2022).

Besides engines, energy carriers play an even higher role. Accumulators are the mainly used energy carriers in mobility and transportation. Accumulators show a much higher energy efficiency of about 77 % (Archer, 2018), but the production causes environmental damage especially for the sourcing of lithium and cobalt (Cheeseman, 2022, Occhipinti, 2021). Projects for new battery techniques are ongoing to improve range and charging times, whereby the electricity infrastructure is still missing. It is also questionable whether existing electricity networks can withstand the demanded performance and whether the supply can be provided entirely by renewable energies.

Another commercially used energy carrier is hydrogen. In combination with fuel cells this energy carrier shows an overall energy efficiency of about 30 % (Archer, 2018). One major (economic) disadvantage is the high volatility of hydrogen. For a safe transportation of hydrogen very high pressure or a very low temperature is needed. The pressure in tanks increases as the temperature rises and must be reduced, resulting in fuel loss. This property and the high flammability also have major disadvantages for safety.

Direct burning of hydrogen in a combustion engine is possible in principle, but several projects of independent companies in different branches showed that a commercial use would be too expensive for the end-user and therefore not realistic.

Research methodology, methods, and data collection

The purpose of this paper is to calculate the need of renewable energies to replace fossil energy carriers. The analysis shall show if a corresponding replacement is possible respecting the resulting environmental consequences. Therefore, the paper follows a realistic philosophy and an inductive approach.

Only secondary data is used in this paper. The value of interest is the amount of (electrical) energy gained from fossil energy carriers and renewable energies.

The level of analysis depends on the individual data transparency and the scope of the data. The consumption per category and the needed amounts of renewable energies to replace fossil energy carriers are calculated. Available prognoses are used to enable the calculation of corresponding forecasts.

Interpretations about the calculated values are done if applicable. Accordingly, the paper corresponds to archival research in a descriptive manner.

The central questions of this work are: how must the efforts according to the installation of renewable energies be accelerated to address the set goals accordingly and which environmental consequences may result from these efforts?

The scope is defined over types of fossil energy carriers, commercially used renewable energies, and the availability of corresponding data.

Analysis and results

Collected data and calculation

The distribution of the data is based on an overall consumption of fossil fuels by 11.521 TWh in 2022 in the European Union (Ritchie et al., 2022a):

| | |
|-------------|-----------|
| Natural gas | 3.434 TWh |
| Crude oil | 6.148 TWh |

Coal 1.939 TWh

The generation of electrical energy from renewable energy sources was distributed in 2022 in the European Union as follows (Ritchie et al., 2022b):

| | | |
|--------------|---------|--------|
| Solar energy | 207 TWh | (13 %) |
| Wind energy | 420 TWh | (22 %) |
| Hydropower | 277 TWh | (45 %) |
| Biofuels | 175 TWh | (12 %) |
| Others | 182 TWh | (8 %) |

For categorization and calculation purposes percentual consumption of fossil fuels per sector data in the following table from 2019 is assumed:

Table 1. Percentual fossil fuel consumption per sector in 2019

| Fossil fuel | Sector | Percentage |
|-------------|-----------------------------------|------------|
| Coal | Iron and steel | 34,0 % |
| Coal | Chemical and petrochemical | 7,5 % |
| Coal | Non-metallic minerals | 21,7 % |
| Coal | Other industry | 8,9 % |
| Coal | Non-specified | 12,1 % |
| Coal | Non-energy use | 5,2 % |
| Coal | Residential | 6,4 % |
| Coal | Services, agriculture and fishing | 4,2 % |
| Gas | Industry | 37,6 % |
| Gas | Non-energy use | 11,9 % |
| Gas | Residential | 29,7 % |
| Gas | Commercial and public services | 12,8 % |
| Gas | Other | 0,9 % |
| Gas | Transport | 7,3 % |
| Oil | Industry | 7,3 % |
| Oil | Non-energy use | 16,7 % |
| Oil | Other | 5,4 % |
| Oil | Residential | 5,3 % |
| Oil | Aviation | 8,6 % |
| Oil | Road | 49,2 % |
| Oil | Rail | 0,8 % |
| Oil | Navigation | 6,7 % |

(Source: IEA, 2021)

For calculations of necessary installations, following values are assumed:

Solar panels:

Space required per TW: 3.300 km² (Quaschnig, 2018)

Calculated average sun hours per year: 2.296 h (Eglitis, 2022)

Wind turbines:

Average nominal power: 2 MW (onshore and offshore), referenced to ENERCON GmbH which provide over 45% of wind turbines in Germany (IWR, 2022)

Average annual full-load hours: ~ 2.900 h, calculated through different but familiar full-load hours data (Kaltschmitt et al., 2013, Mills et al., 2012, Tafarte, 2014)

Hydropower plants:

An installed cumulative capacity of 1.096 GW results in an annual production of 4.100 TWh (REN21, 2017)

Biofuels production:

Calculated average equivalent compared to fossil fuels is around 0,79 (FNR, 2023)

Energy contained in 1kg cruod oil is around 11,8 kWh (Ritchie et al., 2022a)

Resulting needed space: 27,355 km²/TWh (FNR, 2023)

Please note that needed amounts of water and fertilizers are not respected in this paper.

Categorisation

For analysing purposes, the before presented sectors are categorised as follows:

Table 2. Assigned categories to sectors for analysing purposes

| Sector | Assigned category |
|------------------------------------|-------------------|
| Aviation | Transport |
| Chemical and petrochemical | Industry |
| Commercial and public services | Other |
| Iron and steel | Industry |
| Industry | Industry |
| Navigation | Transport |
| Non-energy use | Non-energy use |
| Non-metallic minerals | Industry |
| Non-specified | Industry |
| Other | Other |
| Other industry | Industry |
| Rail | Transport |
| Residential | Other |
| Road | Transport |
| Services, agriculture, and fishing | Other |
| Transport | Transport |

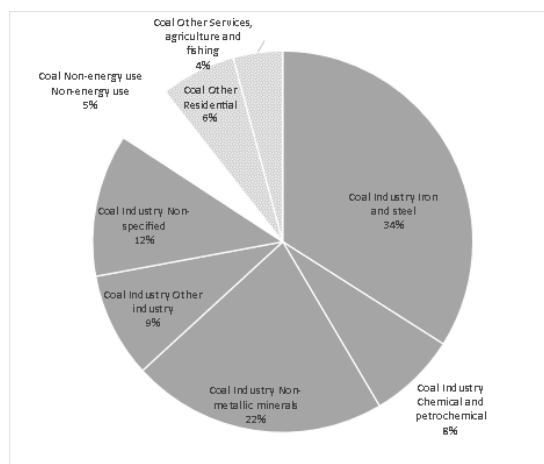
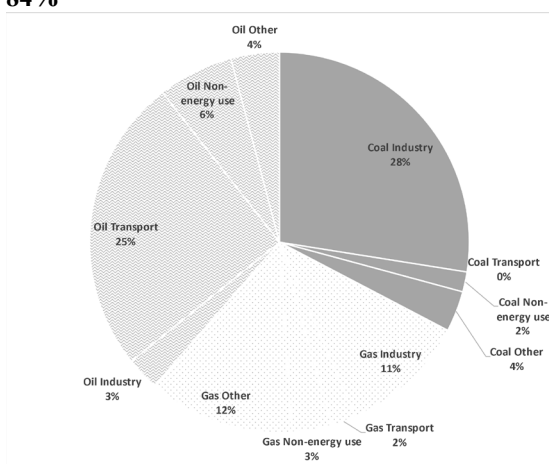
(Source: IEA, 2021)

Results

Fossil fuels consumption by category

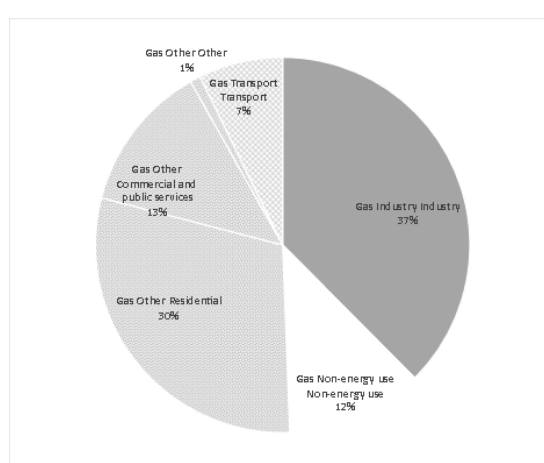
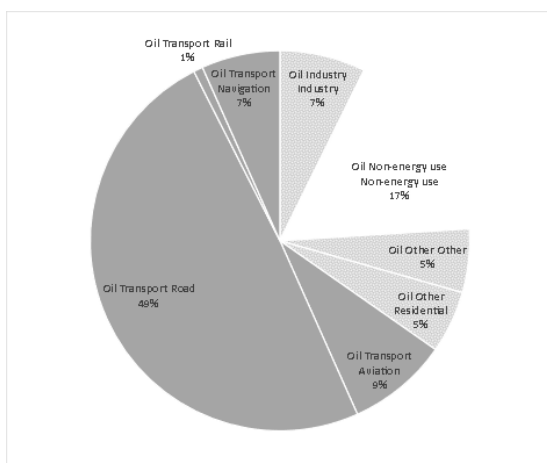
The following charts show overviews of the combination of the percentual consumption by sector and the aligned categorisation.

Figure 1. Overview energy consumption by fossil fuel **Figure 2. Coal usage for industry purposes: circa 84%**



Source: contribution by the author

Figure 3. Oil usage for transport purposes: circa 65% **Figure 4. Gas usage for various purposes**



(Source: contribution by the author)

In Table 3 the actual consumption is combined with the percentual distribution in the categories.

Table 3. Energy consumption from fossil fuels by assigned categories

| Fossil fuel | Category | Percentage | Annual consumption (2022) |
|-------------|----------------|------------|---------------------------|
| Coal | Industry | 14,2% | 1.632 TWh |
| | Transport | 0,0% | 0 TWh |
| | Non-energy use | 0,9% | 101 TWh |
| | Other | 1,8% | 205 TWh |
| Natural gas | Industry | 11,2% | 1.291 TWh |
| | Transport | 2,2% | 251 TWh |
| | Non-energy use | 3,5% | 409 TWh |

| | | | |
|-----------|----------------|-------|-----------|
| | Other | 12,9% | 1.490 TWh |
| Crude oil | Industry | 3,9% | 449 TWh |
| | Transport | 34,8% | 4.015 TWh |
| | Non-energy use | 8,9% | 1.027 TWh |
| | Other | 5,7% | 658 TWh |

Source: contribution by the authors

The highest consumptions are clearly found in the categories industry and transport. While the “iron and steel” sector plays the most important role in the industry, the “road” sector is the most significant in the transport category.

Renewable needs and forecast

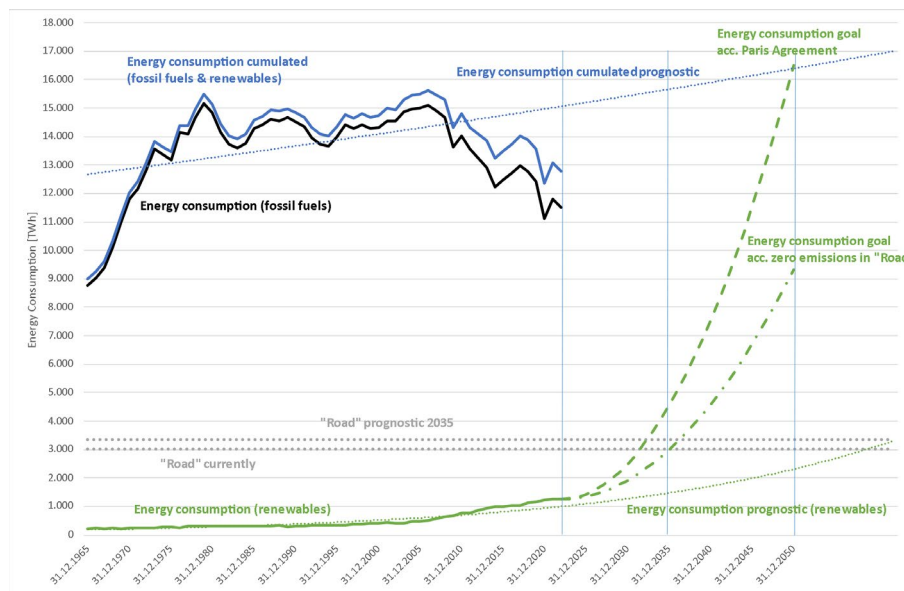
In Figure 5 it seems like that the overall consumption of energy in the European Union is decreasing while the linear prognostic graph shows the opposite which is considered more realistic.

The “Road” prognosis was calculated through a forecast of the amount of passenger car vehicles in 2030 and upscaled until 2035 (Statista, 2023). In 2022, the energy consumption in the “Road” sector laid by 3.025 TWh. In 2035, the prognosis shows an energy consumption by 3.358 TWh, respectively.

Therefore, the increase of installations of renewable energies should be set by around 2,7 times, respectively.

To reach the goals of the Paris Agreement, the efforts should be increased by 13 times, respectively, addressing the added forecast according to future energy consumptions in total.

Figure 5. Historical consumption and forecast



Source: contribution by the authors

Addressing the set goals by the European parliament of zero emissions in the fleet by 2035 and the Paris Agreement, the following Table 4 shows the status of the share of renewable energies, the indicators according to resulting amounts (e.g., areas and number of pieces), and future needs, as introduced in chapter 3.1. For calculation the current share of the different renewable energy types is used.

Table 4. Status of renewable energies and future needs

| Renewable energy type | Status | Overall (13 times) | „Road“ (2,7 times) |
|-----------------------|-----------------------|------------------------|------------------------|
| Solar | 298 km ² | 3.874 km ² | 805 km ² |
| Wind | 72.497 pcs. | 942.461 pcs. | 195.742 pcs. |
| Hydropower | 74 GW | 962 GW | 200 GW |
| Biofuels | 4.798 km ² | 62.374 km ² | 12.955 km ² |
| Others | 182 TWh | 2.366 TWh | 491 TWh |

Source: contribution by the authors

For comparison purposes, the needed space of solar panels and agricultural areas for biofuels for the “Road” goal roughly correspond to 0,33 % of the size of the European Union (compared to 0,12 % today, respectively).

Environmental consequences

Respecting the potentially needed areas to reach a corresponding portion of renewables in the energy mix, possible environmental consequences must be considered. Each type of renewable energies includes certain consequences for local circumstances or whole ecosystems. Solar energy plants might have significant influence in local soil ratios and therefore humidity and temperature. The long-term consequences are hard to derive and need to be evaluated (Matthew et al., 2018, Hernandez et al., 2014). Also wind power engines help to reduce emissions but warm surface temperatures and might have impact on natural streams which are crucial for the global climate (Miller and Keith, 2018). Biofuels have negative effects on food security, water supply, and biodiversity (Tirado et al., 2010, Brinkman et al., 2020, Gasparatos et al., 2011, German et al., 2011). The most significant disruptive effect might have tidal power plants. Overuse of this technique could cause the moon to move away from Earth little by little until it eventually leaves the orbit. According to calculations, this could be the case in as early as 1.000 years. One can expect that the consequences will be experienced much earlier. For the current scope it must be mentioned that these calculations have had a global approach (Liu, 2019).

Conclusion

Besides the enormous efforts according to the electrification of the fleets of European OEMs, even higher efforts in renewable energies and a corresponding infrastructure are still necessary to reach zero emissions. The European Investment Bank provided 19 BEUR for energy-related projects and explicitly 7,2 BEUR for renewable energies in 2022 (EIB, 2023). The investments result in an increase of 1% in renewable energies in the corresponding year. According to the provided calculations, an annual increase of 9,4% would be necessary to reach introduced targets and therefore investments should be set by 67 to 68 BEUR for the acceleration of renewable energies.

Facing the mentioned environmental consequences, new technologies and inventions must be part of the investments. As the most future-oriented and sustainable solution, nuclear core fusion projects like ITER should be supported financially as strong as possible. Running since 2005, 4,4 BEUR have been invested, resulting in nearly 8 BEUR of assets until 2022, respectively. It is planned to finish assembling until the end of 2025. Testing until readiness for commercial use as a blueprint is not planned yet. Therefore, at least the same amount, about 5 BEUR, should be provided to ensure success and prevent wastefulness (ITER, 2023a, ITER, 2023b).

Nuclear core fusion is just one example of many opportunities to make new kinds of renewable energies commercially useable. Besides technical innovations, research especially according to environmental consequences of each of these solutions need also be considered. The so called “energy mix” must not contain fossil energy carriers but each kind of renewables. Environmental as well as social consequences over the whole lifecycles need to be analysed to derive bearable dimensions on a global scale, not EU scale only. In general, from a current point of view, it is possible to reach the goals for 2035 and even 2050, from a European perspective. But it will only be possible in combination with necessary investments. It is a whole different discussion on a global perspective.

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SINO-AFRICA AND TECHNOLOGICAL TRANSFER: IMPLICATION ON SUSTAINABLE DEVELOPMENT IN NIGERIA

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Abstract: Technology is critical to industrialization and economic development of any nation and it is one of the serious bottlenecks in African industrialisation. There is no doubt that technology transfer is one of the less studied subjects in China-Africa relations. Foreign direct investment is an important factor for both technology transfer and economic growth in developing countries like Nigeria. Technological advancement has also become a major challenge to industrialization in Nigeria and to improve her economy, the Nigerian government had made various efforts at acquiring foreign technology to drive the development processes. The Nigerian government had signed pact with the Chinese government in critical areas such as agriculture, manufacturing, military, industry, education and other social sectors through Technological Transfer (TT) and Technical Cooperation (TC) that will aid knowledge sharing and transfer for the purpose of improving the economy. In view of this, the study examines the implication the Sino-Africa and technological transfer on sustainable development in Nigeria. The study employed the interpretivism philosophy and the qualitative approach was adopted in data collection and analysis. Secondary data were sourced from the United Nations Commodity Trade Statistics (UNCTS) Database, Nigeria National Bureau of Statistics, and the World Trade Organisation (WTO) Statistics database, Foreign Direct Investment (FDI) figures were from the United Nations Conference on Trade and Development (UNCTAD) Database, International Monetary Fund (IMF), and the United Nations Statistics Database (UNdata). Other sources were the International Monetary Fund (IMF) Database, International Financial Statistics (IFS) of the World Bank; publications of Central Bank of Nigeria (CBN) and other agencies of government as well as newspapers and journals. Also, key informant interviews were conducted with Chinese expatriates in Lagos and Ogun State, Nigeria. Data collected were analysed using content analysis method. Findings of the study reveals that there is no clear-cut policy statement on Sino-Africa technological transfer and knowledge sharing; thus, the Nigerian government cannot sufficiently absorb new technology from Chinese multi-national corporations as most of these corporations always come as agents of Foreign Direct Investment (FDI) or contractors. The study concludes that adaptation and implementation of policy on technological transfer cannot promote sustainable development in Nigeria. The study recommends among others that knowledge and technology transfer should form the basis of a regulatory framework of the national FDI policy. Also, there is need for the establishment of training institutes in each State of the federation so as to facilitate technological transfer. In addition, there should be collaboration between the established training institutes and higher institutions of learning so that students can have practical knowledge on advanced equipment, methodologies and technologies that will engender sustainable development in Nigeria within a decade.

Keywords: Foreign Direct Investment, Nigeria, Sino-Africa, sustainable development and technology transfer

Introduction

Nigeria's economic relations with China have evolved from diplomatic relations and engagement to Africa economic destination hub as the nation is currently becoming one of the largest destinations for Chinese Foreign direct investment (FDI), technological transfer, technical cooperation as well as knowledge sharing in Africa (Osaji, 2020). Since the beginning of the Nigeria fourth republic in 1999, the Chinese government have made deliberate efforts to ensure technology transfer to its African partners. Technology transfer is always achieved through inter-state movements of human capital expertise, trade-in-technology and trade-in-products that will lead to contractual agreements of two nations (Xiaoyang & Sun, 2016). It is instructive to note that technology enhances sustainable development as it is critical to industrialization and economic development of any nation. Not only that technology is one of the serious bottlenecks in African industrialisation.

There is no doubt that technology transfer is one of the less studied subjects in China-Africa relations (Williams, 2014). Foreign direct investment is a significant factor for both technology transfer and economic growth in developing countries like Nigeria. Technological advancement has become a major challenge to industrialization in Nigeria and to improve her economy, the Nigerian government had made various efforts at acquiring foreign technology to drive the development processes. The Nigerian government had signed pact with the Chinese government in critical areas such as agriculture, manufacturing, military, industry, education and other social sectors through Technological Transfer (TT) and Technical Cooperation (TC) that will aid cross fertilization of ideas such as knowledge sharing and transfer for the purpose of improving the economy (Vanguard, 2013).

The entry of China into Nigeria's economy as a key financier and development partner has drastically changed the face of the nation infrastructures, technology and Nigeria industrialisation (Umejei, 2019). Cao Baogang disclosed that Nigeria remains the biggest market for their investment with a robust relationship spanning over 30 years. He asserts that the country deserves more than the existing training school and the needs to establish a university that would train and elevate Nigerians in the area of technological expertise should be encouraged as the Chinese government would not relent in training Nigerians at different levels. In his word, he reveals that Nigerians constitute 93% of their workforce which is more than 12,500 local staff in over 100 projects of the corporation across the nation which include the Lagos-Ibadan railway project, Abuja rail mass transit project from the FCT to Kaduna, and the Lekki Free trade zone project, among others (Guardian, 2020).

It is instructive to note that the Chinese companies operating in Nigeria under the aegis of China Chamber of Commerce in Nigeria have indicated willingness to assist in many ways possible to develop human capital in Nigerian in terms of acquisition of relevant skills which would make them competitive in the global market so as to engender the nation to a sustainable development (This Day, 2021). According to Zhuo Kun, a management staff of China Harbour Engineering Company (CHEC), technology transfer has assisted Nigerians to be gainfully employed and to acquire the rightful skills that are required for

National development. As a matter of fact, the first Nigerian female train driver, was trained by the CCECC. Not only that, the company has helped several of its staff through their involvement in several projects to acquire useful skills required for national development (Kun, 2020). Shen (2013) argues that Chinese FDI to Nigeria has grown within the last decade as they serve as the largest single source and fastest-growing FDI in Nigeria. This contribution is evident as Chinese FDI had moved from \$197.42 million in 2011 to \$308.94 million in 2020 (Statista, 2022). According to World Bank (2020) report, many Chinese firms had set up Private Industrial Estates (PIEs) as they have alluded Nigeria as an attractive investment destination based on its large domestic market and growing middle class, as well as its access to neighboring North and West African economies. However, the Chinese government pledged to design policy that can attract Chinese investment which will afford the host government the opportunity to learn from China's own domestic technology considered to be integral part of economic success of its export-led growth strategy, and the growth of its rural areas (Africa News, 2018).

The renewed interest in the knowledge sharing has become crucial as technology transfer engenders economic development and industrialization of every nation, and the unenviable profile of Nigeria in this sphere cannot be unnoticed. Although other factors such as land, labor and capital, equally constitute critical determinants of economic development, technology transfer still maintain a predominant influence (UNCTAD, 2021). Indeed, the income gap between the developed countries and the developing countries is largely attributable to the differences in the technological generation, application and diffusion. In particular, more than 60 per cent of the differences in income levels between Nigeria and the developed countries can be attributed to differences in the stock of knowledge as this is no less an affirmation of a culture of systematic research generation and application, which Nigeria largely lacks (Africa News, 2018). Kun (2020) however noted that the Chinese technology is too advanced for the underdeveloped economy and thus cannot be effectively absorbed and utilized locally. For successful technology transfer to be actualized, the government must initiate policy and take deliberate steps to ensure that conducive environment is created. The insecurity facing Nigeria, especially the Northern part of the country is currently preventing promotion of FDI and also affecting technological transfer. There is no economy that can growth when adequate security cannot be guaranteed (UNIDO, 2020). Furthermore, lack of human capital equipped with both technical and managerial skills for industrialisation, manufacturing and construction that will offshoot the nation to sustainable development. Despite consecutive foreign policies on industrialisation by the Nigerian government to promote technical corporation, technology transfer and cross fertilization of ideas from 1999 till date, the nation economic growth is at the lowest ebb as import substitution still take prominent role in Nigeria economic affairs (Osaji, 2020).

Also, policy somersault has been a serious challenge to FDI, technology transfer and technical cooperation between Nigeria and China. Furthermore, the National Office for Technology Acquisition and Promotion (NOTAP) admits that the initiative to boost the process of effective transfer of technology to Nigeria is very much lacking. NOTAP observes that absence of a realistic policy on technical cooperation and technology transfer coupled with the inadaptability of technologies imported into Nigeria has stifled the nation technological growth which invariably is affecting sustainable development in the country (Africa News, 2018). Hence, the stagnation in the technological innovation and the

resultant failure of Nigeria to catch up in the global technology transfer race has affected the nation's development. It is this observed gap in the body of knowledge which the study intends to investigate so as to be able to articulate and make policy recommendations that will not only engender technology transfer within the framework of the law but equally foster the absorptive capacities of the national receptive infrastructure.

Objective of the Study

Against this backdrop, the main objective of the study is to examine the Sino-Africa and technological transfer with focus on its implication on sustainable development in Nigeria. The study will also analyse the existing government policy and institutional capacity on how it has contributed positively to Nigeria sustainable development.

Methodology

The study examines Sino-African and technological transfer with a focus on its implications for sustainable development in Nigeria. The interpretivism paradigm serves as the study's philosophical foundation. This is due to the qualitative method used, as the data was primarily gathered from secondary sources. An exploratory research design was employed for this study because it was found appropriate because of its flexibility to consider many different aspects of the phenomenon. This research design was used to discover the constitutional framework and the nature guiding technological transfer in Sino-Africa, as well as the role it played in sustainable development in Nigeria. Similarly, newspaper reports and opinions were content analyzed as the study adhered to the qualitative model of social research, which included textbooks, journals, articles, newspapers, and other publications. Multiple secondary sources were used to reduce the risk of error and improve the study's reliability and validity.

Review of Related Literature

For the purpose of the study, the concept adopted is tripod i.e., Technology and Technology Transfer; Sustainable Development and Sino Africa.

Technology and Technology Transfer

There is no single definition of technology due to its diversity and dynamic nature. The UNCTAD defines technology as "systematic knowledge for the manufacture of a product, for the application of a process, or for the rendering of a service" (Singh & Kumar, 2022). The OECD Manual in Yin (2022) defines technology as the state of knowledge regarding ways to turn resources into outputs. Both the OECD and UNCTAD classifications agreed that technology is the organized knowledge required to produce an effect, and this categorization accurately represents the reality of the majority of transfers. Physical elements like machinery, plants, equipment, blueprints, procedures, and processes, as well as informational elements like production, quality control, management, marketing, and skilled labor, make up the two basic components of technology (OECD, 2021; UNCTAD, 2022). The process of exchanging or sharing knowledge, ideas, skills, and technology with another entity, person, or institution, as well as the acquisition of such knowledge, ideas, skills, and technology by the other, is known as technology transfer (Dietterich, 2020).

A transfer can be performed by either the market process (commercial) or the non-market process (non-commercial); there is no set and permanent channel through which it can be

done (Rambe, & Khaola, 2022). Technology transfers are complex processes that aim to achieve certain objectives (Yin, 2022). Nigeria's experience with technology transfer is a reflection of the nation's status as a developing nation. Although the transfer from the West still holds the most sway, Asia is solidifying its positions (Ajibo, Anozie, Onyeabor, Umahi, Odinkonigbo, & Agu, 2019). In Nigeria, the National Office for Technology Acquisition and Promotion (NOTAP) is responsible for the registration of technology transfer agreements. Failure to register contracts and agreements with the transferee, foreign technology transfer clauses could bar the Federal Ministry of Finance, the Central Bank of Nigeria, or any licensed bank in Nigeria from effecting any payment out of the country to the credit of the transferor of the technology (Okonkwo & Yaqoub, 2022).

Sustainable Development

The term "sustainable development" originally appeared in a United Nations study titled: "Our Common Future in 1987", which is now commonly referred to as the Brundtland study. The Brundtland Report of the World Commission on Environment and Development in Alves (2013) defines sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Also, National Sustainable Development Strategy in Wangalwa (2015), argued that sustainable development is a targeted, long-term, comprehensive, and synergistic process that influences life's conditions and all of its facets at all levels, satisfies human, biological, material, spiritual, and social needs and interests, and eliminates or significantly reduces interference that endangers, harms, or destroys conditions and forms of life. It also doesn't burden the nation, conserves resources, and protects the environment.

In the academic literature, sustainable development is defined as the process of improving the quality of human life while living within the carrying capacity of supporting ecosystems (Willers, 1994). Pearce, Atkinson, and Dubourg (1994) define sustainable development in terms of a per capita consumption path that is constant or rising over time. Furthermore, technology transfer for sustainable development, on the other hand, represents a catalytic process for social change that seeks to foster, through education, training, and knowledge transfer, the values, behaviors, and lifestyles required for a sustainable future. It is about the learning needed to maintain and improve our quality of life for generations to come. Sustainable development encourages individuals, communities, groups, businesses, and governments to live and act sustainably, as well as giving them an understanding of the environmental factors, good moral behaviors, and economic issues involved (Ayodele, 2007).

Sino-Africa: Nigeria Perspective

China and Nigeria's current economic partnership is sometimes described as mutually beneficial (Agubamah, 2014). In 2006, China and Nigeria signed the first Memorandum of Understanding on the establishment of an African strategic partnership. As a result of the collaboration, an oil-for-infrastructure agreement was signed, and Chinese companies were given priority access to oil-processing licenses (Ajibo et al, 2019). It is instructive to note that large Chinese loans have resulted from presidential trips. President Jonathan's trip to Beijing in 2013 resulted in a \$3 billion infrastructure loan, including airport expansion in Lagos, Kano, Abuja, and Port Harcourt. Nigeria received a \$6 billion infrastructure loan following President Buhari's visit in 2016 (Okonkwo & Yaqoub, 2022).

More Chinese companies are also establishing themselves in Nigeria. In 2017, 3,321 Chinese companies were in existence in Nigeria, which cut across all sectors of the economy such as oil and gas, construction, trading, telecommunications, and others (Umejei, 2019; Statista, 2022). The number of Chinese companies registered with the investment agency had increased astronomically, though this figure could be much higher (Guardian, 2021). This figure is likely to have increased as a result of China's US\$7.5 billion loan in 2017 for the Lagos-Kano and Lagos-Ibadan railway gauges (Adamu, 2017). After South Africa, Nigeria was the second-highest recipient of FDI in 2019. Between 2010 and 2019, Nigeria was the second-largest importer of Chinese goods after South Africa (Umejei, 2019). Over the same time period, exports to China have consistently ranked among the top five (Tiezzi, 2018).

Sino-Nigeria trade relations have been heavily criticized in the press and in academic writings, as Nigeria currently appears to be relying more on China for critical infrastructure development. Sansui, former governor of the Central Bank of Nigeria, stated in 2013 that "China takes primary goods from us and sells them to us as manufactured goods." According to Agubamah (2014), the Nigeria-China relationship is a lose-lose situation, not a win-win situation, as China claims. In his view, Nigeria is currently being used as a dumping ground for low-cost Chinese imports. The Chinese government, on the other hand, sees its investment in Africa as a "win-win" situation that benefits both China and Africa. At the 2018 Forum on China-Africa Cooperation (FOCAC), China's President Xi Jinping argued that the goal of China-Africa relations is to make "lives better for our people" and that cooperation should benefit both China and Africa (Tiezzi, 2018). The relationship between Chinese investment and economic growth, on the other hand, is a hotly debated topic, and specific areas of engagement, such as natural resource-backed loans, have been heavily criticized (Strange, 2013; Alves, 2013). According to Alves (2013), while resource-for-infrastructure agreements have increased access to hard infrastructure such as roads, dams, and railways, they have done little to aid Africa's economic diversification and transition from resource dependency to resource-based industrialization.

Theoretical Framework

To analyse this paper the dependency theory is considered relevant. Thus, this study is situated within the context of the dependency theory. The Dependency Theory was formulated in the 1950s by Raul Prebisch, who was at the time the Director of United Nation Economic Commission in Latin America. It states that the world is divided into two parts: the core, represented by the developed states, and the periphery, represented by the underdeveloped states. Andre Gunder Frank in Dietterich (2020) describes dependency as largely a problem created by capitalism. In this context, an imbalanced division of labor has been put in place by the developed world. The division of labor creates an exploitative relationship that is favorable to the developed nations, which receive cheap raw materials and agricultural produce from the developing countries (Dietterich, 2020). Even with the proliferation of Chinese firms into the local economy, the impact of China on the local economy is yet to be fully appreciated. There is a marked increase in literature that focuses on China-Nigeria relations and their impact on sustainable development (Yergin & Stanislow, 2002).

China will continue to be a significant part of the Nigerian economy as manifested in the construction of mega infrastructure and the provision of development loans, but little effort has been made to show off technology transfer within the Chinese MNCs into various Nigerian economic sectors which has affected sustainable development.

Government Policies on Technology Transfer and Institutional Capacity in Nigeria

A number of government policies have been formulated on technology transfer and institutional capacity in Nigeria. Some of these are discussed here.

National Technological Development Policy (NTDP): Nigeria is uniquely situated to develop a National Technological Development Policy (NTDP) with a means for measuring performance and stemming underperformance. The policy focuses on science and technology infrastructure development and the accompanying human capital development (Adamu, 2017). It emphasizes two main modes of technological development: the internal mode, which should focus on technological learning and development, and the external mode, which should focus on acquisition, assimilation, use, and adaptation of foreign technology for a functional output in accordance with international best practices (Okonkwo & Yaqoub, 2022). Arguably, a tailored internal and external policy approach to technology transfer by this institution is supposed to engender sustainable development that will promote a more sustained and credible transfer of technical know-how and skill acquisition, with its spillover effects on the economy and citizens (Umejei, 2019).

The government institutions have to rise to the call by formulating sound policies and ensuring that such policies are properly implemented in such a manner that MNCs are able to transfer skills to the citizens of the host nation through industrial attachment and form partnerships with the Chinese firm through a greater investment in education (STEM), skill learning and acquisition, research, and development (Ajibo et al, 2019). This will also incorporate the provision for the government's incentives and support for the firms and institutions that set up research and development in Nigeria. Such firms and institutions could be public research organizations, university research centers, or private firms.

2018 Presidential Executive Order

The federal government recently took a significant step to ensure the application of technology transfer requirements to all sectors in Nigeria through the 2018 Presidential Executive Order entitled 'Planning and Execution of Projects, Promotion of Nigerian Content in Contracts, and Science, Engineering, and Technology'. The Executive Order requires MDAs to promote local content by giving preference to Nigerian companies in the award of contracts, bids, and projects, but if the requisite expertise is lacking, foreign firms must demonstrate a verifiable plan for indigenous capacity prior to award (Ajibo et al, 2019). Additionally, Nigerian companies are to lead in any consultancy services involving joint venture arrangements relating to law, engineering, ICT, architecture, procurement, quantity surveying, and others (Osaji, 2020). The implication is that technology transfer requirements through local content promotion apply to all sectors in Nigeria since there is hardly any sector that does not involve some form of contracting and science, engineering, and technology. The Nigerian Local Content Act, Cabotage Law, and Guidelines for Nigerian Content Development in ICT have all been extended to all sectors in Nigeria (Eke, Ochang, Adimula, Borokini, Akintoye, Oloyede, & Ogundele, 2022).

The Nigerian Local Content Act seeks to promote the utilization of Nigerian content to foster technical capacity and capability of Nigerians, while the Cabotage Law aims to facilitate technology transfer in the maritime sector. Also, the National Information Technology Development Agency (NITDA) has a responsibility to promote the local development of software in Nigeria (Eke et al, 2022). The Guidelines for Nigerian Content Development in ICT aim to achieve the development of local skills, technology transfer, the use of local manpower, and local manufacturing in the ICT sector (Kugler, 2022). Multinational corporations in the class of Original Design Manufacturer (ODM) must provide a local content development plan for the creation of jobs, recruitment of local engineers, human capital development, and value creation for the local ecosystem.

The Local Content Act:

The Local Content Act provides a scope through its elaborate provisions, laws, and regulations that will foster the absorptive capacity of Nigerians, operating not only in the oil and gas sector but in other major sectors of the economy (Okonkwo & Yaqoub, 2022). This Act stipulates that Nigerians are supposed to be given first consideration for employment and training in any project executed by any foreign operator, and the project operator must submit an employment and training plan detailing specific job positions in which Nigerians will be placed. For all projects or contracts in excess of \$100 million (USD), there should be a "labor clause" which mandates the use of a minimum percentage of Nigerian labor in the specific cadres as may be stipulated by the NCMB (Ajibo et al, 2019).

Additionally, the operator must submit to the NCMB a succession plan providing for Nigerians to understudy each incumbent expatriate job position for a maximum period of four years, at the end of which the position shall become Nigerianized (Osaji, 2020). These provisions are targeted at transferring the technical know-how capabilities from the foreign expatriates to Nigerians operating in the various economic sectors. Arguably, it can be said that the weak implementation of the Local Content Act has constituted an impediment to the realization of the inherent goals of technology transfer, which invariably affect the sustainable development of the nation (Fadeyi, Maresova, Stemberkova, Afolayan, & Adeoye, 2019).

National Office for Technology Acquisition and Promotion (NOTAP): The NOTAP is an agency overseeing intellectual property rights (IPR) and technology transfer in Nigeria. It has created Intellectual Property and Technology Transfer Offices and established offices for the transfer of intellectual property and technology in tertiary institutions throughout the nation to help inventors with IPR preparation and filing. A legislative and administrative framework, along with incentives for university academics to share their ideas and breakthroughs, have been found to be beneficial in promoting the commercialization of research outputs. The transfer of inventions from academic institutions to industry constitutes a major driver of economic growth and a catalyst for promoting sustainable living standards (Osaji, 2020). However, there are significant inefficiencies and suboptimal linkages between academic technology generation and transfer to industries in Nigeria, leading to a significant proportion of the technological knowledge generated in academic institutions to remain stagnant or underutilized (Eke et al, 2022).

The NOTAP has attempted to reduce this gap through the establishment of Intellectual Property and Technology Transfer Offices (IPTTOs) in some selected tertiary and research institutions across the country to bridge the existing gap between academia and industry. Less than 60% of academic staff members at universities in Nigeria share their research findings, and commercialization takes a backseat (Ajibo et al, 2019). Despite the fact that many institutions globally are experiencing a research boom, the rate of commercialization of research discoveries is still low in Nigeria. The optimal outcome will depend on the efficiency of the channel of communication between academic institutions and industries, the level of funding available to research institutions, the transparency of the utilization of the research fund by the research institutions, and an effective framework for assessing accountability and applying penalties for breaches (Fadeyi et al, 2019). The NOTAP must maintain an effective institution that engages in monitoring, data collection, and assessment of the performance of this linkage with a view to identifying and correcting anomalies. The quality of research results must be globally competitive and possess commercial value to afford safe reliance on them by the target industries to foster product and service innovation.

Factors Influencing Technology Transfer

The practical methods influencing cross-border technological transfers reflect the options at the disposal of countries desirous of acquiring technology. The transfer may happen at the firm's level through inter-firm collaboration and at the country's level through public sector collaboration between two or more countries (Fadeyi et al, 2019). FDI is critical in the transfer debate and essentially constitutes the touchstone of the other methods of transfer. There are various factors that necessitate technology transfer in the international arena. For instance, technology transfer occurs through the international technology market, independent merchants, joint ventures, government initiatives and exchanges involving both public and private business stakeholders, the publication of technological information through training and educational programs, and also through imitation and reverse engineering (Rambe & Khaola, 2022). All these factors contribute to the technology transfer policy in an international environment as they are discussed below:

Joint venture

Joint ventures, like performance requirements, can be driven by either the FDI policy or the non-FDI policy. They involve the joint pooling of assets, servicing, management, finance, profit, risk, production, and marketing to achieve a common purpose or objective (Ajibo et al., 2019). In the view of Kugler (2022), technology can be transferred in a joint venture arrangement through liaisons, technical training, and operational support. The recipient country acquires skill and know-how in the processes of plant design and installation, acquisition of spare parts as well as raw materials, the production processes, maintenance processes, and marketing processes (Eke et al., 2022). Joint venture arrangements constitute a prominent feature of the oil and gas industry in Nigeria. The government resorts to joint ventures as a contractual policy to engender technological spillovers that foster capacity building (Osaji, 2020). Although a joint venture may have a peculiar constraint of cash call, it is important to keep providing support to joint venture arrangements based on the peculiar advantage of knowledge spillovers to the indigenous workforce (Ajibo et al., 2019). A joint venture is similar to a public-private partnership

agreement (PPPA) since both of them involve the joint partnership, though they differ in functionality and legal specifications (Umejei, 2019).

Public-Private Partnership Agreement (PPPA)

Public-private partnerships (PPP) offer a path for the consolidation of the efficiency and innovation of private firms with the flexibility of public sector organisations to deliver effective services (Ajibo et al., 2019). The partnerships could be in any area of specialization. A typical instance of such a partnership is the lighten-up African project involving China, 10 African countries, and the UNIDO to provide power to rural Africa (Chorev, 2023). Equally important, the United States Agency for International Development (USAID) supports the activities of the US-Asia Environmental Partnership (US-AEP). The US-AEP matches potential Asian customers with American business enterprises. So far, the US-AEP has attended to over 5000 requests from Asia, matched more than 700 Asian stakeholders, and accounted for a successful transfer of technologies worth over US\$1.4 billion (UNCTAD, 2021). The PPPA has many variants, but the dominant one in Nigeria is the concession arrangement. This partly explains the establishment of the Infrastructure Concession Regulatory Commission of Nigeria (ICRC). Increasingly, Nigeria is relying on the PPPA to foster technical capacity, with the latest being the \$5.8 billion Mambilla electric project in Northeast Nigeria, awarded to a consortium of three Chinese companies and expected to be completed in 2023 (UNCTAD, 2022). The expectation is that the public sector workers, together with their affiliates, will gain technical expertise through such PPPA in the processes of training, plant construction, installation, management, and overall experiential acquisition (Chorev, 2023).

Licensing Agreements

Apart from the PPPA, technology can be licensed to the technology seeker. Licensing encompasses a broad spectrum of permissions granted for the use of technology, trademarks, and patents. It includes: (1) the knowhow license, which is usually classified information and therefore not accessible to a non-party to the licensing agreement; (2) the patent license, which is used for a specific purpose such as health-related initiatives; and (3) the technical assistance agreement, which is usually tailored for the provision and supply of scientific and technological assistance and training (Ajibo et al., 2019). Others include the trademark license and the software license, tailored to suit the requirements of the parties. License contracts usually ‘involve the purchase of production or distribution rights and the underlying technical information and knowhow’ (Chorev, 2023). The general determinants of licensing decisions are related to those pertaining to FDI, particularly the size of the market, transparency, and stability (Osaji, 2020). Eke et al. (2022) stated that licensing offers two unique advantages for both the transferor (licensor) and the transferee (licensee). Apart from providing an avenue for negotiation, it provides a relevant framework for flexibility in the technology choice for the licensee and an opportunity for the licensor to be remunerated for the transfer on palatable terms. The additional factor relevant to the licensing arrangement is the confidence of the licensor firms that the proprietary technology licensed will not leak into the host economy either through the defection of personnel or copying. If this is to be expected, the foreign firms may prefer FDI, may not engage in licensing at all, or may transfer lagging technologies (Fadeyi et al., 2019).

By and large, all licensing contracts or agreements for the transfer of technology to Nigeria are registrable if their purpose or intent is, in the opinion of the NOTAP, wholly or partially related to any of the following: (1) the use of trademarks; (2) the right to use patented inventions; (3) the supply of technical expertise in the form of the preparation of plans, diagrams, operating manuals, or any other form of technical assistance of any description whatsoever; (4) the supply of basic or detailed engineering; (5) the supply of machinery and plant; and (6) the provision of operating staff or managerial assistance and the training of personnel (Ajibo et al., 2019). However, registration would be declined if the terms and conditions contained restrictive business practices and anti-competitive provisions, except as the national interest otherwise requires (Osaji, 2020). Arguably, the NOTAP needs to step up its monitoring responsibility. This would enable the agency to determine if the objective that underlines licensing is being realized and, if not, the area that requires retooling (NOTAP, 2022).

Other methods of transfer

Technology transfer can also be facilitated through the international trade as it can be accomplished in two principal ways. First, when there are imported products that are technologically superior to the locally produced products, then there is an opportunity for the adaptation by the local firms, to suit the local circumstances (Eke et al, 2022). However, this is generally done with the consent or in partnership with the technological owner. Secondly, the importation of various kinds of capital equipment or business services may foster process innovation and technical change in production by the indigenous firms (Chorev, 2023). Apart from trade, transfer can be accomplished through turnkey packages. In this approach, the transferor provides machinery and undertakes the building, provision of management expertise, and production plans. The recipient merely takes control and operates the structure (Umejei, 2019). In the process, technical know-how is transferred to indigenous firms and the local workforce through training and experience (Ajibo et al, 2019). Also, the management contract forms another method of transfer. This involves the foreign experts working in conjunction with the local workforce to manage machine operations, production processes, technical standards and other arrangements, leading to experiential spillovers, in addition to training of local workforce. Other methods of transfer include: a cooperative agreement with the international agencies; a technical assistance offered by the developed country; international alliances; and a venture capital arrangement. Nevertheless, technology remains a proprietary knowledge, which makes the transfer subject to certain constraints (Osaji, 2020).

Challenges on Technology Transfer in Nigeria

A number of factors have been identified as challenges facing technological transfer in Nigeria and these has hindered development in Nigeria.

Insecurity and Erratic Power Supply

The issue of insecurity, epileptic power supply, and safety in Nigeria has become worrisome and something of grave concern to all investors that are intending to invest in Nigeria as well as well-meaning citizens, most of whom continue to wonder how the country arrived at such a dastardly situation; and worse still, rather than abate, the problem is escalating and now totally out of control. These bipolar issues in Nigeria are a recurring

phenomenon that threatens the nation's sustainable development. Despite the many factors that make investment in Nigeria attractive, Chinese interviewees consistently identified poor power supply, corruption, and concerns about personal safety as major concerns when considering investing in Nigeria. The establishment of Ogun Free Trade Zone (FTZ) was also motivated by security concerns, as the Chinese firms are ready to generate their electricity. The original plans were to set up the FTZ in Imo State, in the south-east, but the insecurity and high operating risks that the region is currently experiencing made the investors relocate to Ogun State, as can be seen in Igbesa, Itori, Sagamu, and among others. In addition, concerns about kidnapping, sit-at-home orders, and personal safety have been significant factors, which is why many Chinese businesses choose to locate in Southwest Zones (SWZs). Entrepreneurs in Ogun also identified safety as a major concern for choosing that particular FTZ, as the region was perceived as safer than the area around Southeast Zones (SEZs).

Absorptive capacity and innovation capability

The development of a dynamic and competitive economy requires massive investment in the building of capacities and capabilities in the production, engineering, design, procurement, marketing and so on. The acquisition of these capacities and capabilities engenders the indigenous skill reservoirs. Absorptive capacity is critical in any viable transfer arrangement, given the necessity for the technological recipient to effectively absorb, efficiently utilize and successfully apply or adapt the received technology. Indeed, it has been discovered that one of the greatest challenges encountered in the technology transfer arrangement is the issue of absorptive capacity of the recipient. Unfortunately, a number of developing countries like Nigeria generally lack sufficient skill and know-how reservoirs to absorb, utilize and adapt foreign technology for optimal performance.

Negative Impacts of Chinese Investment

While many Nigerian respondents interviewed were generally positive about their economic and technical relationships with Chinese partners, some also expressed frustration at several instances of what they perceived as abusive business practices, including corruption and illegal smuggling activities on the part of Chinese firms. More so, some expressed anger of the highhandedness of the Chinese practices which includes, product imitation and duplication. The CEO of a Nnewi company described how the Chinese company he formed a technical partnership with had sold him products that were duplicates, using his company's own design specifications, as well as copies of German companies' goods. "They cheat us a lot! Most of the steel rims they sold to us, were either not enough as quoted in the bill of supply or of low quality," he noted. "It's terrible. I lost a lot of money and decided never to partner with the Chinese again."

Foreign Direct Investment (FDI):

Foreign direct investment is a medium for technology transfer, as countries can condition access to their internal markets on it. Transnational corporations dominate cross-border investment due to their investment in research and development as well as proprietary interest in the know-how generated (Chang, 2022). China's FDI policy hinges access to its market on a compulsory joint venture and foreign firm's establishment of research and development in the country (Kugler, 2022). Singapore's FDI policy reflects industrial

policy that targets and attracts transnational corporations, coupled with the development of indigenous skills, strengthening institutions, and specialized infrastructure, has enabled Singapore to become increasingly competitive on the global technological growth ladder (Chorev, 2023). In addition, Nigeria's FDI law and policy linkage with effective technology transfer is somewhat nuanced. The Nigerian Investment Promotion Commission (NIPC) is responsible for promoting, coordinating, and regulating inward investment in Nigeria, but nothing in the NIPC Act indicates the imperative for a transfer through the medium of FDI. The Nigerian Oil and Gas Industry Content Development Act of 2010 requires foreign enterprises operating in the oil and gas sector to ensure capacity building and utilization, as well as encourage the establishment of R&D in Nigeria, but the outcomes have been negligible due to the NCMB's predisposition to oftentimes turn a blind eye to non-compliance (Adamu, 2017). A pragmatic policy that integrates doing business in Nigeria with a realistic technology transfer responsibility and operationalizes the implementation is necessary. This integration should factor in both the linkages in the realm of FDI and the other methods of transfer, including the performance requirement (Ajibo et al, 2019).

Foreign Direct Investment, Sino-Africa, Technology Transfer and Sustainable Development in Nigeria

There is no doubt that the Chinese FDI has brought much-needed investment and infrastructure development to Nigeria, however, there have been concerns about the lack of technology transfer from Chinese companies to their Nigerian counterparts, as well as the environmental impact of some Chinese-funded projects in Nigeria (King, 2013). One of the most significant impacts of Chinese FDI in Nigeria has been in the area of infrastructure development. Chinese companies have invested heavily in roads, railways, power plants, and other infrastructure projects in Nigeria (Ibonye, 2022). This has helped to improve the country's infrastructure and boost economic growth. For example, the Chinese-built Abuja-Kaduna railway which has helped to reduce travel time between the two cities from 12 hours to just 3 hours.

Thus, it is appropriate to argue that there have been both positive and negative impact of Chinese FDI in Nigeria. Therefore, it is important to carefully consider all of the potential impact of Chinese FDI in order to maximize the benefits and minimize the risks. For instance, the Chinese FDI has had a positive impact on employment in Nigeria (Osaji, 2020). Chinese companies have created jobs for thousands of Nigerians, both directly and indirectly. For example, the Chinese-owned company employs over 10,000 people in Nigeria. However, there have also been concerns about the lack of technology transfer from Chinese companies to their Nigerian counterparts. Chinese companies often bring their own workers and equipment to Nigeria, and they do not always share their technology with Nigerian partners (Ajibo et al, 2019). This can hinder the development of Nigeria's own technological capabilities. Another concern is the environmental impact of some Chinese-funded projects. For instance, the Chinese-built Ogoni clean-up project has been criticized for its slow pace and lack of transparency.

In addition to the above, there are a number of other factors that need to be considered when assessing the impact of FDI, Sino-Africa, technology transfer and sustainable development in Nigeria (Ibonye, 2022). These factors include the quality of the Chinese FDI. Some Chinese companies are more willing to transfer technology and share their expertise than others. Hence, Nigerian government needs to have the capacity to effectively

regulate Chinese FDI and ensure that it is used in a way that benefits the country (King, 2013). The Nigeria political complexity and economic stability is well considering as the nation is relatively large and diverse. Political instability and economic uncertainty can make it difficult to attract and manage FDI (Osaji, 2020). Despite the challenges, there is potential for FDI, technology transfer and sustainable development in Nigeria through Sino-Africa economic relations. Considering all of the potential impact, there is no doubt that Nigeria can maximize the benefits of Chinese FDI and minimize the risks.

Nexus of Sino-Africa, Technology Transfer and Sustainable Development in Nigeria: Issues, Challenges and Prospects

The nexus among Sino-Africa, technology transfer and sustainable development in Nigeria is a complex and multifaceted issue. China has been a major source of investment and technology transfer to Nigeria, helping to improve the country's infrastructure and economic development. However, some critics have argued that China's investments have come at a cost to the environment and sustainable development in Nigeria (Ibonye, 2022). According to Akobundu (2019), China has contributed significantly to technology transfer in Nigeria through the Belt and Road Initiative (BRI). The BRI is a massive infrastructure investment programme that has been launched by China with the goal of connecting Asia, Africa, and Europe. As part of the BRI, China has invested in a number of major infrastructure projects in Nigeria, including roads, railways, airports, and power plants. These investments have helped to improve Nigeria's infrastructure and have also created jobs and boosted the economy.

In addition to infrastructure, China has also been a major source of technology transfer in Nigeria in the areas of agriculture, manufacturing, and healthcare (See Appendix I). For instance, China has helped to develop Nigeria's agricultural sector by providing training and equipment to farmers. China has also invested in manufacturing plants in Nigeria, which has created jobs and helped to boost the country's economy. In the area of healthcare, China has provided Nigeria with medical equipment and training, which has helped to improve the quality of healthcare in the country (Ibonye, 2022). However, some critics have argued that China's investments in Nigeria have come at a cost to the environment and sustainable development. For example, some critics have argued that China's investments in infrastructure have led to environmental degradation, such as deforestation and pollution (see Appendix II). Others have argued that China's investments in manufacturing have led to the exploitation of Nigeria's natural resources. Despite these criticisms, there is no doubt that China has played a significant role in technology transfer in Nigeria. China's investments have helped to improve Nigeria's infrastructure and economy, and they have also created jobs and boosted the country's technological capabilities.

Besides, it is important to be aware of the potential environmental and sustainable development impacts of China's investments in Nigeria. In order to ensure that China's investments in Nigeria are sustainable, it is important for both countries to work together to mitigate the environmental and social impacts of these investments (King, 2013). This could involve developing environmental impact assessments for major projects, ensuring that local communities are consulted and involved in the planning and implementation of projects, and investing in sustainable development initiatives. By working together, China

and Nigeria can ensure that China's investments contribute to sustainable development in Nigeria (Akobundu, 2019).

Conclusion and Recommendations

The paper has shown that overseas expansion of Chinese enterprises is an increasingly salient trend, adding another layer to an already complex Sino-African economic relationship. Chinese development finance and large state-owned enterprises have made major contributions to Nigeria's sustainable development in relation to infrastructure and growth, but private businesses have a significant impact on economic development via technical training, knowledge transfer, and technology transfer. The paper observes that Chinese firms can contribute to sustainable development, industrialization and the economic transformation of the country through promotion of technology transfer, technical cooperation, and spillovers. It concludes that adaptation and implementation of policies on technological transfer cannot promote sustainable development in Nigeria until there is a clear-cut policy on technological transfer and technical cooperation by the Nigerian government. The paper recommends among others that technology and knowledge transfer should form a basis of a regulatory framework of the Nigeria FDI policy. Also, there is need for the establishment of training institutes in each State of the federation for the purpose of technological transfer. In addition, there should be collaboration between the established training institutes and higher institutions of learning for students to have practical knowledge on advanced equipment, methodologies and technologies that will engender sustainable development in Nigeria within a decade.

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AN ASSESSMENT OF CONTROL OF CORRUPTION AS A DRIVER OF ECONOMIC GROWTH IN NIGERIA

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Abstract: This research investigated the influence of control of corruption on the economic growth of Nigeria spanning from 1996 to 2022. The Autoregressive Regressive Distributed Lagged Model was employed for data analysis. The study found that control of corruption has weak positive influence on economic growth in Nigeria in the long run but a strong negative influence on economic growth in the short-run. The dual nature of the influence of corruption control on economic growth in Nigeria—weakly positive in the long run and strongly negative in the short run—can be rationalized by considering the gradual nature of institutional change. The study recommends the empowering of anti-corruption agencies like the Independent Corrupt Practices Commission (ICPC) and enforcing strict sanctions to influence cultural and moral change, while creating additional agencies, promoting transparent leaders, and fostering public discourse.

Keywords: Consumption, corruption, economic growth, government expenditure, investment

JEL Classification: D73, O47

Introduction

Corruption manifest in various forms and functions across different contexts. It spans from the overarching concepts of "misuse of public power" and "moral decay" to precise legal

definitions, such as bribery involving a public servant and the transfer of tangible resources (Andvig et al., 2000). For simplification, it can be perceived as the exploitation of public office for private gain or the misuse of entrusted power (World Bank, 2012; Transparency International, 2013). A global predicament, corruption's pervasive influence extends across all countries, with no nation entirely immune to its grasp (Chimakonam, 2011). Recognized as a structural issue rooted in political, economic, cultural, and individual malaise (Akor, 2014), its impact resonates worldwide, particularly affecting developing countries (Nageri et al., 2013). Not confined to specific political or economic systems, corruption infiltrates democratic and dictatorial societies, as well as feudal, capitalist, and socialist economies. Moreover, it permeates various cultures, including Christian, Muslim, Hindu, and Buddhist traditions (Dike, 2005). The presence of corruption is evident in both public and private sectors, spanning profit and nonprofit entities, as well as charitable organizations. While it prevails in both developing and developed nations, its prevalence is notably higher in developing countries, marking it as a symptom of a poorly functioning nation.

Despite its global nature, corruption remains a recurrent issue in the Nigerian discourse, posing a significant obstacle to businesses encountering bribery and corrupt practices. Consequently, corruption hampers economic growth, impacting business operations, employment, and investments (Sumah, 2018). Beyond hindering economic development in terms of efficiency and growth, corruption contributes to the unequal distribution of resources, escalating income disparities, undermining social welfare programs, and diminishing effective demand within an economy. These repercussions culminate in reduced levels of investment, trade flows, government effectiveness, and overall human development, potentially impeding long-term sustainable development (Transparency International, 2014).

Several channels through which corruption influences economic growth have been identified by scholars (Mauro, 1995; Tanzi, 1997; Gupta et al., 2002; Gyimah-Brempong, 2002). These channels include the distortion of incentives and market forces, misallocation of resources, diversion of talent toward rent-seeking activities, inefficient taxation on businesses, decreased investment profitability, and diminished productivity of investments, leading to inefficiencies and resource waste (Transparency International, 2014). Despite being a priority for every nation, economic growth in Nigeria has faced challenges, particularly in relation to corruption. Over the last four decades, Nigeria's macroeconomic performance has been inconsistent, marked by periods of negative growth and economic decline. Corruption has been identified as a significant factor contributing to this economic instability, with negative effects on the country's growth (Makar, et al, 2022; Ngutsav, 2018; Asom & Ijirshar, 2017; Ajie & Gbenga, 2015; Nageri et al., 2013; Adewale, 2011). The consequences of corruption on Nigeria's economic growth are deemed alarming, impacting the entire economic system and perpetuating challenges such as poverty, unemployment, insecurity, and high inequality gaps. Despite arguments that corruption may grease the wheels of economic growth (Aidt, 2009; Leff, 1964; Huntington, 1968; Summers, 1977; Lui, 1985), the need for empirical verification of the economic growth effects of corruption in Nigeria is undeniable. Considering the empirical evidence gaps and the lingering economic challenges faced by Nigeria, this study examines how control of corruption drives economic growth in Nigeria from 1996 to 2022. The significance of the study lies in understanding of the role of corruption in the economic trajectory, offering

valuable insights for policymakers, researchers, and stakeholders engaged in efforts to foster sustainable development in Nigeria.

Literature review

Theoretical Review

This study used several theories, each shedding light on different facets of corruption and its impact on economic growth. The theories under scrutiny encompass principal-agent theory, revisionist theory, beneficial grease theory, rent-seeking theory, and policy-oriented theory. The Principal-agent theory explicates corruption through the lens of the relationship between a principal, assigning tasks, and an agent, tasked with execution. Asymmetric information poses a challenge when the agent misguides the principal's interests for personal gain, creating a breeding ground for corruption (Becker & Stigler, 1974; Persson et al., 2013). The revisionist theory contends that corruption is intrinsic to developing countries, ingrained in social norms, traditions, and practices. This perspective emphasizes the inevitability of corruption during certain developmental stages and its potential contributions to modernization (Kyarem, 2015; Bayley, 1966).

Contrary to the earlier views stated above, the beneficial grease theory, also termed "virtuous bribery," posits that corruption can positively contribute to economic and political growth. It views corruption, particularly bribes, as a lubricant overcoming bureaucratic obstacles to efficiency, potentially speeding up economic wheels (Wei, 1998; Merton, 1958; Myrdal, 1968; Leff, 1964). But the rent-seeking theory argues that excessive government interference fosters opportunities for rent-seeking, where public officials with monopolies on products or services exploit their positions. Rent-seeking hampers creative activities, slowing technological growth and potentially impeding overall economic development (Klitgaard, 1988; Shleifer & Vishny, 1993; Tullock, 1967; Krueger, 1974). In a bid to control corruption, the policy-oriented theory emphasizes the role of policies in shaping corruption levels and their subsequent impact on economic growth. The theory states that effective policies are seen as crucial in mitigating corruption's negative effects and fostering sustainable economic development. By leveraging these theories, the study aims to unravel the dynamics of corruption in Nigeria from 1996 to 2022. Through empirical analysis, it seeks to contribute to the understanding of how corruption, influenced by diverse theories, shapes the economic trajectory of the nation. This investigation is pivotal for policymakers, researchers, and stakeholders striving to devise effective strategies for promoting sustainable economic development in Nigeria.

Empirical Review

Several panel studies have examined relationship between corruption and economic growth. Hoinaru et al. (2020) explored this nexus across 185 countries from 2005 to 2015, revealing a negative association between corruption, the shadow economy, and economic/sustainable growth. Sharma and Mitra (2019) extended the analysis from 1996 to 2015, employing dynamic panel data models to address endogeneity concerns and supporting the 'sand the wheels' theory, especially for lower-income countries. Tidiane (2019) focused on the Economic and Monetary Union of West Africa (WAEMU) countries between 2001 and 2014, employing the Panel Vector Auto Regressive (VAR) model, uncovering that corruption reduces public expenditure ratios, negatively impacting economic growth in WAEMU nations.

Gründler and Potrafke (2019) broadened the scope from 2012 to 2018, assessing corruption's cumulative long-run effect on growth across 175 countries. Their study, utilizing fixed and random effect regression models, highlighted a substantial decrease in real per capita GDP due to corruption. Saha and Sen (2019) assessed the role of political institutions in mediating the corruption-growth relationship from 1984 to 2016 across 100 countries. Employing two-stage least square and dynamic panel-system-GMM methods, they found varying corruption-growth dynamics based on political institutions, with corruption potentially enhancing growth more in autocracies than democracies. Vieira (2018) utilized unbalanced panel data spanning 174 countries and 23 years (1995 to 2017), employing bootstrapping techniques to estimate the negative impact of corruption on growth. Thach, Duong, and Oanh (2017) focused on Asian countries from 2004 to 2015, utilizing DGMM data processing and quantile regression. Their findings indicated corruption as a hindrance to economic development in these Asian nations.

Fraj and Lachhab (2015) directed attention to developing countries, analyzing panel data for 26 nations from 1996 to 2013. Their study, utilizing fixed and random effects, underscored corruption's detrimental effect on human capital accumulation, posing a threat to economic growth. Bounoua and Matallah (2014) explored corruption's impact on economic growth in Algeria from 1995 to 2011, employing the Johansen cointegration test and VECM. Their findings highlighted the positive long-term effects of both 'freedom from corruption' and 'control of corruption' on enhancing economic growth in Algeria. Wright and Craigwell (2013) examined the causal relationship between economic growth and corruption in 42 developing countries from 1998 to 2009. Their use of linear and nonlinear panel methods revealed corruption's Granger-causing effect on economic growth. Amin, Ahmed, and Zaman (2013) scrutinized the relationship between corruption and economic growth in Pakistan from 1985 to 2010. Their multiple regression analysis demonstrated a negative impact of corruption on per capita income in Pakistan.

Alfada (2019) applied a nonlinear approach to measure corruption's impact on economic growth in Indonesia from 2004 to 2015, using the instrumental variable two-stage least squares estimator. The study revealed a growth-deteriorating effect of corruption, especially in provinces with corruption levels exceeding a certain threshold. Dwiputri, Pradiptyo, and Arsyad (2019) investigated corruption's impact on growth in Asian countries from 2000 to 2015, finding that corruption could reduce the share of capital in GDP, particularly in countries with weak institutional systems.

Contrary to some scholars, Cabaravdic and Nilsson (2017) supported corruption as a potential greaser for economic growth. Their linear panel data regression model in Southern Europe indicated a positive effect of corruption on the real GDP per capita of 14 countries. Nyagwui (2017) explored the causal relationship between corruption and economic growth in 28 developing countries from 2002 to 2016, finding a positive correlation between corruption and economic growth, while the rule of law exhibited a negative correlation. Bai, Jayachandran, Malesky, and Olken (2013) empirically tested the relationship between growth and corruption in Vietnam, using cross-industry heterogeneity in growth rates. Their findings suggested that firm growth led to a decrease in bribe extraction, hinting at a positive feedback loop between economic growth and good institutions.

Turning attention to Nigeria, Ngutsav (2018) investigated the effects of corruption and government spending on economic development using annual data from 1981 to 2015.

Their analysis, employing the vector error correction technique, revealed a negative impact of corruption on economic growth. Asom and Ijirshar (2017) focused on Nigeria from 1999 to 2015, using ordinary least squares to analyze the effect of corruption on economic growth and cultural values. Their study indicated a negative influence of corruption on Nigeria's economic growth. Enofe, Oriaifoh, Akolo, and Oriaifoh (2016) discussed corruption and economic growth in Nigeria, drawing from both public and private sectors. Using nonparametric statistical methodology on a sample of 100 participants, the study revealed pervasive corruption in the Nigerian economy.

Hjertstedt and Cetina (2016) compared corruption's outcomes on economic growth in Sub-Saharan Africa and Southeast Asia from 1996 to 2015. Through the lens of principal-agent theory, their findings suggested that corruption has no direct effect on economic growth, with socioeconomic indicators playing a crucial role. Shuaib, Ekeria, and Ogedengbe (2016) investigated the effect of corruption on the growth of the Nigerian economy using time series data from 1960 to 2012. Their cointegration analysis and error correction mechanism indicated an inverse relationship between bribery and economic growth. Nageri, Umar, and Abdul (2013) analyzed corruption's impact on economic growth in Nigeria from 1996 to 2012, employing ordinary least squares and finding a major adverse effect of corruption.

Ajie and Gbenga (2015) explored the relationship between corruption and economic growth in Nigeria from 1996 to 2013, revealing a negative association between economic growth and the degree of corruption. Nwankwo (2014) used Granger causality and ordinary least squares to investigate corruption's significant negative impact on economic growth in Nigeria from 1997 to 2010. Rotimi et al. (2013) investigated the correlation between corruption and economic growth in Nigeria spanning from 1994 to 2005. Utilizing the ordinary least squares (OLS) method, the study aimed to discern the connection between corruption and the growth of the economy. Employing the Granger causality method, the research sought to gauge the causal relationship between corruption and the gross domestic product (GDP). The findings indicated that corruption hampers and adversely affects economic growth.

Methodology

Model Specification

This research is grounded in various corruption theories, including principal-agent theory, moralist theory, revisionist theory, cultural and customary activity theory, Marxian theory of corruption, beneficial grease theory, and rent-seeking theory, along with the four-sector Keynesian model. Thus, adopting the model by Makar, et al (2023), the model is stated as:

$$RGDPC = f(CP, HHC, DIV, FDI, GSP, TB) \quad (1)$$

RGDPC= real Gross Domestic Product per Capita, CP= Control of Corruption, HHC= Household consumption, GSP= Government spending, LTB= Trade Balance, FDI= Foreign Direct Investment, and DIV= Domestic Capital investment. Converting the above equation to a probabilistic mathematical form and applying a semi-transformation by taking natural logarithm (ln), we have

$$\ln RGDP = \beta_0 + \beta_1 CP + \beta_2 \ln HHC + \beta_3 \ln DIV + \beta_4 \ln FDI + \beta_5 \ln GSP + \beta_6 \ln TB + \mu_t \quad (2)$$

where: β_0 is the intercept, $\beta_1 - \beta_6$ are the parameters to be estimated, μ_t is the error term, and \ln represents the natural logarithm.

Data and Variable Description

This research utilized secondary data from 1996 to 2022 for the pertinent variables. Data on Economic growth data (represented by real GDP per capita) were obtained from world development indicators of the World Bank. Real GDP per capita is measured as a naira value of the economic output of a country per person, adjusted for inflation. A higher real GDP per capita generally suggests a higher standard of living, and overall economic performance. Control for corruption measures perceptions of the extent to which public power is exercised for private gain. It is an index that ranges from -2.5 to +2.5 with a positive value (closer to +2.5) suggesting a perception that corruption is well controlled and vice versa. Data on control of corruption were sourced from World Governance indicators of the World Bank. Household consumption is measured as the naira value of total expenditures made by households on goods and services to satisfy their needs and wants, indicating the overall demand for goods and services within the Nigerian economy. Data on household consumption were obtained from the World Development Indicators of the World Bank. Foreign direct investment represents the naira value of net investment made by foreign entities (individuals, corporate bodies, or government) into the Nigerian economy. Data on foreign direct investment were also sourced from World Development Indicators of the World Bank. Domestic capital investment is a measure of the naira value of investment made on capital projects, businesses, or initiatives that contribute to the development and growth of the domestic (Nigeria) economy. Data on domestic capital investment were sourced from World Development Indicators of the World Bank. Government spending is the total expenditure made by the Nigerian government at to fund public goods and services, implement policies, and carry out governmental functions. Data on government spending were obtained were obtained from World Bank Statistics. Trade balance is an indicator that measures the difference between Nigerian exports and imports of goods and services. A higher trade balance (trade surplus) suggests that Nigeria is successful in selling more goods and services to other nations than it is buying, indicating competitiveness and efficiency in production and vice versa. Data on trade balance were obtained were obtained from Central Bank of Nigeria Statistical Bulletin.

Method of Data Analysis

This study employed econometric techniques for data analysis. The Augmented Dickey Fuller (ADF) test was conducted to examine the stationary properties of the data set. The Bound test was used to verify the long-run relationship among the study variables whereas the ARDL model was used to estimate for the long run and short-run coefficients of the variables. The adoption of ARDL technique is due to its flexible nature and the fact that it can be used either when variables are stationary at first difference or there is mixed order of integration. To mitigate the risk of spurious estimates, the study employed the Jarque-Bera test to assess whether the data sets, estimates, and residuals align well with a normal

distribution. The ARDL residuals serial correlation LM test was utilized to identify potential evidence of serial correlation at d-lag. Additionally, the ARDL residuals normality test gauged the normal distribution of the residuals, and the ARDL residuals heteroscedasticity tests scrutinized the presence or absence of heteroscedasticity in the model.

Results and discussion

Descriptive Statistics

The descriptive statistics extracted from Table 1, encompassing data spanning the years 1996 to 2022, provide insights into various economic indicators used in the study. Real gross domestic product per capita (representing economic growth), control of corruption, household consumption, domestic investment, foreign direct investment, government spending, and trade balance exhibit average values of approximately ₦49,265.56 billion, -1.178, ₦32,295.62 billion, ₦9,038.14 billion, ₦579.2 billion, ₦5,653.15 billion, and ₦1,589.12 billion, respectively. Notably, the control of corruption manifests an average negative value of -1.178, signaling weak institutional control over corruption in Nigeria during the specified period.

Table 1 Descriptive Statistics of Variable

| | GDPG (₦'T) | CP | HHC (₦'B) | DIV (₦'B) | FDI (₦'B) | GSP (₦'B) | TB (₦'B) |
|--------------|---------------|-----------|--------------|--------------|--------------|--------------|-------------|
| Mean | 49265.56 | -1.178397 | 32295.62 | 9038.135 | 579.1990 | 5653.146 | 1589.123 |
| Median | 50042.36 | -1.160613 | 35323.70 | 8996.914 | 654.0788 | 3452.991 | 1007.651 |
| Maximum | 74639.47 | -0.900949 | 52453.03 | 11445.86 | 1360.308 | 24431.21 | 5822.589 |
| Minimum | 22568.87 | -1.502068 | 12871.47 | 6860.444 | -79.56968 | 337.2176 | -7905.599 |
| Std. Dev. | 18749.75 | 0.136475 | 11855.73 | 1220.319 | 441.7774 | 6581.404 | 3118.788 |
| Skewness | -0.125774 | -0.628794 | -0.279890 | 0.114961 | 0.124284 | 1.590257 | -1.014720 |
| Kurtosis | 1.455858 | 3.101285 | 1.983130 | 1.984162 | 1.845735 | 4.380667 | 4.348233 |
| Jarque-Bera | 2.753606 | 1.790761 | 1.515799 | 1.220390 | 1.568378 | 13.52464 | 6.678400 |
| Probability | 0.252384 | 0.408452 | 0.468650 | 0.543245 | 0.456490 | 0.001157 | 0.035465 |
| Observations | 27 | 27 | 27 | 27 | 27 | 27 | 27 |

Source: Extractions from E-views Output. Note: ₦'B =Billions Naira

The corresponding minimum values for these variables occurred in various years: ₦22,568.87 billion in 1996 for real gross domestic product, -1.502 in 2002 for control of corruption, ₦12,871.47 billion in 1999 for household consumption expenditure, ₦6,860.44 billion in 2001 for domestic investment, ₦-79.57 billion in 2022 for foreign direct investment, ₦337.22 billion for government spending in 1996, and ₦-7,905.6 billion in 2020 for trade balance. Further examination reveals that the real GDP per capita peaked at ₦74,639.47 billion in 2022, attributed to significant growth in key sectors such as technology, banking and finance, manufacturing, and energy.

Additionally, the control of corruption index reached its highest negative value of -0.9 in 2008, indicating a notable prevalence of corruption throughout the study period, as evidenced by consistently negative values in the dataset. An analysis of the data suggests a negatively skewed distribution for real gross domestic product per capita, control of

corruption, household consumption, and trade balance, indicating a propensity toward smaller values. Conversely, domestic investment, foreign direct investment, and government spending exhibit positively skewed distributions, leaning towards larger values. Kurtosis values, describing the shape of the distribution, generally fall below 3, suggesting a platykurtic (flat) shape for most variables, except for control of corruption government spending, and trade balance. The result of kurtosis for control of corruption exhibit mesokurtic (approximately normal), while the result of kurtosis for government spending and trade balance exhibit leptokurtic (peaked) shape. The Jarque-Bera statistics, employed to assess normality, reveal that real Gross Domestic Product per capita, control of corruption, household consumption, domestic investment, foreign direct investment, and government spending are normally distributed, as their probability values exceed 0.05 (5%). In contrast, government spending and trade balance deviate from normal distribution, with a probability value falling below 0.05.

Result of Unit Root Test

It is sacrosanct to test for the existence of unit roots in the variables and establish their order of integration. The results of the Augmented Dickey-Fuller and Phillips-Perron tests for all the time series variables used in the estimation are presented in the Table 2 and Table 3 respectively.

Table 2: Result of the ADF unit root test

| Variables | At level | First Difference | 1%Critical Level | 5%Critical Level | 10%Critical Level | Order of Integration |
|-----------|------------|------------------|------------------|------------------|-------------------|----------------------|
| lnRGDP | -1.750545 | -6.865547*** | -3.724070 | -2.986225 | -2.632604 | I(1) |
| CP | -1.617912 | -4.305023*** | -3.724070 | -2.986225 | -2.632604 | I(1) |
| lnHHC | -1.218415 | -6.379148*** | -3.724070 | -2.986225 | -2.632604 | I(1) |
| lnDIV | -2.773576* | -9.327003*** | -3.737853 | -2.991878 | -2.635542 | I(1) |
| lnFDI | -2.143339 | -5.920693*** | -3.724070 | -2.986225 | -2.632604 | I(1) |
| lnGSP | -0.422870 | -7.240257*** | -3.724070 | -2.986225 | -2.632604 | I(1) |
| lnTB | -2.258474 | -3.867497** | -3.724070 | -2.986225 | -2.632604 | I(1) |

Source: Extractions from E-views 10 Output

Table 3: Result of the Phillips-Perron unit root test

| Variables | At level | First Difference | 1%Critical Level | 5%Critical Level | 10%Critical Level | Order of Integration |
|-----------|-------------|------------------|------------------|------------------|-------------------|----------------------|
| lnRGDP | -1.576266 | -4.339606*** | -3.724070 | -2.986225 | -2.632604 | I(1) |
| CP | -1.896750 | -4.305023*** | -3.724070 | -2.986225 | -2.632604 | I(1) |
| lnHHC | -1.218415 | -6.379148*** | -3.724070 | -2.986225 | -2.632604 | I(1) |
| lnDIV | -3.021627** | -13.35523*** | -3.724070 | -2.986225 | -2.632604 | I(0) |

| | | | | | | |
|-------|-----------|--------------|-----------|-----------|-----------|------|
| lnFDI | 1.171926 | -5.410806*** | -3.724070 | -2.986225 | -2.632604 | I(1) |
| lnGSP | -0.541054 | -7.186317*** | -3.724070 | -2.986225 | -2.632604 | I(1) |
| lnTB | -0.596879 | -3.421635** | -3.724070 | -2.986225 | -2.632604 | I(1) |

Source: Extractions from E-views 10 Output

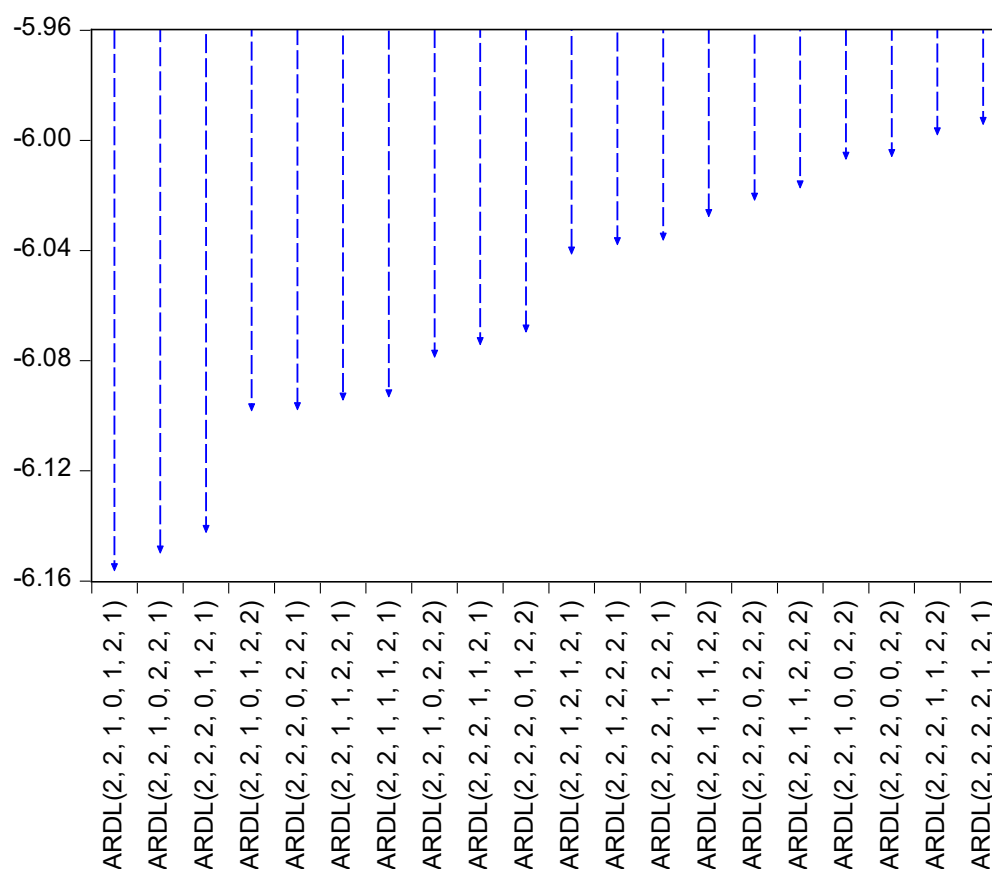
The unit root results in Table 2 and Table 3 reveal that all the series are stationary at first difference because the ADF statistics at first difference are greater than their corresponding critical values at 5% level. The result of the Phillips-Perron test shows that only domestic investment that is stationary at level. All other variables were integrated after first difference. This implies that although the series have a unit root problem at level, there is no evidence of a unit root problem at first difference. Therefore, the study employs the ARDL bounds test for the determination of long-run relationship.

Optimal Lag selection criteria

This study adopted the Akaike Information Criterion (AIC) in order to select the optimal lag order for the series. The results are presented in a graphical form in Figure 1.

Figure 1: ARDL Lag Order Selection Results

Akaike Information Criteria (top 20 models)



Source: Extracts from E-views Output

Result from Figure 1 reveals that the maximum lag length is one (1), and the optimal lag length identified is ARDL (2, 2, 1, 0, 1, 2, 1). This determination is based on the least Akaike Information Criterion (AIC) compared to the other top 20 models. Consequently, the model was estimated using lag of one (2) for optimal performance and to ensure an adequate representation of the data.

ARDL Bounds Test Results

Cointegration helps identify whether there is a long-run relationship between two or more non-stationary time series variables. In situations where individual variables are non-stationary (that is, they have a unit root at level), it might be misleading to analyze their relationships directly. In addition, when non-stationary time series variables are regressed against each other, there is a risk of encountering spurious regression results. Co-integration testing helps mitigate this risk by identifying whether the apparent relationship is genuine or if it is merely a statistical artifact arising from the non-stationarity of the variables. The study utilized the ARDL bounds test to determine the possibility of co-integration among the variables. Result of the ARDL Bounds test is presented in Table 4.

Table 3: ARDL Long-Run Bound Test

| | Asymptotic: n=1000 | | Actual Sample (Finite Sample) | |
|----------------|--------------------|------------------|-------------------------------|------------------|
| | Lower Bound I(0) | Upper Bound I(1) | Lower Bound I(0) | Upper Bound I(1) |
| F-Stat. =15.66 | 10% =1.99 | 10% =2.94 | 10% =2.33 | 10% =3.515 |
| | 5% = 2.27 | 5% = 3.28 | 5% = 2.79 | 5% = 4.15 |
| | 1% = 2.88 | 1% = 3.99 | 1% = 3.98 | 1% = 5.69 |

Source: Extracts from E-views 10 Output

The results presented in Table 4 suggest the presence of a long-run relationship among the variables included in the model. This conclusion is drawn from the F-statistic value of 9.66 being greater than the Pesaran Upper Bounds critical values of 3.61 for the actual sample size at 5% level of significance. Therefore, there is no indication that the variables are drifting apart in the long term, implying that they are co-integrated. The establishment of a co-integrating relationship is crucial for understanding the stability and long-run associations between the variables under consideration.

Impact of Corruption on Economic Growth in Nigeria

The ARDL long run and short-run tests are essential tools in econometrics for providing a detail understanding of the relationships between variables over different time horizons. They help capture both the stable, long-term equilibrium and the short-term adjustments that contribute to a more. This study examines the long run and short-run direct impact of control of corruption on economic growth in Nigeria using the ARDL methodology. After confirming the existence of a long-run relationship among the variables, the ARDL model was employed to estimate the long-run coefficients. The outcomes of this estimation are detailed as presented in Table 5.

Table 5: Long Run Estimates

| Variables | Coefficient |
|-----------|-------------|
| CP | 0.0449 |

| | |
|-------|-----------------------|
| | (0.0857) |
| lnHHC | 1.154*** (0.0769) |
| lnDIV | 0.0938 (0.0891) |
| lnFDI | 0.0548*** (0.0135) |
| lnGSP | 0.203*** (0.0494) |
| lnTB | 0.0391** (0.014) |

Standard Errors in parenthesis *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

The estimated coefficient of control of corruption is positive (0.0449) but not statistically significant at 5% level of significance. This explains that the weak governance control mechanism exerts a weak influence on driving economic growth in Nigeria. The weak governance control mechanism poses serious challenges in enforcing anti-corruption measures, leading to potential economic inefficiencies, misallocation of resources, and a higher risk of corrupt adverse effect on economic growth in the long-run. The weak positive influence in the long run may be attributed to the time lag involved in the impact of anti-corruption measures. Effective control of corruption is a gradual process that takes time to permeate throughout the economic system. Over the long term, as corruption is curbed and institutions strengthen, it is expected to create a positive environment for economic growth. The weak positive coefficient suggests that weak control of corruption is associated with resource misallocation and inefficient institutions. The justification is that the resources meant for public projects may be diverted for personal gain, leading to the neglect of critical infrastructure and public services. This means that corruption can act as a barrier to economic growth by impeding efficient resource allocation, distorting market dynamics, and deterring investments.

The estimated coefficient of household consumption (HHC) is positive (1.154). It is theoretically plausible. The coefficient is also statistically significant at the 5% level of significance. This implies that a one percentage change (increase) in household consumption significantly leads to a 0.367% increase in economic growth in Nigeria in the long run, and vice versa, *ceteris paribus*. The coefficient of domestic investment (DIV) is also positive (0.0938) and theoretically plausible and statistically insignificant at the 5% level of significance. This implies that a one percentage change (increase) in domestic investment would weakly lead to increases in economic growth, and vice versa, *ceteris paribus*. Thus, domestic investment has a weak positive influence on economic growth in Nigeria in the long run. The weak effect of domestic investment on growth in implies that the invested capital is not being utilized optimally or that the productivity of capital is not as high as it could be.

Moreover, the estimated coefficient of foreign direct investment has a positive sign (0.0548). The coefficient is also statistically significant at 5% level of significance. This implies that a one percentage change (increase) in foreign direct investment significantly accounts for 0.0548% of the changes (increase) in economic growth in Nigeria in the long run. This has conformed to the theoretical underpinnings of the relationship between foreign direct investment and economic growth in less developed countries. The estimated

coefficient of government spending is positive and statistically significant at 5% level of significance. By magnitude and sign, it implies that a one percentage change (increase) in government spending leads to an approximately 0.203% increase in economic growth in Nigeria in the long run and vice versa, *ceteris paribus*.

The estimated coefficient of trade balance is also theoretically plausible and statistically significant at the 5% level of significance. This implies that a percentage change (increase) in exports leads to 0.0391% increases in economic growth in Nigeria in the long run and vice versa, *ceteris paribus*. The error correction mechanism is used to correct or eliminate the discrepancy that occurs in the short run toward the long run. The estimated coefficient of the error-correction variable gives the percentage of the discrepancy that can be eliminated in the next time period. The speed of adjustment revealed the coefficient of 22.77% towards long-run equilibrium. The estimated coefficients of the explanatory variables in the error correction model measure the short-run relationship. The results are summarized in Table 6.

Table 6: Error Correction Model (ECM) Estimates

| Variables | Coefficient |
|---------------|------------------------|
| D(lnRGDP(-1)) | -0.297*** (0.0742) |
| D(CP) | -0.099*** (0.0192) |
| D(CP(-1)) | -0.143** (0.0189) |
| D(lnHHC) | 0.143*** (0.0119) |
| D(lnFDI) | 0.00436 (0.00258) |
| D(lnGSP) | 0.00818 (0.00674) |
| D(lnGSP(-1)) | 0.0539*** (0.00702) |
| D(lnTB) | -0.000807 (0.00118) |
| CointEq(-1)* | -0.2277** (0.0153) |

R² = 0.9708 \bar{R}^2 = 0.9563 Standard Errors in parenthesis ***p < 0.01, ** p < 0.05, * p < 0.1

Source: Extracts from E-views Output

The findings presented in Table 6 show that the control of corruption has a significant negative impact on economic growth in short-term in Nigeria. This suggests that in the immediate term, efforts to control corruption do not yield immediate positive effects on the country's economic growth. The strong negative influence in the short run can be explained by the immediate disruptions and adjustments that occur when anti-corruption measures are implemented. Short-term adverse effects may include disruptions to established corrupt practices, potential resistance to change, and uncertainties in the business environment, leading to a temporary negative impact on economic growth. On the other hand, the results demonstrate that household consumption exerts a positive and significant influence on economic growth in Nigeria in the short-run. This implies that increased spending by households on consumption activities contributes positively to economic growth in the

short run. The positive impact of household consumption on economic growth can be attributed to its role in boosting sales and revenue for companies. Higher household spending creates a conducive environment for business growth, investment, and innovation. Similarly, government spending is identified as another significant driver of economic growth in the short run in Nigeria. The infusion of funds by the government into various sectors positively influences economic activity in the short run.

However, the result reveals that foreign direct investment (FDI) has a positive but weak effect on short-term economic growth in Nigeria. The weakness of this effect raises concerns about the quality of foreign investment in the country. This suggests that, in the immediate term, the inflow of foreign investment is not directed towards sectors that make substantial contributions to productivity, technology transfer, and job creation. Consequently, the overall impact on economic growth is limited.

The estimated coefficient of error correction term is negative and it has a low magnitude of 0.2277%. Its magnitude indicates that in case of any deviation, the long run equilibrium is adjusted slowly where about 22.77% of the disequilibrium maybe removed each period (that is each year). This shows that the speed of adjustment that economic growth would converge towards long-run equilibrium in case of any initial disequilibrium at the rate of 22.77%. It is also glaring from the coefficient of multiple determinations (R²) has a good fit as the independent variables were found to jointly explain 97.08% of the movement in the dependent variable with the adjusted R-squared of 95.63%.

Diagnostics Tests Results

To assess the robustness of the ARDL model estimates, various diagnostic tests were performed in this study. These tests encompass the Ramsey RESET test, Breusch-Godfrey heteroskedasticity test, LM Serial Correlation test, Residual Normality Test, and CUSUM plot stability tests. The findings from these tests, with the exception of the CUSUM and CUSUM of square (illustrated in Figures 2 and 3), are summarized in Table 7.

Table7: Diagnostic Test Results

| Test | Statistic | Probability |
|--|-----------|-------------|
| Ramsey Reset Test | 0.071733 | 0.7956 |
| Residual normality | 0.329741 | 0.848 |
| Breusch-Godfrey Serial Correlation LM Test | 1.243879 | 0.3450 |
| Breusch-Godfrey heteroskedasticity | 0.985417 | 0.5297 |

Source: Extracts from E-views Output

Based on the information presented in Table 7, the test statistic utilized to assess serial correlation, along with its associated probability value, suggests that there is insufficient evidence to reject the null hypothesis. This implies that there is no serial correlation present in the model. Similarly, the test statistic for heteroscedasticity fails to provide enough evidence to reject the null hypothesis, indicating the absence of heteroscedasticity. Furthermore, the results of the residual normality test indicate that the residuals adhere to the classical assumptions of Ordinary Least Squares, suggesting that they are likely to yield unbiased results. This conclusion is supported by the probability value (0.512803) of the normality test, which exceeds the 5% threshold.

In addition to the previously discussed diagnostic tests, the stability of the model is further examined through the implementation of the CUSUM and CUSUM of squares stability tests. The result of these tests are illustrated in figures 2 and 3, respectively.

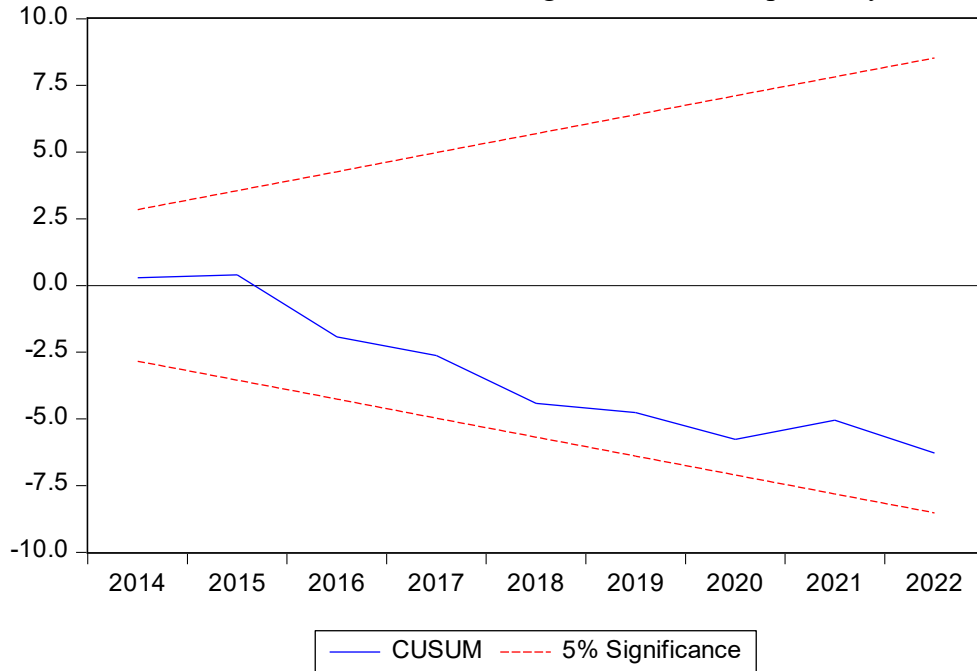


Figure 2: CUSUM Test Result

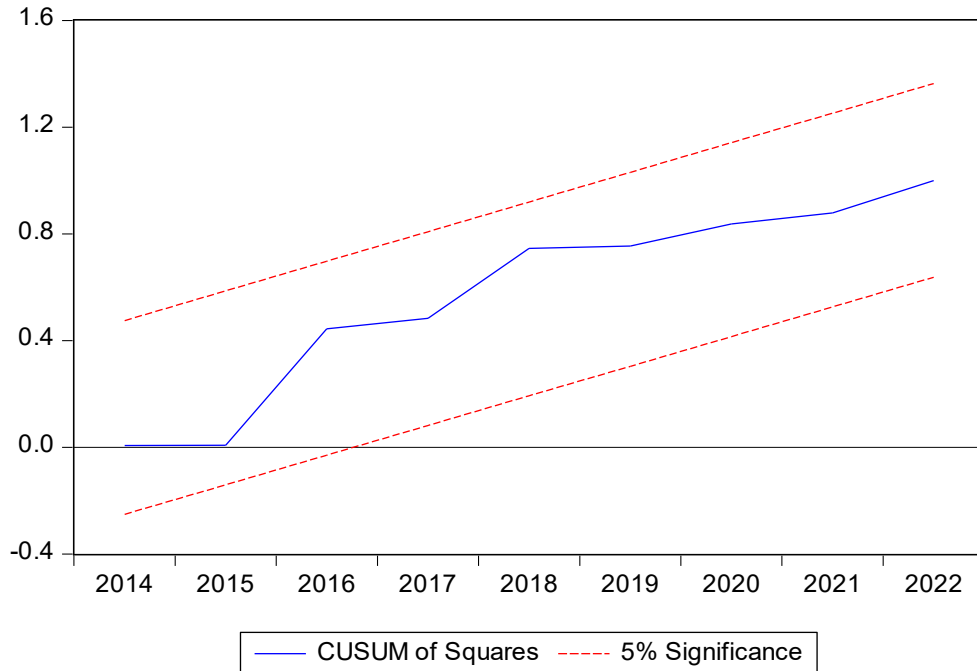


Figure 3: CUSUM of Squares Test Result

The results from both figures 2 and 3 unambiguously show that the model is stable, as the sum of the residuals remains within the boundary defined by the dotted lines. This suggests that the outcomes of this study are reliable and can be considered for the policymaking process.

Conclusion and policy recommendations

The study concludes in the long run, there is a positive but significant effect of control of corruption and economic growth in Nigeria implying that the control of corruption mechanism in Nigeria are weak in yielding strong positive influence on economic growth. This implies that higher prevalence of corruption and weak governance mechanisms pose serious challenges in enforcing anti-corruption measures, leading to potential economic inefficiencies, misallocation of resources, and a higher risk of corrupt leaving weak effect of control of corruption on economic growth in the long-run and a negative effect in the short-run. Therefore, the study concludes that as corruption control measures become ingrained in the system in the long-run, they may contribute to improved governance, increased investor confidence, and a more efficient allocation of resources. These factors collectively create an environment conducive to sustained economic growth. However, during the initial stages of implementing anti-corruption measures, there might be resistance from vested interests, bureaucratic challenges, and disruptions to established practices. These initial hurdles could lead to a strong negative influence on economic growth in the short run. The study also infers that household consumption and government spending drives economic growth in Nigeria. This alluded to the multiplier effect of spending in driving economic growth. Based on the study findings, the following recommendations were made:

Given that adverse effects of corruption in Nigeria, the study recommends the strengthened and empowerment of the ant-corruption agencies to carry out the fight against the endemic corrupt practices in Nigeria. For instance, the Independent Corrupt Practices Commission (ICPC) should properly investigate corrupt practices and to apportion appropriate sanctions. This could positively influence the cultural reorientation and moral character thereby providing redemption for national consciousness, patriotism and manifestation of civilized acts by the citizens. This would help curtail the adverse of corruption and it could lead to the strong positive benefits of controlling corruption in the country.

Consequent upon the above suggestion, the Nigerian government should improve in indicting public office holders that have found guilty of corrupt practices. This requires good and virtuous leaders who are honest with integrity, discipline and trustworthy, and the restructuring of Nigerian police force. This can be done by selecting credible leaders through transparent ways and holding the leaders accountable to the populace. This can also be achieved by reforming the Elections Committees that monitors campaign expenditures, developing a strong monitoring mechanism, and imposing stronger penalties. More so, reforming the selection process for the heads of the supreme judiciary positions by establishing an independent body of judges, ensuring total independence of the judiciary and excluding the intervention of the Executive Power from any step of this process. The Nation's effort at curbing corruption may, at best, remain an illusion if the selection process is not improved. Hence, effective fight against corruption in Nigeria requires a good and exemplary leadership with a strong will to fight corruption and with such high level of ethical and moral standards to be able to motivate and influence the citizens to voluntarily follow in the fight against corruption.

The Nigerian government need to strengthen her institutions. Institutions are at the heart of every nation. Creating institutions that can sustain the economy. This should cut across all spheres. More so, the Nigerian government should also make laws that govern the activities

within and outside to close avenues to avert the outflow of looted funds. This can be done by collaborations with the foreign partners to restrict the number of accounts outside the country.

The study also recommends that the Nigerian government should intensify efforts to create more agencies beside EFCC and ICPC to address cases of corrupt practices in the economy, encourage leaders that display transparency, honesty, probity, accountability, purposefulness and commitment to good ideals of the society before followers will be convinced of the ingenuity of such crusade, ensure corruption as a theme needs to be discourse on debate by government representatives at federal, State and local levels. This will create the awareness that corrupt practices are against norms, culture and social value of the society. Putting all these together will dissuade corruption and boost economic growth to increase influx of foreign investors.

More so, the weak effect of foreign direct investment in the short run suggest the need to evaluate the quality and sectoral distribution of foreign direct investment to ensure alignment with productivity, technology transfer, and job creation goals and to implement policies to attract high-quality foreign investments that contribute significantly to economic development.

The study also suggests modalities for western countries to close rooms that accommodate stolen funds from developing countries. In most instances, funds kept in these countries are concealed under codes and not names which make them untraceable in the event of the depositors' death. There should be re-orientation process in education system in Nigeria that would lead to redemption or retrieval and salvaging or restoring of the country's national character and image. This would cause mindset reorientation from the educational system in Nigeria. The educational sector should instill in the youth, the standard and acceptable morals. Therefore, re-structuring of the education process itself would ensure character development and transformation, skill acquisition and even entrepreneurship along with job creation. The three arms of government in Nigeria need to have unity of purpose in the fight against corruption. There should be a healthy conspiracy by the executive, legislature and the judiciary in tackling corruption head on. This can be done through collaborative efforts. Parents should endeavour to fulfill their parental roles, goals, values and manners that would influence the children's moral and social behaviour positively. These can be done through teaching and training of their children/wards and adequate monitoring and guidance of their behavioural patterns at home and developing in them, self-control in absence of external authority.

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LEGAL JURISPRUDENCE AND AFRICAN GOVERNANCE IN THE TWENTY-FIRST CENTURY

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Abstract: The paper assesses the legal jurisprudence in the context of African governance system and identifies jurisprudential impediments such as weak applicability of law, political interference in the administration of the state, bad governance practices, lack of democratic practices, clear travesty of justice and vagrant violations of human rights. It further observes that those jurisprudential impediments have hamstrung the development and improvement of law govern society in Africa in the twenty-first century. They have also slowed down the process of enhancing governance in African states through lack of transparency, accountability, responsibility and legitimate authority. It concludes that rightful application of law, governance reforms, an inclusive governance system, entrenchment of constitutionalism and prompt application of law in cases of violation of law, African governance system will be enhanced in the twenty-first century.

Keywords: Legal, Jurisprudence, Africa, Government, Governance.

Introduction

It is axiomatic that human society must be law governed to achieve a peaceful and orderly social organization. Law is an instrument of social control and it performs other functions such as preservation of public order, protection of the citizens from what is offensive or injurious and provides sufficient safeguards against exploitation and corruption of others. It sources, efficacy, and sustainability are predicted on the alignment of law with the history and social processes of the human society. Fundamentally, jurisprudence or legal theory helps to beam the light on different aspects of law and its alignment with the socio-political development in a given society. In the twenty-first century, African governance processes are witnessing transformations in legal, political and social aspects of the society, with high expectations of reduction of authoritarianism, bad governance and crisis of governance and entrenchment of good governance practices across the continent. Hence, the paper examines legal processes of African states and identifies factors that have induced jurisprudential impediments in African governance processes in the twenty-first century. It offers suggestions on ways to ameliorate the ugly situation and reposition African governance for better performances in the contemporary time.

Literature review

This is intellectual excursion into the existing body of knowledge under investigation to determine the advancement in the body of knowledge and it provides a background regarding the aspects that have studied and those not yet studied in the problem being investigated (Adetayo, 2011). We begin the review of literature with legal jurisprudence.

Legal jurisprudence

The concept of law has been approached from different perspectives by legal theorists, luminaries and practitioners, publicist, political scientists and others overtime. According to Pound (1923) law is an instrument of social control backed up with power of sanction. Law has equally been conceptualized as a command from a determinate authority, elevated above the addressed of such commands, who in turn, exhibit a habit of obedience to such commands because of fear or certainty of punishment in case of disobedience. This encapsulates the Justinian or Imperative conception of law with their main characteristics of trinity of sovereign, command and sanction (Oyebode, 2011). Hence, the necessity of laws arises from the paramount consideration of guaranteeing security to the norms of social behavior. The law exists to serve social purposes and the people obey because their beliefs, desires and prejudices must be considered in the determination of rules laid down by the state (Johari, 2012). As a corollary, jurisprudence deals with extrapolations, rationalization and exposition of laws in a bid to roll back ignorance and enhance the applicability of law (Oyebode, 2011). Jurisprudence is a multi-faceted and traditionally studied from different schools of thoughts in law that comprise of philosophical, analytical, historical, sociological realist, geo-political among others. In different periods, modern jurists have resulted to fusing different school of law together (Adedamola, 2011).

In essence, jurisprudence is the amalgamation of the art, science, psychology and epistemology of law. It is the scientific and systematic analysis, synthesis and presentation of certain abstracts general and theoretical ideas about law and legal systems with a view to discover ultimate truth and principles common to all human societies and with the possibility of improving upon the functioning of law (Adedamola, 2008). Legal jurisprudence is majorly concerns with the study of the origin and history of law, the principles and workings of law, law as ideal in the society and consideration of the relationship of law to other aspects of human society (Adedamola, 2008). The jurisprudential study of law in the context of African governance revolves around the importance of law and identification of factors that have induced weak workability and unenforceability and vagrant violation of laws in African states in the contemporary period. This was emphasized by Omokeke (2018) in his inaugural lecture observed that the post-colonial governance in Africa is characterized by subversion of law and political indecency, ethnicity, religious sentiments, ethical misbehavior among others. Hence, the crucial line of enquiry is the need for legal regime and right application of law to reposition African states in the twenty-first century is highly desirable.

African governance

Fundamentally, the notion of governance extends beyond the idea government as an institution that carried out public services, as it involves the interactions between citizens' political representations and administrative machinery that provides a special view of citizens' opportunities to influence and participate in policy-making, development and services processes in a policy. It takes more pluralistic patterns of rule than the government and places more emphasis on the political processes of a state (Geiler, 2018). In the twenty-first century, governance involves multi-stakeholderism as a guiding philosophy with respect to standards and protocol of governance as it provides for avenues for dialogue and coordination. Multi-stakeholderism is a governance approach a rooted in the idea that the

governance process is best served by including all interested stakeholders as well as those with relevant expertise (Haggart and Keller, 2021). Governance architectures embrace state bureaucracy, civil societies, consultants and experts, community groups, target groups among others. Kaufman, et al (1999) identified six dimensions of governance which include (a) voice and accountability, (b) political stability and absence of terrorism (c) governance effectiveness (d) regulatory quality (e) rule of law and (f) control of corruption. Very important is the governance processes in the contemporary time e.g. that can involve contract awards, coalition, networking, counterpart funding, consultancy, public hearing, community participation among others.

Governance has different aspects such as good governance, bad governance, and democratic governance among others. This explains the character of the state and its political processes over time. African governance processes have exhibited deviation from the expected norms and this can be ascribed to notable challenges in African states. In his view, Saliu (2010) notes the governance environment in Africa that inhibited successful realization of public policy is characterized by contradictions and such contradistinctions include (a) lack of openness and transparency as it is closed to citizens and state holder to contribute to policy making. Secondly, limited participation in public affairs due to constitutional constraints, political manipulations, and non- recognition of talents, among others. Political thuggery, violence and uneasy political succession have characterized politics and governance in African states in the contemporary time. Thirdly, weak structure guarded by the suffocating level of control by the leaders, as political leader dictates instructions which reflects their interests and that of their supporters. Lastly, the challenge of poor service delivery has been the same of African underdevelopment in the contemporary period. Lack of technological breakthrough, insufficient energy and water supply, insecurity and the infrastructural climate of the conflict is dilapidated. Indeed, African countries are embroiled in crisis if governance arising out of personalization of leadership and misuse of power which is at variance with the declared state objectives, selfish material gains, bad run state institutions, neglect of welfare services, corruption among other (Benson, 2010). Hence, the need for legal framework and strong application of law to guide and regulate governance systems in African states is glaringly undeniable in the contemporary period in African states.

Theoretical Framework of Analysis

Theoretical framework can be regarded as an intelligent mental construct that consists of propositions and taxonomies designed with insightful and well-informed reasoning that forms the platform within which social phenomena can be thoroughly analyzed for the purpose of providing clear understanding about the issue of under investigation. It provides the significance, rational, justification and legal basis for the study (Chukwuemeka, 2002). It is on the basis of this that the paper adopts eclectic mode by situating the paper in two theoretical frameworks of analysis.

Institutional Theory of Politics

Institutional theory was popularized by the classical political thinkers (Plato and Aristotle) and has attracted attention till date in political studies and analysis. From the age of enlightenment, notable political philosophers such as Charles Montesquieu, Harold Laski, Agurupa Appradorai and lately Beth Simon, Phillip Selznick or among others, are

proponents of the institutional theory. Institutional theory is closely related to legal theory of political science but it is different significantly because it gives identity to the systematic study of politics. It consists of the study of organization and functioning of government and its various organs, political parties and other institutions affecting politics (Gaub, 2007) institution comprises of both formal constraints such as rules and regulation and informal constraints such as conventions, codes of conduct, norms of behavior institution, define and limits the set of individual's choices and their presence in the society govern and set the directions for human behavior (Aremu and Miah, 2008). Public institutions influence administrative and socio-political players in two ways. Firstly, they offer the degree of predictability as they provide models of behavior and sets of a protocol which are ready for immediate application. Secondly, institution provide moral and cognitive framework to allow matters to make sense of the event and act appropriately in specific situations [Thoenig 2013]. Several rules are designed to regulate the processes and behavior of actors and these rules often reflect the values of society and how members think society should be organized for effective governance and collective progress. These values and rules constitute the various institutions and structure of administration. Hence, institutions exist mainly to deal with the uncertainties and frictions of human interactions and achieve public goals. This combination of formal and informal rules and their enforcement characteristics formed part of institution. (Ayede, 2021).

Institutions are amenable to changes to reflect changing circumstances in human society but such changes are hindered by some factors such as institutional perversion (Dereliction of duties), unintended consequences of institutions (red-tapism, corruption), low technology and political intervention (Chang, 2007). This has been the bane of political institution in Africa since that 1960's decade of political independence. This has tendered to hamstringing the gateway of effective performance and expected service delivery to the citizens.

Sociological Theory of Jurisprudence

Sociological jurists are development oriented legal positivists because of their strong passion for progressive development of law in society. They are of the view that positive laws constitute a means of social control, catalyst of progress and positive change in society (Adedamola, 2011). Sociological jurisprudence had its foundations in England, continent Europe and America with Jeremy Bentham, Rudolt von Shering and Ow Holmes as its leading progenitors and apostles. The school of thought is concerned with three interesting phenomena and they are the civilization process in human society, the jurisdictional process and the judicial interpretation (Adedamola, 2011). According to Johari (2012) sociological approach considers the state primarily as a social organization whose component parts are individuals and society should be treated as the basis of political as of all other sciences. It is a network of numerous associations and groups which play their own part in the operation of the political process of a country. The law of the state is binding either because of the force of some myth working in the background or because of the fair of punishment arising out of its infraction. Instructively, the sociological school of jurisprudence holds that law should be find in the norms and values of the society and legislation and juristic science (Ogasakin, 2006). The relevance of jurisprudence to societal equilibrium is that it helps to discover the intricacies and interplay of sociological factors in legal processes in line with the aspirations and yearning of society and discovery of

indigenous and communal values and aspiration necessary in the legal process of a state. An enquiry into value orientations, attitude, habits, beliefs and prejudices of the law becomes indispensable to ascertain the possible responses and chances of success of any social measure. Hence, the concern of legal and institutional studies into social motivation of a group is about constitutional and legal frameworks and development, as well as such issues such as the rule of law making, interpretation, administration and enforcement of laws and their implication in a political community (Ikelegbe, 1995).

Methodology

The paper utilized the qualitative research design and descriptive research method was adopted to gather data from secondary materials such as books, journals, magazines and other published materials that are relevant to the research work. The paper is a conceptual paper which relied on thick literature reviews, theory building, author' viewpoints and other logical insights from published works from laws and political science. Data analysis involves the textual, descriptive and explorative analysis to unravel jurisprudential impediments in African governance processes in the twenty-first century.

Discussion of findings

Arising out of literature review, theoretical explorations and textual an explorative analysis of relevant data from books, journals and other published works, we draw relevant data together for further discussion on the issue under the research. African governance processes are expressing transformations in the twenty first century and the promotion of transparency, accountability, and responsibility are taken roots in the affairs of African states. However, there are challenges which still impede the transformation processes in the continent. Such impediments are discussed, below.

Firstly, weak applicability of law in African states in the twenty first century. law is an instrument of governance as it one of the great instruments of enforcing the responsibility of administration as authorized acts and excess of administration are corrected by the commands under the provision of law of the land (Sharma, 2012) as strong deviation from the expected norms, are vagrant violation of law, circumvention and unnecessary litigations in a bid to circumvent the law is dominant in Africa. Indeed, post-colonial governance in Africa has been characterized by subversion of law, political indecency and ethical misbehavior formed by ethnicity and religions sentiments among others (Omoleke, 2018). Adegbam (2023) identified some of the challenges to legal regimes in African states as consisting of (1) Societal factors: These include the encouragement of wasteful and excessive spending by the career officers, political office holders and individuals in the country. This is expressed in their crave for expensive cars, houses, chieftaincy titles among others. (11) Lack of punishment for corrupt public officials as minor or no punishment is meted out to corrupt public officials that were involved in unethical practices. (111) The challenge of politicization and political interference in the activities of administrative institutions in Nigeria. The administration of law is always interfered with "order from above" and highly placed political officers tend to threaten lower-level officers to hand off on a case, thereby, forestalling legal prosecution of cases in the country. The situation is not equally helped with the prevalence of weak institution for enforcing administrative law in the country. This situation is equally not helped by societal factors like poor remuneration and poor conditions of service of law enforcement agents, delay in

judicial process, low or no punishment for corrupt officials, among others (Adegbami, 2023).

Secondly, bad governance practices are common in most African states in Twenty-first century. Conventionally, law direct political office holders to do right things as stipulated his constitutional and administrative laws in a country (Omoleke, 2018). Law and state are like Siamese twins that can hardly be separated. A state is regarded as an entity because it possessed territorial integrity in which quanta of laws are administered and enforced. A mass of social problems is addressed by the state through direct activity, supervision or regulation (Omoleke, 2018). In most African states, governance is inhibited through circumvention of law-based greed, selfishness, ethnic reasons and some undue interference in the political system of a state. The two globally known broad categories of law (constitutional and administrative laws) are abused in many African states. Constitutional law as an instrument of governance deals with distribution and exercise of the functions of government and the relations of government authorities to one another and the individual citizens and groups in the society. It extends to the procedure for electing members of the political class, the relations between chambers, the intergovernmental relations and the procedure for amending the constitution. Administrative law, on its part is concerned with the management of governmental institutions, regulation of the conduct of bureaucrats, their duties and rights and steps to remedy cases of maladministration. Both legal instruments have been per versed and applied inaccurately by African leaders in the time past. Hence, General Sanni Abacha, Samuel Deo and a host of others have misused powers while is public office. As Adamolekun (2005) submits governance crisis underlay the literany of African development problems. To him, lack of countervailing power in African states, as a result, state officials in many countries, have served their own interests, without fear of being called to account and politics becomes personalized and patronage becomes essential to maintain power. This has negatively affected legal and peaceful coexistence in African states. The quest for good welfare and economic developments for over fifty years had insignificant success in Africa countries. This is because of lack of good health facilities and basic amenities, coup d'états and bad governance, social and internal insecurity, civil wars, high incidence of poverty, increased corruption cases and political instability still dominate the continent (Adefeso, 2020). The challenge of bad governance is far from being overcome in among African states and this has unquantifiable negative consequences on the people.

Thirdly, lack of observance of democratic governance in most African states. The expected legal norms demand that law should be seen as an important variable to determine effective governance in a state. This is usually measured through observance of rule of law, constitutionalism and obedience to court order by the state functionaries and machineries of power in a state. Contrary to above dictates of democratic governance, African states continue to experience crisis of governance till date. There is need to promote social equity, a minimum standard of human welfare, viable economy and a clear character which aims to promote civil liberties and human rights, political, electoral pluralism and health, education, justice in African states (Olukoshi, 1996). Adejumobi (2004) has identified poor culture of constitutionalism in Africa in the twenty- first century. They are the legacy of colonialism with the pedigree of weak constitution as an instrument of empowerment but domination. He argues that the domain of civil law which is the terrains of rights and privileges and customary law that emanated from customs and tradition do not constitute

modern constitution that could serve as the basis of constitutionalism. The process of colonization was not accompanied with radical transformation of the inherited colonial structures and post-colonial leaders assumed the image of colonial rulers and they have continuously failed to open the political spade. Hence, cultures of authoritarianism, domination and control subsisted.

Fourthly, lack of concrete development of democratic institutions and culture. There is tension between development and democracy as democracy and constitutionalism took back seat when compared with developmentalism. The problems of underdevelopment, poverty, malnutrition and disease were considered to be much more important than investing in democracy and constitution. Also, the de-prioritization of democracy and constitutionalism and adoption of Marxist socialist ideology in the 1960 and 70s in some African states in order to receive welfare packages has been the bane of African states. Also, the phenomenon of groups, counter coups, wars, insurgencies, rebellions and military role in many African states (Adejumobi, 2004). Six of African states are currently under military in the twenty-first century. Reconfiguring Africa has in promotion of logic and principles of constitutionalism through which democratic practices and values can be engendered are highly essential. Hence, the challenge of democratic deficit exists as a strong impediment and still insurmountable in African states till date. Infact, there is growing consensus in Africa today that the realization of the full citizenship right requires the practice of democracy as democratic project involves the institutionalization of the rule of law, expansion of the political space to accommodate the marginalized state of the society and the position of the fundamental right to achieve democratic dividend in Africa in the contemporary period (Adejumobi, 2004)

Fifthly, clear travesty of justice in African states in the contemporary period. Expectedly, law as an instrument of social control through the application of sanctions and punishment of offenders, who are violators of established legal codes and practices. Johari (2012) underscores the basic fact that justice is primarily concerned with the how rewards and punishments are distributed to individuals in a rule-governed practice and a congenial atmosphere that is provided by a democratic set up. In contradistinction to the social condition above, African governments and politics have been characterized by travesty of justice as judicial processes in many states in the Africa have corrupt judges and legal processes have been abused. Adekoya (2022) in his inaugural lecture identified challenges of accessing justice in Nigeria and African states consisting of (a) complex const procedure that is lawyer-centred (b) cost of filling, service legal fees and transport cost (c) non justifiability of social and economic rights (d) inefficient administration of justice, corruption and (e) the chilling effects of accessing justice for the poor in the society. Hence, different challenges, complex legal procedure, poverty and negative social value that places premium on wealth acquisition, irrespective of success, have clouded the process of accessing justice in African society.

Sixthly, vagrant violation of human rights in many African states: Traditionally, law helps to secure individual freedoms, liberty and human dignity in human society, cases of abuse of human rights dotted Africa continent since the attainment of political independence of African states in the sixties. Fundamentally, human right and by extension, human dignity is highly desirable as the human world is cruel, characterized by uncertainty and the scope of uploading human rights lies in the proclamation of this right both natural and international (Agwu, 2003). Different schools of thought in human rights include the

universalist that believe that all human possess the same rights and that they are immutable, the relativists who contend that rights are relative to culture and value of the society and the multiculturalists who hold the view that keeping in mind the social and cultural location in the multi racial societies and accommodation of differences and maintain equality of each individual regardless of race and ethnicity (Rourke, 2008,). In Africa, we believe that the notion of rights is relevant to all human beings, even though it has received more elaboration in the west because of the thinking collective and the command lifestyle (Enemuo, 2015). Incidentally, Agwu (2003) notes that in the whole of Africa many are still suffering from the loss of right of dignity due to crushing poverty and the people are yearning for or dire need of restoration to their natural rights in countries such as Cote D'ivoire, Mali, Burkina Faso, Sudan in different regions of the continents. So poverty and political crisis constitute potent factors that continually induce human right violation in Africa.

Seventhly, the challenge of weak state capacity of African states in the twenty first century. Many African states are poor, poverty stricken and this challenge have induced conflicts in most states. There are protests over lack of basic necessities of life and there are contestations over distribution of resources such that many are witnessing military take-over the machinery of the in some African states. The ability to deploy both soft and hard powers within and among states is lacking making the governing ability of states to be weak. Rule enforcement tends to suffer in situations where state capacity is weak and human condition continues to deteriorate. This situation is equally not helped the lack of political will to implement some policy guidelines due cost implication, vested interest, political squabbles, political coalition, ethnic cleavages among others.

Conclusion

From the foregoing, it is controvertible that African governance processes have encountered jurisprudential impediments and timely amelioration is indeed necessary as law and constitution remains a relevance point in ensuring quality governance and democratic development in the continent. Very crucial in ameliorating the observed challenges are the promotion of law governed society, rather than state authoritarianism, an enduring governance reform that allows for contributions of non-state actors to policy making and evaluation, politics of inclusion and accommodation of political pluralism and a veritable political space for non -governmental organizations and adequate legal sanctions for maladministration as it appears between and among governmental agencies in most African states. This is highly necessary to reposition African governance system in the twenty first century.

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WHY EFFECTIVE INTERGOVERNMENTAL GOVERNANCE MECHANISMS ARE IMPORTANT BEYOND 2024

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Abstract: The relevance of local governments is frequently defended based on municipalities' novel contribution towards the promotion of democratisation and also the intensification of community participation in decision-making due to its close proximity to its citizens. However, the departing premise hereto is also that the realisation of a democratic and accountable government likewise depends on the degree of functionality of every municipal council. Volatility in governance structures like councils can therefore adversely compromise democratic and accountable governance, for example in cases of hung councils. In recent years, local coalition governments have been seen more frequently, partly due to the number of hang councils in South Africa. This can indirectly be attributed to the decline of support of the current ruling party in the Republic and, equally, the inability of other parties to obtain a clear majority during local government elections (Netswera & Khumalo 2022:1). This article investigates the effectiveness of national and provincial mechanisms strengthening an accountable and democratic local government Premier, Gauteng and Others v Democratic Alliance and Others matter. Through the doctrinal legal research, the authors used an analysis of primary sources on South African local government legislation and the impact the Premier, Gauteng and Others v Democratic Alliance and Others; All Tshwane Councillors who are Members of the Economic Freedom Fighters and Another v Democratic Alliance and Others; African National Congress v Democratic Alliance and Others (CCT 82/20; CCT 91/20) [2021] ZACC 34; 2021 (12) BCLR 1406 (CC); 2022 (1) SA 16 (CC) (4 October 2021) case have on hung councils. The research benefitted from secondary sources such as research reports, publications, journal articles and books. It follows that successful coalition councils are founded on the principles of cooperation and trust. Therefore, interventions as solitary intergovernmental mechanisms cannot remedy accountability and governance failures in municipalities, caused by coalition fallouts. Still, when a break between coalition partners ensues, accountable governance suffers because of the resulting volatility caused by the political standoff. The intergovernmental governance mechanisms, in isolation, are ineffective in sustaining and ensuring an accountable and democratic local government. Whereas, coalitions governments are the primary cause of volatility and dysfunctionality in municipalities, it remains the responsibility of coalitions to step up and execute their constitutional obligations as responsible executive actors in the local government area, to ensure accountable governance. In the absence thereof, coalitions must be held liable for the failure to execute their constitutional responsibilities.

Keywords: Accountability, Constitution, Council, democratic, dysfunctional intergovernmental governance, municipalities, national government, provincial government.

Introduction

Municipalities in South Africa are the government sphere that is responsible for the basic provision of services to its community members. Considering that the municipality should

provide these essential services to the community members, the municipality plays an important role in the community's quality of life (Madumo & Koma 2019: 581). Chapter 7 of the Constitution of the Republic of South Africa, 1996 (hereafter the Constitution) regulates local governments' status, powers and functions in South Africa. Section 151(1) of the Constitution states that the local government sphere is divided into different municipalities, which, according to section 151(3), provides that these municipalities have a right to govern the affairs of their community. However, it is subject to national and provincial legislation. Section 164 of the Constitution stipulates that if a municipality does not fulfil its constitutional obligations, the national and provincial legislation may prescribe the framework for compiling within the national legislation perspective. Realizing a democratic and accountable local government structure depends on the functionality of its municipal council. However, just as democratic and responsible local government is dependent on a municipal council, the unpredictability of the council, caused by coalitions, may also influence the objectives of a democratic and accountable government. Coalition governments are seen more frequently in South Africa due to the number of hung councils.

It should be noted that the Constitution does not contain specific provisions that regulate the formation and the functioning of coalition governments in the spheres of government. Dodd (2015:4) states that the Constitution creates a hybrid version of parliamentary government systems that apply to the spheres of government. In this hybrid version of the parliamentary government system, the executive power resides in the executive and can usually be removed by the municipal council. This power is regulated by ordinary legislation as opposed to the national and provincial government regulated by the Constitution. When standoffs are created, a coalition government can undermine the aim of an accountable and democratic government when there is no formal intervention in terms of section 139 of the Constitution by either the national or provincial sphere of government. This article intends to interpret the judgment of *Premier, Gauteng and Others v Democratic Alliance and Others*; *All Tshwane Councillors who are Members of the Economic Freedom Fighters and Another v Democratic Alliance and Others*; *African National Congress v Democratic Alliance and Others* (CCT 82/20; CCT 91/20) [2021] ZACC 34; 2021 (12) BCLR 1406 (CC); 2022 (1) SA 16 (CC) (4 October 2021) where intergovernmental governance mechanisms are cited as possible less intrusive remedies, in relation to stricter section 139 interventions. These accountability mechanisms stand to remedy the accountability deficit caused by failed or hung councils.

Through doctrinal legal research, the intergovernmental governance mechanisms are assessed to determine the influence thereof, to support coalition governments in realising their constitutional mandates. First, the discussion will highlight municipalities' constitutional mandate; the second will explore case law and the situations in which municipalities find themselves. Thirdly, the lessons learned through the application of intergovernmental governance mechanisms and a discussion on the dysfunctionality of municipalities will be initiated. Ultimately, a conclusion will be drawn.

Constitutional and legislative mandate of municipalities

Since municipalities form part of the three spheres of government in South Africa, it is essential to understand what the term 'municipality' means. This will avoid any ambiguity that may be created in this article. Roux (2005:64) describes a municipality as a public

organisation authorised to manage and govern its affairs in its area of jurisdiction. Roux (2005:64) states that it is essential to note that a municipality does not refer to an individual municipality but rather to the sphere of government. The individual municipalities make up the collective sphere known as local government. Madumo (2017:55) states that a municipality is a basic unit of government with responsibilities that facilitate the interaction between the government and its people while ensuring that services are delivered within its jurisdiction. These responsibilities are provided for in the Constitution. According to section 40(1) of the Constitution, the three spheres of government are distinctive, interdependent and interrelated. However, even though there is this division of powers between the three spheres of government, there is a direct relation and responsibility between the national government and provinces and between the national government and local government, which creates a sub-national government in South Africa (Monkam 2014: 276).

With the dawn of the new democracy in South Africa in 1994, Chapter 7 of the Constitution recognised local governments as one of the spheres of government that consist of municipalities that are responsible for the provision of executive and legislative authority through municipal councils, the right to government its initiatives, local government matters of the community and fulfils the jurisdiction to govern legislation that was passed by national and provincial spheres of government and the right to apply its powers or ability to execute its functions without the national or provincial spheres of government intervening (Madumo & Koma 2019: 582). Section 152 of the Constitution further establishes the importance of the local sphere of government in consideration that services must be delivered sustainably within its objectives. Their objectives include that the local government sphere is democratic and accountable, the delivery of services to communities in a sustainable way promotes socio-economic development, the establishment of an environment that supports the community's health and safety, and encourages participation of the community in the local government affairs (South African Government, 1996, s152(1) of the Constitution). The Constitution states that municipalities should attempt to achieve these objectives by considering their financial and administrative capacity (South African Government, 1996, s152(2) of the Constitution). To achieve these objectives, the municipality must structure and manage its administration, budgeting and planning processes to prioritise the community's basic needs. Therefore, the community must involve the community in the decision-making processes. This is seen, for example, in the councils of municipalities, where it is a prerequisite for the council to consider the views of the community before adopting the planning framework and approving the budget (Madumo & Koma 2019: 582).

The Constitution and the Municipal Systems Act stipulate the governance framework of municipalities. Municipalities' governance mechanism follows the governing body's constitutional, legal and administrative mandate to manage its powers. This includes checks and balances that must be incorporated to ensure that municipalities adhere to the objectives stipulated in the Constitution and that the municipality is accountable, the rule of law is followed, and transparency and public participation are evident. The political office-bearers and officials do this in the municipality (Madumo & Koma 2019: 584). For this article, it is important to understand the council established in the municipality. The municipal council is the governing body with executive and legislative authority in its area of jurisdiction (South African Government, 1996, s151(2) of the Constitution). The council

is an elected body of public representatives with the final decision-making authority (Madumo 2017:31).

Section 160(1)(b) and (c) of the Constitution allows the municipal council to elect a chairperson and executive and other committees subject to national legislation to regulate the affairs of the municipality. This is regulated in the Local Government: Municipal Structures Amendment Act 3 of 2021 (hereafter the Municipal Structures Act). Coalition governments form part of the mayoral executive system of government, similar to the national and provincial levels of government. The mayoral executive system is where the executive authority is exercised through the executive mayor, and the mayor is assisted by the mayoral committee (De Vos 2021). There are specific requirements after the municipal elections, such as the election of a speaker, appointment of a mayor and elections of the different committees. The stability of a coalition government may also be impacted in section 139(1)(c) of the Constitution. Section 139(1)(c) of the Constitution allows a provincial executive to dissolve a municipal council within the province and appoint an administrator. Section 139(1)(c) of the Constitution provides as follows:

When a municipality cannot or does not fulfil an executive obligation in terms of the Constitution or legislation, the relevant provincial executive may intervene by taking any appropriate steps to ensure the fulfilment of that obligation, including (c) Dissolving the Municipal Council and appointing an administrator until a newly elected Municipal Council has been declared, if exceptional circumstances warrant such a step.

However, with the intervention of section 139(1)(c) of the Constitution, problems may arise when a specific political party governs the related province and another political party governs the municipality or a coalition of parties hold the executive reins in the municipality. This is especially seen when a party that wishes to unseat the coalition government acts irrationally in a way that triggers the application of section 139 of the Constitution (De Vos 2021), without showing self-restraint by resorting to less invasive or better fitted mechanisms to support the municipality, before mechanically usurping the powers of a municipality. In this context, it is essential to revise the efficiency of intergovernmental mechanisms *vis-a-vis* the degree of dysfunctionality of municipalities and its determinants in South Africa through reviewing the Premier, Gauteng and Others v Democratic Alliance and Others; All Tshwane Councillors who are Members of the Economic Freedom Fighters and Another v Democratic Alliance and Others; African National Congress v Democratic Alliance and Others (CCT 82/20; CCT 91/20) [2021] ZACC 34; 2021 (12) BCLR 1406 (CC); 2022 (1) SA 16 (CC) (4 October 2021) (hence the Premier, Gauteng and Others v Democratic Alliance and Others). The results of the exercise will contribute to understanding intergovernmental governance mechanisms that influence the effectiveness and capability of municipalities and will help inform future decisions aimed at intervention by the provincial government.

Dysfunctional Municipalities: The Case Of Premier, Gauteng And Others V Democratic Alliance And Others

In context of the Municipal Council, it has been unable to convene since September 2018 and retain the necessary quorum due to walkouts by the African National Congress (ANC) and the Economic Freedom Fighters (EFF) councillors. During December 2019, the Gauteng Executive Council resolved to invoke section 139(1), read with section 154 of the Constitution on this municipality. This decision was invoked due to problems associated

with the financial management of the institution, service delivery issues, alleged maladministration, alleged corruption and institutional capacity (paragraphs 8 and 9 of *Premier, Gauteng and Others v Democratic Alliance and Others*). The Speaker of the Municipal Council responded to the letter of the MEC stating that no identification was given on which executive obligations were not met and that no engagement took place with the Municipal Council before invoking section 139(1). The MEC responded to the letter disputing the competence of the response and indicated that a directive was set out due to the Municipal Council's failure to render services to the communities not addressing water and electricity losses, inadequate revenue collection, poor debtor management, weaknesses in governance and related accountability deficit of the institution. (paragraph 13 of *Premier, Gauteng and Others v Democratic Alliance and Others*). In return, the Speaker responded to the directives with detailed action plans and programmes to be undertaken by the Municipal Council (paragraphs 9 and 10 of *Premier, Gauteng and Others v Democratic Alliance and Others*).

Hereto, the MEC enquired on whether the directives had served before the Municipal Council and correspondingly required an answer within three days. Consequently, the Gauteng Executive Council resolved to dissolve the Council in March 2020. This decision was attributed to the Municipal council that reached a deadlock with the councillors by walking out of the meeting and leaving the meeting to inquorate. The Municipal Council was immediately dissolved, and an administrator was appointed. The new elections were to be held within 90 days. The Democratic Alliance (DA) and the Municipal Council were presented, for the first time, with a Dissolution Notice that set out nine critical observations for the dissolution: "(1) a leadership crisis that has left the Council barely able to function; (2) due to this instability the City is without a Mayor, Mayoral Committee or Municipal Manager; (3) there has been widespread corruption; (4) there is a water crisis in Hammanskraal; (5) the City "has not been fulfilling its obligations in respect of grant spending"; (6) there is a "grave concern" of returning grants allocated for service delivery due to poor performance; (7) the suspension of the heads of the departments of human settlement and roads and transport; (8) there is a "widely reported crisis at the Wonderboom National Airport that include[s] issues of corruption and maladministration"; and (9) irregular expenditure to the tune of R5 000 000 000." (paragraph 101 of *Premier, Gauteng and Others v Democratic Alliance and Others*).

The DA launched an urgent application seeking review and setting aside the dissolution decision. The application also seeks to compel the ANC and EFF councillors to attend the council meeting. The Premier of Gauteng and the ANC opposed the application, while the EFF did not oppose the mandamus (paragraph 42 of *Premier, Gauteng and Others v Democratic Alliance and Others*). The High Court considered the validation of the necessary involvement of section 139(1)(c) of the Constitution. The High Court indicated that provincial intervention should have been used, and it did not justify the council's dissolution. The High Court stated that the provincial government had to apply less intrusive means in resolving the dysfunctionality and that there is no guarantee that an administrator and new council will resolve the staged walkouts by the ANC and EFF. The dissolution decision was set aside.

The decision of the High Court brought separate applications before the Constitutional Court, aggrieved the Premier, EFF and the ANC. The DA opposed the applications of the Premier and EFF. The Premier and EFF argued that the High Court did not correctly apply

the rationality test. They further indicated the true nature of the dysfunctionality of the Municipal Council was the breakdown in the coalition agreement between the DA and the EFF. The DA argued that the wording of sections 139(1) and 139(1)(c) of the Constitution must also consider the test of lawfulness due to the wording used, such as "appropriate step". The DA also argued that the Court should use less drastic steps that could be undertaken in exceptional circumstances. The DA further argued that the Court make an order that is just and equitable, and, to that end that the Court should order the ANC and EFF councillors to attend the Council meeting. The DA thought that even if the ANC and EFF councillors refused to vote, the Municipal Council would ensure the day-to-day running of the municipality. The ANC did not make representations and therefore elected to abide by the decision of the Court (paragraph 37 of *Premier, Gauteng and Others v Democratic Alliance and Others*).

The majority judgment held by the Constitutional Court identified four jurisdictional facts to be interpreted in terms of section 139(1)(c) of the Constitution. The first was the establishment of a failure to fulfil an executive obligation, the second was taking an 'appropriate step', the third was the existence of exceptional circumstances, and the last was that the extraordinary circumstance warranted the dissolution. The majority decision was that three of the facts had been established. Still, the dissolution was unjustified (paragraph 69 of *Premier, Gauteng and Others v Democratic Alliance and Others*). Therefore, the dissolution decision was unlawful (paragraph 208 of *Premier, Gauteng and Others v Democratic Alliance and Others*). It ordered the MEC to invoke the MEC's powers in terms of item 14(4) of Schedule 1 of the Local Government: Municipal Systems Act 32 of 2000 (Systems Act) to appoint a person or a committee to investigate the cause of the deadlock of the Municipal Council. Based, on the court's assessment of the unsuitability of a section 139 intervention and the deadlock in the Municipal Council cited in the judgment, consideration will now be afforded, whether other intergovernmental mechanisms are deemed more suitable to remedy the governance failures caused by the volatility and uncertainty of coalitions in municipalities.

Intergovernmental Governance Mechanisms

Based on their constitutional obligations in terms of constitutional and cooperative governance as intergovernmental actors, national and provincial governments hold constitutional responsibilities to monitor and support municipalities (Du Plessis 2010: 272). In light of the constitutional inference that these different spheres of government are interrelated, the national government performs a supervisory role in the other provinces, and the provincial governments must exercise a supervisory role over municipalities (SALGA 2020 and Du Plessis 2015: 43-55). In terms of the supervisory role performed, the provincial governments provide monitoring and support functions to municipalities (South African Government 1996, s 155 (6)(a) of the Constitution) and promote the development of local government capacity to allow municipalities to develop their capacity to perform their functions and manage their affairs (South African Government 1996, s 155(6)(b) of the Constitution). Set in lieu of these principles, various governance mechanisms are available to advance good governance in municipalities and restore functionality in dysfunctional municipalities. Typical examples of the associated supervisory role offered to municipalities include monitoring, support, regulation, and intervention (Wright, Dube & Du Plessis 2022:110).

Chapter 9 of the Medium-Term Strategic Framework (2019-2024) emphasises the critical role of other spheres of government to support local government. Hereto, the responsibility of both national and provincial governments is highlighted in that they have a responsibility to ensure that municipalities receive the best possible support to obtain their objectives. In this instance, support and monitoring mechanisms have also been developed in terms of both national and provincial legislation as intergovernmental mechanisms to support municipalities (Department of Planning, Monitoring and Evaluation 2019). Intergovernmental monitoring mechanisms allow other spheres of government to appraise the support required by municipalities. Understanding the needs of municipalities helps provincial and national governments discharge their constitutional obligations to strengthen the capacity of municipalities. This further allows municipalities to improve their capacity to manage their affairs (South African Government 1996, s 154(1) of the Constitution). In terms of Chapter 10 of the Systems Act, provincial and national governments are responsible for monitoring and standard setting. Importantly, in terms of provincial governments, the MECs for local government in the different provinces assume the responsibility to establish mechanisms, processes, and procedures to monitor municipalities exercising their powers and functions in the discharging and managing their affairs (South African Government 2000, Chapter 10 of the Systems Act). In context hereto, both national and provincial functionaries as monitoring and support actors to municipalities will now be discussed.

National functionaries as monitoring and support actors

From a national government perspective, intergovernmental monitoring and support will include important actors like the National Treasury, which is responsible for the management and expenditure of national revenue; this will, amongst others, include the monitoring and proper implementation of the Municipal Finance Management Act 56 of 2003 (hereafter MFMA) by municipalities. As part of national strategy documents like the National Development Plan (NDP), Chapter 13 calls on the other spheres of government to support and oversee local government (SALGA 2020). An emphasis accompanies this call on the need to improve measures to improve accountability. Typical intergovernmental mechanisms in this regard will include national and provincial treasury circulars like municipal budget circulars (National Treasury Circular 58: 2012, National Treasury Circular 59: 2012, National Treasury Circular 67: 2013), consequence management frameworks (National Treasury Circular 121: 2022), supply chain management enhancement and accountability circulars (National Treasury Circular 62: 2012) and revenue management frameworks (National Treasury Circular 64: 2012).

These circulars, together with mandatory reporting, like section 71 of the Systems Act reports to both provincial and national treasury, can actively monitor municipal standards and practices, which will likewise monitor functionality in coalition municipalities and serve as early warning systems when the financial well-being of a municipality suffers under the instability associated with coalition governments in municipalities. Notwithstanding the monitoring of core financial aspects like over and underspending of related budgets, the section 71 report guarantees transparency in reporting, improved oversight of the financial performance of municipalities by intergovernmental structures, early warning mechanisms for provincial and national legislatures, and municipal management to monitor and enhance municipal performance timeously. These

mechanisms empower intergovernmental actors to be preventative, rather than remedial by nature in their monitoring of coalition governments and prevent dysfunctionality (Division of Revenue Act 5 of 2023 provides a detailed discussion of the provision of conditional grants to municipalities that regulate proper expenditure using conditions about grant expenditure, related timeframes to it and the recovery of grant funding in the event of non-compliance. Also see Municipal SCOA Circular No. 13 Municipal Finance Management Act No. 56 of 2003, Guidance on recording of conditional grants).

Supplementary national government monitoring and support mechanisms are incorporated in the draft Intergovernmental Monitoring, Support and Interventions Bill, 2023 (South African Government 2023, Gen N 1915 in GG NO. 48932 of 10 July 2023). Although not promulgated at the time of publication of this research, the Intergovernmental Monitoring, Support and Interventions Bill of 2023 is likely to regulate monitoring, support and intervention projects between the three spheres of government. The purpose of the concept legislation is, in part, to monitor municipalities in terms of their adherence to their constitutional and statutory obligations, also, to provide targeted support to municipalities to enable them to fulfil these constitutional and statutory obligations, and lastly, to formally legislate any implementation of section 139 in terms of municipalities (Post facto the judgment in the Premier, Gauteng and Others v Democratic Alliance and Others; All Tshwane Councillors who are Members of the Economic Freedom Fighters and Another v Democratic Alliance and Others; African National Congress v Democratic Alliance and Others [2021] ZACC 34, the regulation of how related spheres of government co-operatively and in good faith exercise their powers and perform their functions in terms of section 100 and 139 of the Constitution is critical to prevent overreaching by other spheres of government, of which their actions must be executed in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere.). Some of the more critical aspects regulated by the Bill in its current format include both monitoring and support of municipalities (South African Government 2023, Chapter 4 of Intergovernmental Monitoring, Support and Interventions Bill), and augmented with regulated interventions in municipalities only when deemed adequate in terms of the proposed statutory thresholds established by the proposed Bill (South African Government 2023, Chapter 5 of Intergovernmental Monitoring, Support and Interventions Bill). These mechanisms inter alia include the provision of professional, technical or administrative guidance and advice (South African Government 2023, s44(a) of the Intergovernmental Monitoring, Support and Interventions Bill); the temporary secondment of critical professionals, technical or administrative personnel (South African Government 2023, s44(b) of the Intergovernmental Monitoring, Support and Interventions Bill); assistance in managing, operating or maintaining different operative systems (administrative, personnel or financial systems; municipal service and other technical systems; operational systems, supply chain processes, performance monitoring and reporting processes; infrastructure, equipment or other assets;) (South African Government 2023, s44(c) of the Intergovernmental Monitoring, Support and Interventions Bill); the access to technical equipment and facilities (South African Government 2023, s44(d) of the Intergovernmental Monitoring, Support and Interventions Bill); the training of, and transfer of skills to, Councillors or staff (South African Government 2023, s44(e) of the Intergovernmental Monitoring, Support and Interventions Bill); the assistance in guiding decision-making (South African Government 2023, s44(f) of the Intergovernmental Monitoring, Support

and Interventions Bill); the sharing of information (South African Government 2023, s44(g) of the Intergovernmental Monitoring, Support and Interventions Bill); and financial support (South African Government 2023, s44(h) of the Intergovernmental Monitoring, Support and Interventions Bill).

Another essential attribute of the Bill relates to the addition of dispute resolution as an alternative step to induce compliance by a municipality with its executive obligations (South African Government 2023, s44(1) of the Intergovernmental Monitoring, Support and Interventions Bill). Hereto, the provincial executive may, if the conditions for an intervention in terms of section 139(1) of the Constitution in a municipality are met, now, instead of intervening in terms of section 139(1) of the Constitution, opt to utilise different forums, mechanisms and procedures established by the Intergovernmental Relations Framework Act 13 of 2005 (hereafter the IRFA) to induce a municipality to comply with an executive obligation (South African Government 2023, s48(1)(a) of the Intergovernmental Monitoring, Support and Interventions Bill). The new proposed “dispute resolution as an alternative step” does, however, not obligate the province to use the dispute resolution forums before a section 139 intervention and retains the use of the intergovernmental mechanisms in the same context as contained in the Intergovernmental Relations Framework Act, 13 of 2005 (South African Government 2005, s39(1)(b) of the IRFA whereby the framework regulating settlement of intergovernmental disputes as contained in Chapter 4 of the IGR Act does not apply to a dispute concerning intervention in terms of section 100 or 139 of the 30 Constitution).

Other examples of typical remedial national intergovernmental mechanisms that can be utilised without formal assumption or usurping of the complete corpus of localised executive powers and functions include section 63 interventions by either the provincial executive or the Minister in instances where the water services authority has failed to perform specific duties in terms of the Water Services Act (Karsten 2022). This type of intervention allows the “intervening power to step into the shoes of the failing municipality and perform the responsibility of the water services authority” (Karsten 2022). Therefore, the focus should be solely on the related water and sanitation functions without upsetting a municipality's principal governance functions and stability, as with the associated assumption of powers when a section 139 intervention occurs. For purposes of our scenario, this mechanism could likewise have remedied the “water crisis in Hammanskraal” governance failure without invoking the section 139 intervention instituted in the case of *Premier, Gauteng and Others v Democratic Alliance and Others* (African National Congress v Democratic Alliance and Others (CCT 82/20; CCT 91/20) [2021] ZACC 34; 2021 (12) BCLR 1406 (CC); 2022 (1) SA 16 (CC) (4 October 2021)). Likewise the new Water Services Amendment Bill is also likely to strengthen monitoring and enforcement by allowing the issue of directives to municipalities that fail to meet minimum standards as per the current obligations seen in the current Act. Hereto the proposed amendments seem draconian to the extent that it will allow the water minister to appoint any water services institution to take over all the duties of the current water services provider, including operations, refurbishment, expansion, procurement billing and revenue to mention a few. This also include enforcement of non-compliance in the form of criminal prosecution and through the issuing of fines to both the municipality and the accounting officer in the event of continued transgressions.

Like the section 63 intergovernmental governance mechanism that provides remedial action about water and sanitation problems in delinquent municipalities, the Electricity Regulation Act 4 of 2006 regulates the conduct of “licensees” (SALGA 2022). All municipalities are service authorities, which includes the role of service authority for electricity as per the Constitution) related to the distribution of electricity by municipalities. Hereto, the National Energy Regulator established in terms of section 3 of the National Energy Regulator Act 40 of 2004 enforces the regulatory framework of the Electricity Regulation Act that inter alia includes the enforcement of compliance and taking of the required steps in terms of non-compliance and conduct investigations into the behaviour of the licensees (South African Government 2006, s4(1)(vi) of the Electricity Regulation Act). This typically opens the door to having municipalities’ distribution licences revoked if conditions in terms of the licence are not met (South African Government 2006, s18(1)(d) of the Electricity Regulation Act). These potentially include situations where municipalities, due to ongoing service delivery dysfunctionality problems, struggle to provide electricity to their constituents (South African Government 2006, s15(1)(m) of the Electricity Regulation Act) and likewise don’t comply to conditions relating to the termination of electricity supply to customers and end users under related circumstances (South African Government 2006, s25(1)(n) of the Electricity Regulation Act). Similar to the Hammanskraal water crisis problem, utility-orientated issues like electricity service delivery problems can be resolved without resorting to a formal section 139 intervention. Another remedial intergovernmental governance mechanism that can address dysfunctionality in municipalities includes the oversight work done by the Auditor General of South Africa. This work, inter alia, contains external auditing of municipalities and provides valuable insight regarding dysfunctional governance and the enforcement of “consequence management” from a recovery perspective (Karsten 2022). Hereto, remedial action about material irregularities, including fraud and other serious breaches, found in municipalities can now be addressed through these extraordinary powers of the Auditor General (South African Government 2018, s5(1A) and (1B) of the Public Audit Amendment Act). The enforcement of any material findings can be directly recovered from any person responsible for the loss incurred (South African Government 2018, s5(1A) of the Public Audit Amendment Act). This expanded mandate effectively deals with irregularities ranging from non-compliance, fraud, theft and breaches of fiduciary duties (National Treasury Circular 2020-2021: 2021). Examples of the related consequence management used by the Auditor General include where an accounting officer in the North West failed to make progress and implement recommendations of the Auditor General on a contract irregularly extended, whereby the Auditor General issued a directive for the financial loss to be quantified and recovered from the responsible parties and take the necessary disciplinary action (National Treasury Circular 2020-2021: 2021).

Provincial functionaries as monitoring and support actors

Additionally, provincial governments are similar to national governments responsible for the creation of mechanisms to also monitor local government capacity in managing their affairs in the related province (South African Government 2000, s105(1)(a) of the Systems Act) monitor development of municipal capacity to ensure proper development (South African Government 2000, s105(1)(b) of the Systems Act); and review the necessary support required by municipalities to strengthen their capacity to manage their affairs

(South African Government 2000, s105(1)(c) of the Systems Act). Provincial governments can also use current internal regulated performance monitoring mechanisms like annual reports (South African Government 2000, s105(3)(a) of the Systems Act) to monitor municipalities and request municipalities to provide additional information that will assist in the monitoring activities (South African Government 2000, s105(3)(b) of the Systems Act).

The mechanisms developed by provinces must typically include structured support assessments, diagnostic processes facilitated to monitor and understand municipal performance, the drafting of section 154 support plans and issuing of practice notes, circulars and directives to municipalities. The basis for provincial support in terms of underperformance can be found in the performance reports as required specific to section 46 and 47 of the Municipal Systems Act. Hereto, the MEC is responsible for the initiation of an investigation into the reasons why the related municipalities are identified in terms of underperformance. The use of section 46 quarterly reports is central to any assessment and related diagnostic report developed thereto. Post facto the diagnostic assessment, the related province must ensure that the approved section 154 support plan is implemented as to ensure that support is rendered where required (SALGA 2020).

The related plan is therefore drafted and implemented in compliance with the requirement of support to be provided in in terms of section 154 of the Constitution. Consequently any solution identified in terms of the diagnostic assessment and section 154 support plan must be implemented in partnership with the municipality, irrespective whether this relates to advice, technical support or other related resources. The Municipal Support Plan must indicate the support provided to a municipality to improve areas of underperformance. (SALGA 2020). Regulated provincial monitoring and support mechanisms include provincial acts like the Western Cape Monitoring and Support of Municipalities Act 4 of 2014. The Western Cape Provincial Government promulgated this Provincial Act to give effect to sections 154(1) and 155(6) of the Constitution, to make provision for measures to support municipalities in the Western Cape and further to develop and strengthen the capacity of municipalities (Western Cape Provincial Government, 2014, preamble of the Western Cape Monitoring and Support of Municipalities Act). The mechanism makes statutory provisions for the sharing of information and knowledge about municipal powers and functions, facilitating requests by municipalities for assistance (Western Cape Provincial Government, 2014, s2 of the Western Cape Monitoring and Support of Municipalities Act) and provision for practices notes (Western Cape Provincial Government, 2014, s4 of the Western Cape Monitoring and Support of Municipalities Act). These intergovernmental mechanisms are deemed “less invasive” from a self-governing perspective, whereby the intergovernmental involvement is restricted to support through the provision of information, technical support and direct requests for assistance by municipalities whereby the municipality maintains its responsibility to manage its affairs (SALGA 2020).

Resorting to dissolution is inappropriate in circumstances where there was another step that could have been taken which was reasonably capable of resolving the issue and would have been less invasive of local government autonomy (All Tshwane Councillors who are Members of the Economic Freedom Fighters and Another v Democratic Alliance and Others; African National Congress v Democratic Alliance and Others [2021] ZACC para 34.). This was confirmed in the matter of the Premier, Gauteng and Others v Democratic

Alliance and Others (All Tshwane Councillors who are Members of the Economic Freedom Fighters and Another v Democratic Alliance and Others; African National Congress v Democratic Alliance and Others [2021] ZACC para 34) in that “Where dissolution is resorted to, appropriateness must be determined in light of the fact that it results in the takeover of a democratically elected municipal council by an administrator appointed by the provincial executive. It involves, as counsel for the first respondent put it, the dissolution of one sphere of government by another and this impacts on separation of powers.” (Premier, Gauteng and Others v Democratic Alliance and Others; All Tshwane Councillors who are Members of the Economic Freedom Fighters and Another v Democratic Alliance and Others; African National Congress v Democratic Alliance and Others [2021] ZACC 34 para 88).

While writing this article, another draft amendment bill (Draft Western Cape Monitoring and Support of Municipalities Amendment Bill of 2023) was published for comment regarding the current Western Cape Monitoring and Support of Municipalities Act 4 of 2014. Part of the bill's objectives is to strengthen these monitoring and support mechanisms of the Western Cape Government to improve the ability of the province to support municipalities. Some of these proposed amendments include improved access to information (Western Cape Provincial Government, 2023, s2A and 2B of the Draft Western Cape Monitoring and Support of Municipalities Amendment Bill), the Provincial Minister to designate a provincial support officer to determine compliance by a municipality in terms of its statutory obligations (Western Cape Provincial Government, 2023, s3A(1) of the Draft Western Cape Monitoring and Support of Municipalities Amendment Bill), which inter alia include the determination of the scope and terms of reference of the monitoring and support to be provided (Western Cape Provincial Government, 2023, s3A(2) of the Draft Western Cape Monitoring and Support of Municipalities Amendment Bill), the provision of a report on the findings of the monitoring and support (Western Cape Provincial Government, 2023, s3A(3) of the Draft Western Cape Monitoring and Support of Municipalities Amendment Bill).

Other important provincial mechanisms, as part of monitoring and support, include section 106(1) assessments (Western Cape Provincial Government, 2014, s5 of the Western Cape Monitoring and Support of Municipalities Act) and investigation mechanisms (Western Cape Provincial Government, 2014, s7 of the Western Cape Monitoring and Support of Municipalities Act). It is anticipated that these assessments and investigations, as corrective measures, can also mitigate a failure to adhere to a statutory obligation or that an act of maladministration escalates into more severe dysfunctionality in the municipality. This includes where a municipality fails to perform a statutory obligation, hence the aforesaid will incorporate the non-performance of a statutory function. An example of a failure of a statutory obligation would include the non-performance of statutory duties of municipalities as referenced in the Municipal Systems Act and the Local Government: Municipal Structures Act 3 of 2021.

In general, a municipality performs its functions, in its area, in accordance with its “political, statutory and other relationships between its political structures, political office bearers and administration and its community” (South African Government 2000, s2(c) of the Systems Act). Equally hereto, if the MEC has reason to believe that that maladministration (Special Investigating Unit v MEC for health for the Province of the Western Cape and Others (2021) JOL 51786 (ECM) (unreported) at para 32-33, for related

interpretation of “maladministration), fraud (MEC Responsible for Local Government, Western Cape v Matzikama Local Municipality and Others (747/2021) [2022] ZASCA 167 (30 November 2022) para 18 on how the Supreme Court of Appeal confirmed that the meaning of fraud and corruption does not only extend to the actual crime but extend to other crimes for instance theft of money), corruption (South African Government, 2004, s3 Prevention and Combating of Corrupt Activities Act for a detailed explanation of the general offence of fraud) or any other serious malpractice (Democratic Alliance Western Cape and others v Western Cape Minister of Local Government and Another [2006] 1 All SA 384 (C) at para 38-40, for related interpretation of “serious malpractice”) has occurred or is occurring in municipality in the province, the MEC must request information in terms of a notice issued based on the related transgression and even proceed to appoint investigations if he/she deems it necessary.

In the matter of the MEC Responsible for Local Government, Western Cape v Matzikama Local Municipality and Others (747/2021) [2022] ZASCA 167 (30 November 2022)) the court cautioned on the restricted interpretation of the purpose of section 106 and confirmed that it is a “purpose-built mechanism not only for monitoring and strengthening of local government but also for accountability,” hence any restricted interpretation *inter alia* that the mechanism cannot be used to investigate other forms of criminal conduct will not provide a sensible meaning to give to the section (MEC Responsible for Local Government, Western Cape v Matzikama Local Municipality and Others (747/2021) [2022] ZASCA 167 (30 November 2022) para 21.). Hereto the court also explained that the “exclusion of all criminal conduct apart from fraud and corruption from investigation” is likely to render the effect of any section 106 investigation “a dead letter” because it would create a plethora of unregulated offences in the local government domain (MEC Responsible for Local Government, Western Cape v Matzikama Local Municipality and Others (747/2021) [2022] ZASCA 167 (30 November 2022) para 22).

Some of the offences that according to the court could prevail unchecked by this mechanism include an extended range of criminal offences related to maladministration of municipal finances in terms of section 173 of the Local Government: Municipal Finances Management Act 56 of 2003 ((MEC Responsible for Local Government, Western Cape v Matzikama Local Municipality and Others (747/2021) [2022] ZASCA 167 (30 November 2022) para 22). Other related criminal investigations, for instance of how our municipalities are administrated, could be potentially blocked if only the restrictive approaches in terms of section 106 of the Municipal Systems Act mechanisms are applied, hence the restricted interpretation is not conducive to good and ethical governance (MEC Responsible for Local Government, Western Cape v Matzikama Local Municipality and Others (747/2021) [2022] ZASCA 167 (30 November 2022) para 22).

Mitigating dysfunctionalities in municipalities with intergovernmental mechanisms

The importance of intergovernmental governance mechanisms is therefore clearly displayed in the previously discussed sections. Evident from the above analysis, initial indications conclude that various intergovernmental mechanisms in the local government domain, may have the potential to remedy governance deficits in municipalities and related governance deficits caused by failed coalitions. This can be done, without the harsh constitutional interventions by another sphere of government.

The undermentioned table presented by the authors, provide confirmation of the ability of the researched mechanisms to provide support in terms of the specific dysfunctionality cited in the matter of the Premier, Gauteng and Others v Democratic Alliance and Others; All Tshwane Councillors who are Members of the Economic Freedom Fighters and Another v Democratic Alliance and Others; African National Congress v Democratic Alliance and Others [2021] ZACC 34. Hereto certainty must be obtained on whether the different individual dysfunctions cited in the Premier case, can be addressed by means of the plethora of mechanisms discussed in the above sections.

| Dysfunctionality/ abandonment of function by coalition government | Type of governance mechanism | Governance Mechanism to resolve/mitigate dysfunctionality |
|---|-------------------------------------|--|
| <i>(a) leadership crisis that has left the Council barely able to function;</i> | Intergovernmental mechanism. | Municipal support through diagnostic assessment and 154 support plan (focus on action required and related timeframes thereto, provide clear guidance in terms of functionality of council and election of office bearers where required. |
| <i>(b) due to this instability the City is without a Mayor, Mayoral Committee or Municipal Manager;</i> | Intergovernmental mechanism. | Municipal support through diagnostic assessment and 154 support plan (focus on action required and related timeframes thereto, provide clear guidance in terms of functionality of council and the appointment of a municipal manager. |
| <i>(c) there have been widespread corruption;</i> | Intergovernmental mechanism. | Municipal support through diagnostic assessment and 154 support plan (focus on action required and related timeframes thereto e.g. functionality and findings of Internal Audit Function, Audit Committee, Disciplinary Board, performance management IDP, SDBIPS, section 32 investigations.) Also facilitate procedure to conduct a section 106 investigation. |
| <i>(e) the City “has not been fulfilling its obligations in respect of grant spending”;</i> | Intergovernmental mechanism | Division of Revenue Act (DoRA) requires the unspent conditional grants against the financial year under review must be returned to the National Revenue Fund (NRF), Municipal support through 154 support plan e.g. monitoring procurement plan, assessment of performance management in terms of IDP and SDBIPS. |
| <i>(f) there is a “grave concern” of returning grants allocated for service delivery due to poor performance;</i> | Intergovernmental mechanism | Municipal support through 154 support plan e.g. tracking and monitoring performance management, (tracking of expenditure) MFMA quarterly budget reports, SDBIPS, Enforcement of the unspent conditional grants against the financial year under review to be returned to the National Revenue Fund (NRF). |
| <i>(i) there is a “widely reported crisis at the Wonderboom National Airport that include[s] issues of corruption and maladministration”; and</i> | Intergovernmental mechanism | Special Investigation Unit (consider possible recovery), report to Auditor General, MEC section 106 investigation. |
| <i>(j) irregular expenditure to the tune of R5 000 000 000.</i> | Intergovernmental mechanism | Undertake section 32 investigation, consider section 172 and section 173 offences. Role-players to execute responsibilities: Special Investigation Unit (consider possible recovery), |

| | | |
|--|--|---|
| | | report to Auditor General, MEC section 106 investigation. |
|--|--|---|

Conclusion

South Africa uses a hybrid version of the parliamentary system of government in the different spheres of government. As seen above, this parliamentary system of government generates more opportunities to form coalitions, which is likely to happen when there are differences between the dominant party and some of the other parties. As seen above in the case of *Premier, Gauteng and Others v Democratic Alliance and Others; All Tshwane Councillors who are Members of the Economic Freedom Fighters and Another v Democratic Alliance and Others*; *African National Congress v Democratic Alliance and Others* [2021] ZACC 34 when no party obtains an absolute majority, the other parties will be forced to work together.

This paper has assessed the intergovernmental measures in terms of strengthening accountability in municipalities with a focus on the *Premier, Gauteng and Others v Democratic Alliance and Others; All Tshwane Councillors who are Members of the Economic Freedom Fighters and Another v Democratic Alliance and Others; African National Congress v Democratic Alliance and Others* [2021] ZACC 34 case. This qualitative research aimed to analyse whether governance improved in hung municipalities where section 139 interventions were applied as an isolated intervention method (as narrated in the judgement), and second the impact that other intergovernmental mechanisms associated with the national and provincial spheres of government will have in dysfunctional municipalities. As presented in the abovementioned table, evidence is recorded that the researched mechanisms are likely to temporarily provide support in terms of the specific governance and service delivery failures cited in the matter of the *Premier, Gauteng and Others v Democratic Alliance and Others*.

The intergovernmental mechanisms are however only likely to provide interim relief as interim support mechanisms to reset dysfunctional local government structures. These intergovernmental governance mechanisms, used in isolation, will therefore not be conducive to ensure long-term viability and stability in democratic local government structures. Therefore, in conclusion, in the aftermath of the assessment of these intergovernmental governance mechanisms, the mechanisms in isolation, are ineffective to ensure an accountable and democratic local government, whereas coalitions need to execute their constitutional obligations as responsible executive actors in the local government area. In the absence thereof, coalitions must be held liable for the failure to execute their constitutional responsibilities.

Important to the study is understanding that other spheres of government can aid municipalities with the necessary monitoring and support, as envisaged in terms of the Constitution, but municipal councils must execute their executive and legislative authority to govern, on its own initiative, the local government affairs of its community and when councils fail, they must hold liable for their own executive failures. Equally, more must be done to hold coalitions liable for their executive failure to execute their constitutional responsibilities.

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ARE THE REASONS FOR STUDENT DROPOUT RATE AT COMMUNITY EDUCATION AND TRAINING COLLEGE JUSTIFIABLE?

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Abstract: Community Education and Training Colleges are established to develop and improve skills in South Africa, especially those skills that are not taught in Institutions of Higher Learning such as Universities. However, these Colleges as a relatively new sector are faced with a number of challenges ranging from infrastructure to high drop-out rates. Therefore, the purpose of this study was to establish whether there was any significant relationship between factors influencing students to quit this sector and drop-out rate in Community Colleges. A quantitative method was used wherein a questionnaire was administered to the students to conduct the study. A sample of (n=66) was drawn from the population (N=200) students. Eighty percent of the questionnaires were returned, representing fifty-three (53) students. There were three hypotheses of the study; (Ho1): there is no significant relationship between lack of student support services and drop-out rate; (Ho2): there is no significant relationship between less teaching and learning hours and drop-out rate and (Ho3): there is no significant relationship between learning and teaching support material and drop-out rate. The study produced the following results ($r=.24$, $n=53$, $p\text{-value}=.00$); ($r=.25$, $n=53$, $p\text{-value}=.00$); ($r=.23$, $n=53$, $p=.00$), respectively. The results indicated a statistically significant relationship between independent variables (lack of student support services, less teaching and learning hours, learning, and teaching support material) and a dependent variable (drop-out rate).

Keywords: dropout, teaching, learning, student

Introduction

The White Paper on Post-School Education, 2013, transferred community colleges to the Department of Higher Education and Training (DHET). There are nine (9) community colleges across South Africa. These community colleges aimed to offer skills to people that could not be served through universities and technical and vocational education and training (TVET) colleges (Department of Higher Education, RSA, 2013a). This is so because not all learners can be accommodated at universities and other colleges (Department of Higher Education, RSA, 2014). Community colleges are intended to provide skills and knowledge to students (Janis, 2013). These skills are taught part or full time depending on the needs of the students. The qualifications that these students receive from community colleges can further their studies, and to a larger extent the students can apply for job opportunities (Nzimande, 2014), using the skills-based programs acquired at these institutions. However, this sector being a relatively new sector. Most of the challenges are related to infrastructure. These infrastructure challenges are exacerbated by the fact that these community colleges rely solely on the grants from government to run their operations (Nzimande, 2014). These grants are transferred to colleges in trenches. In some instance colleges will have to do with what they have and is difficult to raise funds

through students. However, colleges are not only faced with challenges related to infrastructure and funding but also student support (Department of Higher Education, RSA, 2013a). It should be noted that some students in these colleges have not been studying in a longest time and required extensive support. Again, the students come from a background of not having completed matric and find it difficult to endure intense teaching and learning (Department of Higher Education, RSA, 2014). However, this paper focuses only on three factors contributing to dropout rates (lack of student support services, fewer teaching and learning hours, learning and teaching support material contributing to dropout rates in community colleges).

Research purpose and objectives

The study is intended to evaluate the impact of factors influencing dropout rates in Mpumalanga Community Education Training College and to propose programmes that can be implemented to reduce levels of dropout rates.

Literature review

Factors influencing student dropouts

Various scholars have written about dropout rates in Institutions of Higher Learning in different countries including South Africa (Balraj & Maalini, 2018; Viloría, Padilla, Vargas-Mercado, Hernandez-Palma, Llinas & David, 2019; Yilmaz & Karatas, 2022). There are various reasons or factors that contribute to dropout rates. These reasons are personal such commitments from the students themselves (Perez, Castellanos & Correal, 2018). Others are more related to socio-economic challenges that students are faced with at home and in communities where they live. Socio-economic factors include the lack of financial resources to support the students to pay necessities such as transportation in instances wherein the college is not within the walking distance of the college center (Yilmaz & Karatas, 2022). Not only transportation is a challenge but hunger as the students is expected to be at the college for longer periods, unlike in mainstream schools where there are feeding schemes. A learner is sure that at least one meal will be provided at school but not at the college. Student commitment to their studies and the choices of subjects they chose contribute to dropout rates (Viloría et al. 2022). Community colleges are by their very nature intended to address skills shortages by targeting community members who have not had an opportunity to study in mainstream schools and colleges (Balraj & Maalini, 2018). The community colleges attract different levels of literacy, young and old. Therefore, commitment will vary from the students. Most students who decide to enroll at community colleges, are most of time doubling-timing (Yilmaz & Karatas, 2022). Meaning that while attending at the college, the student would be looking at other opportunities related to jobs. Once a student gets a job even before completing the course enrolled in, the student will not think twice about quitting college (Balraj & Maalini, 2018).

Lack of student support services

Institutions of learning have a responsibility to assist and support students to be successful in their studies (Chacha, Lopez, Guerrero & Villacis, 2020). It is true in Institutions of Higher Learning and other colleges, there are student support centers. This also applies to other mainstream schools that are well-resourced have a dedicated office that deals with

issues affecting student performance (Chacha et al., 2020). However, it cannot be said with community colleges in respect of providing the kind of student support that mainstream universities are providing (Chacha et al., 2020). However, it should be remembered that community colleges do not have the necessary resources to support the student being a relatively new sector (Mduma, Kalegele & Machuve, 2019). The human resources that community colleges have are stretched to the limit, and most these resources are utilized for teaching and learning (Aulck, Velagapudi, Blumenstock & West, 2016). Student support takes a back seat. As such students suffers a lot as their personal challenges are not attended to. Community colleges are unable to hire psychologist and other mental health specialist due to lack of finances (Aulck et al., 2016). Even during examinations, students lack that support to attend to stresses that are associated with examinations (Mduma et al., 2019). Hence many students do not perform well in their studies. This is further exacerbated by the lack of fundraising initiatives from the community colleges (Berens, Schneider, Gortz, Oster & Burghoff, 2019), as

Less teaching and learning hours

Notional hours per learning area are important in that a syllabus is set out in a way that a student grasp the content that is taught in that specific subject (Letseka & Maile, 2008). Hence in mainstream schools, students have almost the whole day at school with their educators who impart knowledge to these students. However, it is not true with community colleges, the hours that are spent in teaching and learning are limited (Parliamentary Monitoring Group, 2020). It must be noted that most lecturers are educators in mainstream schools during the day and are lecturers at night as well (Parliamentary Monitoring Group, 2020). Hence, the community colleges were at some point referred to as night schools. The time allocated for students at community colleges is limited and the content in most instance is overwhelming (Parliamentary Monitoring Group, 2020). This is one reason that most students are not successful in their studies. Not only are lecturers challenged in terms of contact time, but even students themselves have their own challenges. In that some students are working during the day and must be at school at night (Parliamentary Monitoring Group, 2020). This does not give them to engage with the contents of the learning areas, meaning that there is limited student-lecturer time on task (Parliamentary Monitoring Group, 2020). Again, students find it difficult to concentrate on their studies because during the day they have to deal with work-related matters, which can be stressful at times (Da Costa, De Souza & De Casia, 2018). One finds that these students, they woke when it is time to write examination and they find themselves ill-prepared to be successful in the studies. These further contributes to dropout rates (Putter, Fiocco & Geskus, 2007).

Learning and teaching support material

Learning and teaching support material (LTSM) are ‘an integral and vital part of every education system and the effective management, utilization and maintenance of this valuable resource will ensure access and support to the delivery of quality education’ (Northern Cape Department of Education, 2023). Therefore, without these resources without then an institution of learning would not be fully functional. Lecturers and students alike are expected to have LTSM to perform the primary mandate of the existence community colleges. However, due to no sufficient funding from the department, colleges are unable to procure enough material for teaching and learning (Etesike, 2017). This is the

process affect the performance of students (Maguire & Delahunt, 2017). In instances wherein colleges are able to issue LTSM to students beside the fact that these materials are scarce, students do not return the stationery at the end of their studies (Maguire & Delahunt, 2017). Those students who dropout before completing their qualifications, they do not return these materials to the college. Colleges are expected to replenish lost material on budget that is not available (Zhu & Tong, 2022). The provision of textbooks for every learner in the schooling system is one of the priorities of the government and millions of rands are spent annually on LTSM (Northern Cape Department of Education, 2023). If this resource is not protected and valued, money which otherwise could have been used for new innovative LTSM has to be used to replace books which are lying in homes not being utilized (Northern Cape Department of Education, 2023).

Drop-out rate

Drop-out is broadly defined as ‘the student’s failure to enroll for a definite number of successive semesters.’ (GrauValldosera & Minguillon, 2014). However, there are many different definitions of dropout in the literature, usually related to a temporal conception. Hence, there is no clear-cut definition of the concept (GrauValldosera & Minguillon, 2014). Therefore, drop-out rate fluctuates because it is influenced by various factors. There are several reasons that can be found in literature on reasons why students quit university, college or school. These reasons cannot be located or confined in one factor but in an array of factors (Nichols, 2010). Some of these factors are personal and social factors, to name a few. Hence, some authors when referring to drop-out rate they confine it to students not completing their studies (Valldosera, Minguillón & Blasco-Moreno). Of note is that students that drop-out from institutions of learning, have little success in securing jobs (Valldosera et al., 2018). In instances wherein they are employed, it would be low-paying jobs which provide minimal opportunities for growth and development. It is for this reason that Lehan, Hussey and Shriner (2018) emphasize that, it is important that students are coached and mentored to motivate and encourage them to complete their studies. However, despite the fact that there is no clear-cut definition of drop-out rate but what is being observed is that a number of students do not finish their studies. Lehan et al., (2018) observe this phenomenon from the importance of coaching and mentoring programs for students so that they are kept motivated to complete their studies

Research methodology and design

Research approach

The study employed a quantitative method. In this study a questionnaire was utilized to collect data and was analyzed using MS Excel and further transferred to SPSS for more complex analyses. Rubin and Babbie (2016) posit that this type of research (quantitative) gives the researchers an opportunity to use a questionnaire and not to have an influence on how respondents fill in the questionnaire, which allows independence from the respondents’ perspective.

Research participants

The total number of people in a particular environment or elements that are occupying a particular space (Rubin & Babbie, 2016). The sample is drawn from the population.

Sampling should represent characteristics of the population for the study to be valid. Only one satellite of the Mpumalanga Community College Education and Training College. The population was (N=200) and the sample was (n=66), which comprised of students from various programmes of the college. The response rate of the questionnaire was (80%) meaning that fifty-three (53) questionnaires were returned. The results below demonstrate that most students at this college are females at 60% and males at 40%. In respect of age group, most students are in the age category of 31-40 years and the least is in the age category of 41-50 years. The demographics regarding education further reveal that most students have qualifications or Grades that are below Grade 12 with a 92% and the least have certificates and diplomas at 2% each, respectively. In addition, students that are taking skills are a majority with 91% and the rest at 9% have taken full qualifications.

Table 1: Demographic profile of respondents

| Variables | Frequency | Percentage |
|--------------------------|-----------|------------|
| Gender of respondents | | |
| Female | 32 | 60 |
| Male | 21 | 40 |
| Age Group of respondents | | |
| 18-20 | 11 | 21 |
| 21-30 | 16 | 30 |
| 31-40 | 18 | 34 |
| 41-50 | 8 | 15 |
| Education of respondents | | |
| Below Grade 12 | 49 | 92 |
| Grade 12 | 2 | 4 |
| Certificate | 1 | 2 |
| Diploma | 1 | 2 |
| Programme | | |
| Skills Programme | 48 | 91 |
| Full Qualification | 5 | 9 |

Research instrument

The questionnaire was divided into four (4) sections as follows: section A: demographics (gender, age group, education, programme); section B: Lack of student support services with five (5) statements/questions; section C: Less teaching and learning hours with four (4) statements/questions; section D: Learning and teaching support material with seven (7) statements/questions and section E: drop-out rate with five (5) statements/questions. A 5-point Likert scale (1=Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; and 5=Strongly agree) was utilized for all independent (Factors influencing student dropouts) variables and a dependent (drop-out rate) variable. The reliability and validity of the questionnaire was tested using a Cronbach's alpha. Statistical Package for Social Sciences version 22 was utilized. The instrument proved to meet both the reliability and validity of a recommended threshold of above 0.6 (Fornell & Larcker, 1981). Below (Table 2) present the validity and reliability of the instrument so utilized.

Table 2: Cronbach Alpha coefficients

| Construct | Cronbach's Alpha | N of items |
|----------------------------------|------------------|------------|
| Lack of student support services | .74 | 5 |

| | | |
|--|-----|---|
| Less teaching and learning hours | .66 | 4 |
| Learning and teaching support material | .88 | 7 |
| Drop-out rate | .78 | 5 |

Research procedure and ethical considerations

This was survey research wherein a questionnaire was utilized. The questionnaire was used to establish whether there was any significant relationship between factors leading to student quitting community colleges and drop-out rate. Collecting data utilizing a questionnaire has more advantage than the drawbacks in that questionnaires make data collection to be simple. The researcher while collecting data had no direct influence as the respondents complete a questionnaire independently away from the researchers. What the researchers do is collect or receive the questionnaires for analysis purposes and not to do any other thing besides analyzing. Confidentiality on data collected through a questionnaire protected the confidentiality of correspondents as their private information even their names were not revealed or written on the questionnaires (Hennink, Hutter & Bailey, 2011).

The questionnaire was administered to a group of students at Mpumalanga Community Education and Training College, who are registered for various programmes, mostly skills programmes. The sample drawn from the population of was 66. The questionnaire was first piloted to various students and lecturers to establish whether the questionnaire was clear enough to be completed with few errors. The questionnaires were delivered physically by the researchers wherein the students were given at fifteen (15 school days to complete the questionnaires). Students had to submit the completed questionnaires at a box provided from the lecturer room. After fifteen working days, the questionnaires were collected from the box provided, and capturing commenced. Data was first captured and validated on MS Excel and then transferred to Statistical Package for Social Sciences (SPSS) version 22. Complicated analyses were done from SPSS, while for simple statistics such as percentages MS Excel were used. In addition, respondents were given an option to withdraw from the study in instances wherein they felt that their privacy was being infringed upon (De Vos, Strydom, Schulze & Patel, 2011). The researchers emphasized that confidentiality of respondents will be kept private, and information was used for the purposes of the study (Rubin & Babbie, 2016).

Statistical analysis

Data was analysed using both the MS Excel and SPSS. In analysing the demographics (gender, age-group, education, programme), frequencies and percentages were used to demonstrate statistical output. Further analysis conducted on SPSS programme was on the correlations between independent variables (Lack of student support services, less teaching and learning hours, learning, and teaching support material) and a dependent variable (drop-out rate). Furthermore, means and standard deviations were generated. In addition, the significance value was tested at a 95% confidence level ($p \leq 0.05$). Tables were used to present the data which indicated the strength of variables.

Results and Discussions

The demographic results in Table 1 in respect of gender: female (60%), male (40%), In respect of the age group, the results indicated that 34% of the respondents are in the age

category of 31-40 years, and the least age group were those in the age group category of 41-50 years. The results with regard to the education further demonstrate that most students have a qualification, or a Grade below Grade 12 (92%) and the least were students with either a certificate or a diploma at 2% each. Respondents with regard to programme they are pursuing indicated that most students are pursuing a skills programme with 91% of them and the least being enrolled for a full qualification at 9%. Table 3 below demonstrate the results of both the mean and standard deviation. The mean for all the variables was above 3, in view of the five-point Likert scale the results are above the average.

Table 3: Summary of descriptive statistics

| Variable | N | Mean | Std. Dev |
|--|-----------|-----------|-----------|
| | Statistic | Statistic | Statistic |
| Lack of student support | 53 | 3.06 | .400 |
| Less teaching and learning hours | 53 | 3.00 | .414 |
| Learning and teaching support material | 53 | 3.08 | .420 |
| Drop-out rate | 53 | 3.05 | .396 |
| Valid N (listwise) | 53 | | |

A statistical test that measures how well sample data matches a distribution from a population with a normal distribution is referred to as goodness-of-fit (Dong, Dubas & Dekovic, 2022). Augustine and Stifter (2019) posit that the goodness-of-fit test determines the difference between the actual and predicted values of the model in the case of a normal distribution. The results above in (Table 4) AMOS 18 was used to evaluate the goodness-of-fit indices. The results as demonstrated below (Table 4) is almost the perfect goodness of fit.

Table 4: Goodness-of-fit

| Fit statistics | Recommended Limit | Obtained |
|--|-------------------|----------------|
| X ² | - | 3.70 |
| Df | - | 3 [*] |
| P value | p ≤ 0.05 | 0.90 |
| Goodness-of-Fit Index (GFI) | >0.95 | 0.94 |
| Adjusted Goodness-of- Fit Index (AGFI) | >0.95 | 0.95 |

The purpose of the study was to establish the relationship between factors that have an influence on drop-out rate in Community Education and Training Colleges. To establish the relationships between independent and dependent variables the following statements were hypotheses of the study: Ho1: There is no significant relationship between lack of student support services and drop-out rate. Ho2: There is no significant relationship between less teaching and learning hours and drop-out rate. Ho3: There is no significant relationship between learning and teaching support material and drop-out rate. A Pearson-product moment was utilised to establish the relationships between independent and dependent variables under study. Table 5 demonstrate the results as generated using the Pearson-product moment.: Ho1: There is no significant relationship between lack of student support services and drop-out rate. The results from this hypothesis were (r=.24, n=53, p-value-.00), the results indicate that there is a correlation between lack of student support services and drop-out rate at Community Education and Training Colleges, and

this relationship is statistically significant. This means that, as one variable increase so does the other variable. Therefore, the null hypothesis was not supported.

The results for Ho2, stating that there is no significant relationship between less teaching and learning hours and drop-out rate. The results from this hypothesis were ($r=.25$, $n=53$, $p\text{-value}=.00$), the results indicate that there is a correlation between less teaching and learning hours and drop-out rate at Community Education and Training Colleges, and this relationship is statistically significant. This means that, as one variable increases so is the other variable. Therefore, the null hypothesis was not supported. The findings for Ho3, stating that there is no significant relationship between learning and teaching support material and drop-out rate. The results from this hypothesis were ($r=.23$, $n=53$, $p\text{-value}=.00$), the results indicate that there is a correlation between less teaching and learning and teaching support material and drop-out rate at Community Education and Training Colleges, and this relationship is statistically significant. Therefore, the null hypothesis was not supported.

Table 5: Hypotheses on relationship between variables

| No | Hypotheses | Path Coefficients (P value) | Supported/not supported |
|-------|--|---------------------------------|-------------------------------|
| (Ho1) | There is no significant relationship between Lack of student support services and drop-out rate. | ($r = .248^{**}$, $P>0.05$) | Null hypothesis not supported |
| (Ho2) | There is no significant relationship between Less teaching and learning hours and drop-out rate. | ($r = .250^{**}$, $P>0.05$) | Null hypothesis not supported |
| (Ho3) | There is no significant relationship between Learning and teaching support material and drop-out rate. | ($r = -.232^{**}$, $P>0.05$) | Null hypothesis not supported |

Practical implications

The study makes contribution to the body of knowledge within the education field in as far as factors influencing drop-out rate at Community Education and Training Colleges. The knowledge generated from the study will assist Colleges to improve support of students to be successful in their studies. In addition, the study can be used to used side by side with other studies conducted in this area of Community Colleges.

Limitations and recommendations

The study was conducted within the Community Education and Training Colleges, and not any other Institution of Higher Learning not all Colleges were included only the Mpumalanga CET. Furthermore, the study focused on independent and dependent variables identified at the commencement of the study.

Conclusion

The purpose of the study was to establish relationships between independent variables (lack of student support services, less teaching and learning hours, learning, and teaching support material) influencing drop-out rate and dependent variables at Community Education and Training Colleges. The results indicated that for hypotheses (Ho1); (Ho2) and (Ho3), there is a positive and statistically significant correlations between factors influencing students

to quit from Community Education and Training Colleges and the drop-out rate. The results in general meant that as the independent variables increases so is the dependent variable. Therefore, in the three hypotheses of the study, null hypotheses were not supported in favour of alternative hypotheses.

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LOCAL GOVERNMENT AND THE CHALLENGES OF SERVICE DELIVERY: ZIMBABWE IN THE SPOTLIGHT

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Abstract: It is often the case that local government, its roles and responsibilities, and the challenges it encounters in its effort to fulfill its mandate are often derided, disparaged and conveniently minimised. For purposes of contributing towards the debate on policy review and knowledge generation, the article focuses the spotlight on local government in Zimbabwe, particularly its efforts to marshal communities for socio-economic progress through local public service delivery. In doing so, it turns to the principle of subsidiarity, the theory of local self-governance and document analysis to engage the challenges confronted by local government in Zimbabwe from an evidence-based vantage point, much of it drawn, developed and synthesized from the perspectives of a few representative nongovernmental organisations (NGOs) historically supporting local government regeneration in its various forms in the country. The article finds that the lack of resources and capacity in some local governments to effectively deliver services, the risk of central imposition in local government decision-making and the dearth of public participation processes are some of the challenges limiting the local units of government in Zimbabwe to fulfill their assigned mandate of local public service delivery.

Keywords: Local government, challenges, service delivery, subsidiarity, self-local governance, Zimbabwe

Introduction

The article assesses the state of local government in Zimbabwe and the challenges local government encounters as it goes about delivering services to communities in line with its mandate. Studies of this nature are important for a few reasons. Firstly, they can help to identify gaps and challenges in local government, which can be addressed through policy and programmatic interventions. Secondly, they can provide a baseline for assessing the progress and impact of interventions over time. Thirdly, they can inform the design of new interventions and programs to strengthen local government. Fourthly, they can contribute to a better understanding of the role of local government in promoting development and improving people's lives. Finally, they can be considered as a valuable contribution to the literature on local government in Zimbabwe and beyond. The findings can be used to inform future studies, as well as the design of local government policies and programs. Additionally, the findings can be compared with other studies on local government in Zimbabwe, the region and elsewhere, which can provide a more comprehensive understanding of the challenges and opportunities facing local government.

Local government defined as the level of government that most directly addresses day-to-day issues, represents local customs and cultures and enjoys greater proximity to the people (Marumahoko, 2023a). It is in a unique position to understand and respond to the needs of the community. Local governments were established to provide a range of specific services to a relatively small geographically delineated area in a number of countries, including Brazil, Denmark, France, India, Italy, Japan, Sweden, Australia, and the United States.

They are also established by ordinary legislation of a higher level of central government in New Zealand, the United Kingdom, and most countries. They are also established by provincial or state legislation in countries such as Canada and Pakistan. In addition, they are also established by executive order as in the case of China (Shah and Shah, 2006). According to Beaton (2011), the key characteristic of local government is the propinquity of their decision-making bodies to the public, which allows them to accommodate a wide range of local interests and make decisions based on an understanding of the local environment.

There are a number of key characteristics of local government which are outlined in the study by the Zimbabwe Institute (2005). Firstly, it says that local government is a sphere of government, with its own structures, functions and powers. Secondly, it is close to the people, and represents the interests of local communities. Thirdly, it is democratically elected, and accountable to the people it serves. Finally, it has a mandate to provide services to its citizens, and to ensure that their needs are met. It is responsible for a range of essential services, such as waste management, road maintenance, and library services (Marumahoko, 2020a; Ostrom, 2010). In the same spirit it has been observed that local government is an important part of the democratic process, providing opportunities for citizens to participate in decision-making and to hold their representatives accountable.

Organisation, Structure and Methodology

The article flows as follows: introduction, organisation, structure and methodology of the study, problem statement, theoretical considerations, organisation of government in Zimbabwe, constitutionalisation of local government and its implications for local government mandate, the challenges it faces, assessment of local government service delivery efforts, engagement of possible factors undermining service delivery, reflections on prior engagement on the topic of research and concluding remarks. In its engagement, the article mostly relied on document analysis. Document analysis is a valuable research method, and it was found well-suited to the topic of local government and service delivery in Zimbabwe. Some of the advantages of using document analysis include: the ability to access a wide range of data, including historical data that may not be available through other methods, the ability to analyse data from different sources, such as government reports, news articles, and NGO reports to get a more comprehensive view of the topic, and the ability to analyse data in a systematic and consistent manner, which can be useful for identifying trends and patterns. In its engagement, the article largely taps into the perspectives of nongovernmental organisations (NGOs) on the state of local government and service delivery in Zimbabwe, for various reasons. The perspectives of nongovernmental organisations (NGOs) are often excluded in official government reports analysing local government efforts to spearhead local socio-economic progress and yet NGOs can be invaluable in understanding the state of local government and service delivery in Zimbabwe. Besides supporting local government for many decades in Zimbabwe, NGOs often work directly with communities, and have a unique understanding of the challenges facing them. Additionally, NGOs often have access to data and information that is not available to the government, which can help to identify areas that need improvement. Finally, NGOs can provide a critical perspective on the effectiveness of national and local government policies and programs, as well as recommendations for change.

Statement of the problem

Even as they are at times viewed less favourably, local governments are important institutions created with robust considerations of local communities. The concept of local government enjoys universality and widespread application. As more and more countries seek to connect with local communities, local governments are perceived as the institutions most able to mediate and realise this noble goal. There are number of persuasive reasons why local government is becoming increasingly important in many countries. One of the reasons is that local government is often seen as more responsive and accountable to citizens than central government. This is because local government is closer to the people and is more likely to be aware of and responsive to their needs. Another reason is that local government can be more efficient and effective in delivering services than central government. This is because local government is more familiar with local conditions and can tailor services to meet local needs. An added reason is that many countries have been going through a process of decentralisation, in which power and responsibilities is shifted from central government to local government. In addition, international donors and development agencies have increasingly been supporting local government as a means of achieving sustainable development. Yet another reason is that there is a growing recognition of the role of local government in promoting democracy and good governance. In many countries, including Zimbabwe, local government has taken on a range of roles and responsibilities that were previously the responsibility of the central government. These include: planning and implementing local development goals, providing local services such as water, sanitation, health, education, and social services, planning economic development at the local level, managing local finances and resources, providing support to local businesses and industries, protecting the environment and managing natural resources, representing local communities and ensuring their participation in decision-making, and ensuring compliance with national and international laws and regulations. Even as this was done and celebrated as a major reform of the governmental system, many problems arose that threaten the viability of local government in many countries today. One of the problems that arose from this is that local government did not have the resources or capacity to effectively carry out the responsibilities that had been shifted to them. Without adequate support from national government, local government has struggled to provide the services and support that are needed by communities. This has, in many cases, led to frustration and disillusionment among citizens, who feel that local government is not able to deliver on its promises and govern well in the interest of communities. In some cases, central government appears to have set up local government to fail, for a variety of reasons. In some cases, central governments may want to retain power and control, and therefore deliberately withhold the resources and support that local units of public administration need to succeed. In other cases, central government may simply be unwilling or unable to provide the resources and support that local government needs. Whatever the reasons, this can have a negative impact on the functioning of local government and the ability of local communities to achieve their goals.

Theoretical Considerations

In engaging the topic under scrutiny, the article drew from two theoretical perspectives. These are: the theories of local self-governance and the principle of subsidiarity. Theories

not only offer productive ways to study phenomena in the general domain that it addresses, but they also generate ideas for further inquiry by pointing to other types of phenomena that might be comprehended or described in similar general terms. The theory of local self-governance holds that local communities should have the power to decide on their own affairs and be accountable to their citizens. The most well-known proponent of the theory of local self-governance is the German philosopher, Carl Friedrich (1950). Friedrich argued that the principle of local self-governance was crucial for promoting democracy, citizen participation, and local autonomy. He believed that local governments were better able to make decisions that reflected the needs and interests of local communities, and that they should be given the power to make their own decisions without interference from higher levels of government.

Friedrich's work on local self-governance is closely linked to the issue of local service delivery. He argued that one of the key benefits of local self-governance was that it allowed for more efficient and effective delivery of services at the local level. By giving local communities the power to make their own decisions, they could tailor services to meet their specific needs and priorities. Friedrich believed that this would lead to better outcomes for citizens and a more responsive and accountable system of government. His argument has been supported by a number of other scholars who have also argued that local self-governance is important for improving service delivery. For example, Elinor Ostrom, a Nobel Prize-winning political economist, has argued that local communities are often better at solving collective action problems and providing public goods than central governments. Her other main argument is that polycentric systems of governance, in which multiple centers of decision-making authority exist, are more effective at solving problems and providing public goods than centralised systems. This is because they are more flexible and adaptable, and can respond to local needs more effectively. They are also aware of local needs and are more able to monitor and enforce rules for the provision of services (Ostrom, 1990).

The principle of subsidiarity is closely linked to the theory of local self-governance. The principle of subsidiarity was first articulated in Catholic social teaching by Pope Pius XI in his 1931 encyclical *Quadeagesimo anno*. Since then, it has been widely adopted in Catholic social thought and has been incorporated into the social teachings of other Christian denominations. With respect to local government service delivery, the principle of subsidiarity underscores that local government should be responsible for providing services that are most effectively delivered at the local level (Marumahoko, 2020b). This ensures that local needs are met and that there is accountability to the local community. This is especially relevant in the context of local government service delivery, where services such as health, education and social welfare are often best provided at the local level. The principle of subsidiarity can help to ensure that these services are provided in a way that meets the needs of the local community and is accountable to them. This is closely related to the idea of local self-governance, which argues that local communities should have the power to make decisions about their own affairs (Marumahoko and Nhede, 2021). Both the principles of subsidiarity and the theory of local self-governance emphasize the importance of local control and decision-making. Another way that subsidiarity and local self-governance are connected is through the concept of self-determination. The principle of subsidiarity recognises that individuals and communities have the right to determine their own future and to be involved in decision-making processes that affects their lives.

This is similar to the idea of local self-governance, which also emphasises the importance of self-determination and community involvement in decision-making.

The Organisation of Government in Zimbabwe

With the adoption of Zimbabwe's current constitution in 2013 the prospects for local government to govern local affairs efficiently and effectively markedly improved. For the first time in the history of land-locked southern African country, local government was afforded constitutional protection. The constitution provided for a three-tier system of government comprised of the national government, provincial and metropolitan councils and local authorities, divided into urban councils and rural district councils (Section 5 of the Zimbabwe's Constitution). It provides for urban councils to represent and manage the affairs of people in urban areas; and rural councils, to represent and manage the affairs of people in rural areas within the districts into which the provinces are divided. Provincial government is composed of provincial and metropolitan councils.

Briefly, the government of Zimbabwe is divided into three branches: the executive, the legislative, and the judicial. The executive branch is headed by the President, who is both the head of state and the head of government. It also includes cabinet ministers who are appointed by the President and serve at his pleasure. Cabinet ministers are either elected members of the National Assembly, Senate or non-constituency members appointed in line with the constitution. The legislative branch is made up of a bicameral parliament, with the National Assembly and the Senate. Zimbabwe's National Assembly has 270 members, who are elected every five years. Of the 270 members, 210 are elected directly from 210 single-member constituencies, while the remaining 60 are chosen from party lists and allocated proportionally according to each party's share of the national vote. The Senate consists of 80 senators, who are mostly elected through a system of proportional representation. Judicial authority is vested in the courts which comprise the customary law courts, the magistrates courts, the labour court, the high court, the supreme court and the constitutional court.

The composition of provincial and metropolitan councils is slightly different from that of the National Assembly. All members of the national Parliament are now also members of the provincial or metropolitan council in which their constituency is based. Zimbabwe has eight provincial councils corresponding to the country's eight rural provinces and two metropolitan councils, responsible for Harare, the capital and Bulawayo, the second largest city in the country. These councils, eight of which are rural and two are urban, are responsible for a range of functions, including, planning and implementing social and economic development activities, coordinating and implementing government programmes, planning and implementing measures for the conservation, improvement and management of natural resources, promoting tourism and developing facilities for that purpose, and monitoring and evaluating the use of resources. Zimbabwe's 92 local government councils, of which 32 are urban councils, have directly elected councillors. In urban councils, the head of the policymaking function is the mayor while in rural district councils, it is the chairperson. All councillors, including the heads of the policymaking functions are elected after five years and are due for re-election as many times as they are appealing to voters. Local government councils conduct their businesses through a committee system. The head of the administrative arm of council is the town

clerk/secretary in the case of urban councils and chief executive officer in the case of rural district councils.

The Constitution's Section 264 addresses the transfer of authority to local and provincial governments. It declares that if appropriate, government duties and powers must be transferred to those authorities who are qualified to carry them out. This is consistent with the Constitution's section 3(2)(1), which states unequivocally that one of the principles upon which the document is based is the devolution of governmental power. Section 264(2) of the Constitution outlines the objectives of the devolution of government powers and responsibilities to provincial and metropolitan councils and local authorities. These are given as follows: to give powers of local governance to the people by enhancing their participation in the exercise of the powers of the state and in making the decisions that affect them, to promote democratic, effective, transparent, accountable and coherent government, to preserve and foster the peace, national unity and the indivisibility of the Republic, to recognise the right of communities to manage their own affairs and to further their development, to ensure the equitable sharing of local and national resources, and to transfer responsibilities and resources from the national government to create sound financial bases for provincial and metropolitan councils and local authorities.

The most significant general principles of local government are outlined in Section 265 of the Constitution and include the following: all local authority members must be elected by registered voters in their respective areas; an Act of Parliament must facilitate coordination between the national government, provincial councils, and local authorities; local authorities must ensure good governance, must not exceed their functions, must cooperate with one another, and must ensure the fair and equitable representation of people in their areas. The powers of local authority in Zimbabwe are also outlined in the Urban Councils Act (Chapter 29:15), the Rural District Councils Act (Chapter 29:13) and the Regional, Town and Country Planning Act (Chapter 29:12). The three Acts form the principal legislative basis for the implementation of local government policy in Zimbabwe and establish the relationship between local authorities and central government.

Did Constitutionalisation Enhance Local Government's Stature?

At a theoretical level, several arguments can be made about the possible improvements brought about by Zimbabwe's constitutional protection of local government in 2013. In theory, a case can be made that the constitutionalisation of local government has indeed improved its status and capacity to govern local communities. Prior to constitutionalisation, local government was often viewed as a subordinate institution, with little power and authority (Marumahoko and Fessha, 2011). Local government was seen largely as a means of implementing policies from the central government, rather than as a body that could effectively address the needs of local communities (Marumahoko 2010). In this sense, the constitutionalisation has seemingly helped to change this perception, and to establish local government as an institution that can effectively serve the needs of its citizens. It can also be argued that the increased powers and functions given to local government under the current constitution have allowed for a greater level of autonomy and independence. This is particularly evident in the areas of finance and development planning where local government has seemingly been given more freedom to make decisions that reflect the needs of the local community. On the face of it, this has led to a shift from a more centralised system of decision-making to one that is more decentralised and responsive to

local needs. Additionally, it may be argued that the increased accountability and transparency requirements have led to a more effective and efficient use of resources. All in all, the constitutionalisation of local government has seemingly improved the status of the local units of government to facilitate service delivery and governance in local communities in Zimbabwe.

At a practical level, however, it seems to be the case that constitutionalisation is yet to achieve a sea change in the way local authorities have been operating. The situation is largely as it was before. Implementation of devolution has been marked by unexplained delays and the appetite for it is largely lacking. Well over a decade after constitutionalisation of local government, national government has not yet come up with legislation on devolution, although this is specifically called for in the constitution. It continues to use legislation not aligned with the constitution in its interactions with local government. This relates to the Urban Councils Act (Chapter 29:15) and the Rural District Councils Act (Chapter 29:13). These are two pieces of legislation it has relied on in the past to confine local government to its position as subordinate to national government. As a result, local government in Zimbabwe continues to be treated as a creature of statute, operating in a delegated capacity and largely dependent on central government; in violation of the constitution. As it was the case before, local government functions, while defined in law, continue to be subjected to central government variation and re-assignment to other national agencies. Using the Urban Councils Act and Rural District Councils Act, Zimbabwe's minister of local government can whittle away local government's autonomy to make decisions (Marumahoko, 2023). The law gives the minister of local government a significant degree of control over local government. This is particularly evident in the areas of finance and development planning, where the minister can override the decisions of local government. This has led to concerns that the autonomy and independence of local government is at risk of being eroded.

The Challenges of Local Government in Zimbabwe

In this segment, the article engages on the challenges (and to a lesser extent, the opportunities) encountered by local government in Zimbabwe as it goes about fulfilling its roles and responsibilities (see Table 1). It does so by drawing from the perspectives of institutions and organisations, some of which have been involved in the ongoing efforts to strengthen the capacity of local government through support and other means. The article proceeds on the basis that there are a number of advantages to examining the opportunities and challenges of local government in Zimbabwe. First, it provides an objective assessment of the state of local government, based on empirical evidence. Second, it identifies specific areas where improvements can be made, and possible solutions that could be implemented. Third, it provides a basis for benchmarking against other countries and assessing the progress of local government reform efforts. Fourth, it can help to generate public discussion and awareness of the importance of local government and the need for reform. All of these advantages can ultimately lead to more effective and responsive local government.

Table 1: The challenges faced by local government in Zimbabwe

| Organisation | Year | Assessment |
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| Zimbabwe Institute | 2005 | The Zimbabwe Institute's study from 2005 identified a number of challenges facing local government in Zimbabwe. Firstly, it noted that the capacity of local government was limited, both in terms of resources and skills. Secondly, it noted that there was a lack of coordination between the central and local government, which impacted service delivery. Thirdly, it highlighted that there was limited participation of citizens in local government, and a lack of accountability. On the positive side, the study noted that there was potential for improved performance if these challenges were addressed. The study was conducted through a combination of methods, including literature review, interviews with stakeholders, focus group discussions, and site visits. Data was also collected from a range of sources, including government ministries, local authorities, NGOs and civil society organisations. |
| IDAZIM and RTI | 2010 | In their study, Institute for a Democratic Alternative for Zimbabwe (IDAZIM) and Research Triangle Institute (RTI) (2010) found that the challenges facing local government in Zimbabwe included, limited resources and infrastructure, lack of capacity and skills, limited coordination between central and local government, limited public participation in decision-making, inadequate planning, monitoring and evaluation, inefficient and ineffective service delivery, corruption and political interference. |
| World Bank | 2011 | In its report issued in 2011, the World Bank (WB) identifies several key issues facing local government in Zimbabwe. The report notes that the system of decentralisation in Zimbabwe is highly centralised, with most decisions concentrated at the national level. According to the WB, this meant that local authorities have limited autonomy and limited capacity to respond to the needs of their communities. For example, the report notes that local authorities have limited power to raise their own revenue, and must rely on central government for funding. The report notes that the national government allocates insignificant percentage of the national budget to local government and that this is often not enough to meet the needs of local communities. The report also finds that local government is underfunded, both in terms of the amount of money allocated by the central government and in terms of their ability to generate their own revenue. It notes that local authorities have limited ability to raise their own revenue through taxes or fees, as most of the tax base is located in the central government. The WB also found that there is a lack of transparency and accountability in local government in Zimbabwe, which makes it difficult for the public to hold their representatives accountable for the delivery of services. The report also highlights several issues that contribute to this lack of transparency, including a lack of access to information, limited public participation in decision-making, and poor record keeping. This lack of transparency and accountability has reportedly led to poor service delivery, as local authorities are not held to account for their performance. The WB report was prepared at the request of the Government of Zimbabwe, with the goal of providing recommendations to improve local government and service delivery. |
| World Bank | 2011 | In its report issued in 2011, the World Bank identified many challenges it say are faced by Harare City Council. Firstly, it noted that the city is facing a serious financial crisis, which has led to a decline in the quality of public services, including water and sanitation, solid waste management, and urban transport. Secondly, it found that the city is facing an infrastructure crisis, with poor roads, inadequate public spaces, and a lack of affordable housing. Thirdly, it found that there is a lack of coordination and collaboration between different levels of government, as well as between different departments within the city council. In the same report, the WB highlights the potential of the City of Harare to leverage its strategic location and role as a regional hub to attract investment and create revenue. Secondly, it underscored that the city has an opportunity to tap into the potential of its informal sector, which provides |

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| | | employment and livelihoods for many people. Fourthly, it found that the city has an opportunity to improve its service delivery by strengthening its human resources capacity and increasing its use of technology. Finally, according to the report, the city has the potential to improve its governance by increasing transparency and accountability, and by engaging with the public more effectively. |
| ActionAid International Zimbabwe | 2014 | In its briefing paper on local democracy issued in 2014, ActionAid International Zimbabwe highlights a number of challenges and opportunities it says are associated with local government and devolution in Zimbabwe. The report notes that the opportunities associated with devolution, include the potential to improve service delivery, to promote local democracy and to strengthen local government capacity. The report also highlights the potential for devolution to promote greater citizen participation in local decision-making, and to strengthen local economic development. One main point made by the report is that the devolution process in Zimbabwe is still in its early stages, and that there are a number of challenges associated with its implementation. This includes a lack of capacity at the local level, a lack of clear guidelines, and a lack of clarity on the roles of some governmental officials in local government. The report also highlights a number of specific challenges related to devolution, such as the risk of elite capture and the risk of political interference. The report recommends that these risks be addressed through the development of clear guidelines and procedures for devolution, as well as through the strengthening of local governance structures. |
| ActionAid International Zimbabwe | 2014 | In its report issued in 2014 on the implementation of devolution in the city of Bulawayo, Zimbabwe's second largest city, ActionAid International found out that Bulawayo City Council had a limited capacity to implement devolution, due to a lack of resources and technical expertise. The case study also identified that there was limited awareness of devolution among the general public, and that there was limited understanding of how devolution could benefit local communities. The report also found that traditional leaders were not always supportive of the devolution process, which could hamper its implementation. On the positive side, the report found that there were some innovative initiatives being undertaken by Bulawayo City Council, such as the establishment of local development committees. In addition, the report also noted that there were opportunities for the city to benefit from devolution, including the potential to improve service delivery and to stimulate economic development. ActionAid used a combination of methods to conduct the case study of Bulawayo. Firstly, it conducted a literature review, which included reviewing existing literature on the topic of devolution in Zimbabwe. Secondly, it conducted semi-structured interviews with a range of stakeholders, including government officials, civil society representatives and community members. Finally, it conducted focus group discussions with community members. |
| ActionAid International Zimbabwe | 2015 | In 2015, ActionAid International also did a case study of the city of Mutare with the purpose of assessing Mutare City Council in its adoption of devolution. As in the cases of Harare and Bulawayo, the report focused on the challenges and opportunities faced by the city council which has a large informal sector. The report found that Mutare was facing a significant challenge in terms of limited revenue generation. This was due to a number of factors, including a high unemployment rate, low levels of business activity, and limited collection of property taxes. Its recommendations on this issue included increasing the collection of property tax, diversifying the economy, and increasing investment in the city. The report also found that the city of Mutare had a limited capacity to implement devolution effectively. This was due to a number of factors, including a lack of staff, insufficient training, and |

| | | |
|--|--|--|
| | | a lack of clear guidance from the national government. The report also found that there was a lack of coordination between different departments within the city council, which made it difficult to effectively implement devolution. On the issue of addressing the capacity issues, the report recommends a number of steps. Firstly, it suggested that the city council should prioritise training for its staff, and should seek technical assistance from national government. Secondly, it recommended that the city council should develop a clear strategy for implementing devolution, and should create a system for monitoring and evaluating the process. |
|--|--|--|

(Source: Author's construct)

Assessment of Local Service Delivery

A number of organisations have underscored the significance of local government service delivery in their assessments. The OECD or Organisation for Economic Co-operation and Development (2017), for example, has highlighted the crucial role that local government plays in service delivery. In its report for 2017, the OECD noted that local government is responsible for providing a wide range of services that are vital for people's quality of life, such as water, sanitation, housing and waste management. It also highlighted the fact that local government is in a unique position to tailor services to the specific needs of local communities. The OECD report found that although, local government service delivery in Europe is generally strong, some local governments in Europe are struggling to deliver services effectively due to factors such as limited financial resources, a lack of capacity, and poor governance. In its assessment of local service delivery in Africa, the World Bank (2017) noted that while some progress has been made in improving service delivery, there are still significant challenges facing local governments in Africa. These are said to include limited financial resources, depleted capacity and weak governance structures. The assessment also highlights that African cities are growing rapidly, but many are struggling to provide basic services such as water, sanitation, and housing. It also notes that local governments in Africa are often under-resourced and lack the capacity to effectively deliver services. In the same breath, the report also notes that there are some promising examples of successful service delivery reforms in African cities, such as the use of technology and the involvement of local communities.

Local government service delivery in Zimbabwe has traditionally been widely accepted by citizens as a key component of the work done by the local units of government to improve the quality of life in communities. This is seemingly the case, even as the subnational government units are accused of stumbling and limping in the course of realising this priority responsibility and goal. Local government's mandate for service provision in Zimbabwe is provided for in Section 71 and 1st Schedule to the Rural District Councils' Act (Chapter 29:13), for rural councils, and Section 198 and 2nd Schedule to Urban Councils Act (Chapter 29:15), for urban councils. Provision of water for domestic, commercial or industrial areas, provision of housing and transport facilities, construction and maintenance of drains, sewers, roads and bridges, cleansing and refuse removal and disposal, prevention of air, land and water pollution, operation of fire brigades and municipal police, provision of social services, such as education, health, ambulance services, and provision of recreational facilities and sports facilities, are some of the services provided by local government councils in Zimbabwe. Yet, the RTI International and the (IDAZIM) Institute for a Democratic Alternative for Zimbabwe (2013) describes

service provision among local authorities in Zimbabwe as a “matter of trying to make something of a crisis situation”. Its survey meant to assess the state of service delivery it found that most local officials were well aware of how unsatisfactory service delivery was and when asked to assess it, there was strong agreement that it was either typically poor or fair at best (see Table 2).

Table 2: Responses to question: How would you describe the state of service delivery today (Percentage of total responses)?

| Service/ Service rating | Health | Education | Transport/ Road | Water and Sanitation | Housing |
|----------------------------|--------|-----------|--------------------|-------------------------|---------|
| Excellent | 3.3 | 2.7 | 1.6 | 3.8 | 0.5 |
| Good | 18.7 | 9.9 | 7.1 | 7.7 | 9.9 |
| Fair | 41.8 | 33.5 | 23.1 | 24.2 | 41.2 |
| Poor | 30.2 | 42.3 | 53.3 | 54.4 | 36.3 |
| Non-existent | 1.1 | 2.2 | 4.9 | 2.2 | 1.6 |
| DK/ NA | 4.9 | 9.3 | 9.9 | 7.7 | 10.4 |
| Total | 100.00 | 99.9 | 99.9 | 100.00 | 99.9 |

Note: N=182 and include only the councillors from 12 local authorities. DK/NA= Respondents who did not know or did not answer the question. Totals may not equal 100% due to rounding off.

(Source: RTI International and the IDAZIM, 2013, p. 49)

The Centre for Community Development of Zimbabwe (2009) determined that in addition to a lack of resources, a number of intricately linked issues also have a role in the poor level of service delivery. It became clear from its work with various Zimbabwean rural and urban councils that major obstacles to providing effective services also include, but are not limited to, a lack of knowledge and capacity, gender inequality, a lack of transparency, corruption and the abuse of power, and power struggles between locally elected council members and the bureaucrats. In a similar vein, it also associates political pressure and intervention from the national government, disagreements between council members with disparate political histories, misaligned priorities, and conflicts of interest between private benefit and the public good, with disparities in service delivery. It also noted that a number of administrative and logistical challenges, such as a lack of service vehicles, machinery, and equipment, deteriorating infrastructure, and the inability to pay salaries, characterize Zimbabwe's state of service delivery.

The Case of Water Provision, Wastewater Management and Road Infrastructure Development

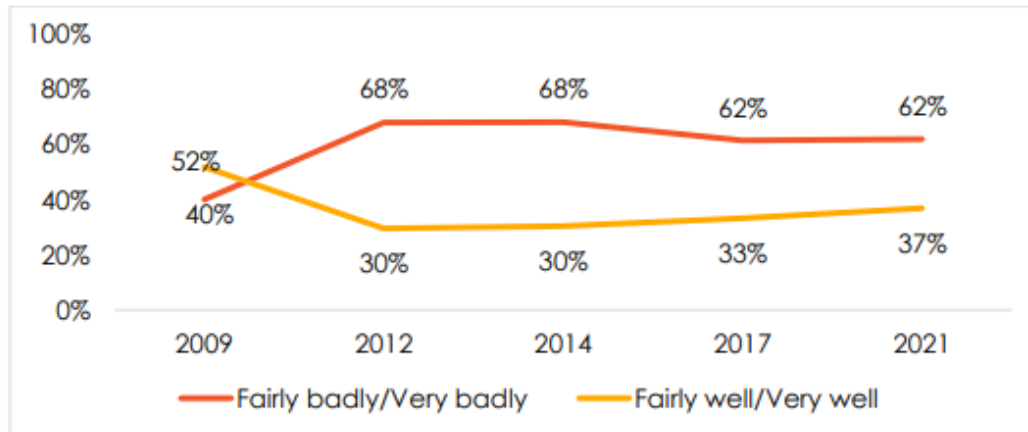
In the forthcoming paragraphs, the article assesses three of the many local public services that are the responsibility of local government. These are: (a) water provision, (b) wastewater management, and, (c) road infrastructure development. Given that it is not possible to engage all the services under the portfolio of local government, owing to time and space constraints, the assessment was confined to the three mentioned above. By any means, this does not in any way suggest that the other services not assessed are of less significance and standing in the family of services legally assigned local government in Zimbabwe.

Water supply

It is on record that local government's infrastructure for water supply has been under severe strain for many years. Among others, this is characterised by communities complaining that they are going for lengthy periods of time without clean drinking water. In some local authorities the situation is so bad that entire communities have endured months, even years without accessing portable water. In 2019, the African Development Bank (ADB) estimated the cost of expanding (and not rehabilitating) access to improved water provision at about US\$504.6 million. Estimates by the Urban Councils Association of Zimbabwe (UCAZ, 2020) point to local authorities requiring at least US\$304.1 million to finance infrastructure for water supply for urban areas. The estimate does not even include the cost of replacing broken down water pipes and related components, which could drive the cost even higher than the estimate by the Urban Councils Association of Zimbabwe (2018). In 2022, one study estimated the cost of revamping Harare City Council's water infrastructure to be one billion US dollars for five years (Marumahoko, 2022).

Against this back, the assessment by Urban Councils Association of Zimbabwe is not only seemingly conservative but it also appears to minimise the incapacity by a considerable margin (see Figure 1). The estimate by the Urban Councils Association of Zimbabwe also excludes infrastructure for water supply by rural district councils, which have suffered under-funding for many years. The African Development Bank (2019) claims that because of protracted underfunding, Zimbabwe's urban water and wastewater treatment facilities are inefficient, allowing raw sewage and effluent to seep into rivers and dams. According to the World Bank Service Level Benchmarking Coordination Committee (2016), a number of factors, including limited revenue inflows, increased demand for services due to population growth, low levels of investment in local government infrastructure maintenance, aging infrastructure and equipment, the impact of hyperinflation and dollarisation, which had contributed to the dissolution of some transfer and loan facilities that had traditionally supported investments at the local level, inadequate treatment capacity, inadequate metering, inadequate policies, and infrastructure vandalism, were identified as contributing to the challenges faced by local government councils in Zimbabwe when it comes to providing portable water. These difficulties can be ascribed to several factors. This involves residents not paying for the services they receive, which leaves them with enormous debts that are unlikely to be paid back. Writing for the Zimbabwe Economic Policy Analysis and Research Unit, Dube (2019) identifies two reasons for the nonpayment of local services by citizens: incapacity and unwillingness. It is assessed that the primary cause of unwillingness is the inability of local authorities to provide services, which deters ratepayers from being prepared to pay for services that do not exist. Because of this, consumers do not give rate payment much importance, even though they can still find a means to pay for other services either directly or indirectly, through taxes. Examples of such services include education, public transportation, recreation facilities, security, and parking. The Zimbabwean national government's prohibition on local councils using effective water price strategies is likewise not very helpful. If the neoliberal principles of liberalization, deregulation, and cost recovery governed local water supply policy, it would seemingly benefit financially stressed local government councils (Marumahoko, 2020c).

Figure 1: Response to the question: How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say: providing water and sanitation?



(Source: Afrobarometer, 2021, p. 5)

Wastewater issues

An acceptable sanitation system is one that provides safe and effective access to sanitation facilities for all people, while also protecting the environment. This includes access to safe toilets and latrines, as well as the safe collection and treatment of human waste. An acceptable sanitation system should also be affordable, easy to use, and accessible to everyone, including people with disabilities. It should also be culturally appropriate and take into account local customs and traditions. In addition, it should be sustainable, ensuring that it can continue to operate effectively over the long term. In urban Zimbabwe, all households are issued with an occupation certificate by local government councils to effectively manage wastewater. The issuance of occupation certificates is part of the country's efforts to improve sanitation and protect public health. The certificates are issued by the local authorities and require property owners to provide an adequate sanitation system, such as a septic tank or a connection to a municipal sewer system.

By requiring these certificates, the government is able to ensure that all households have access to safe and effective sanitation, reducing the risk of waterborne diseases and environmental pollution. Even with policies like the occupation certificates in place, the maintenance of wastewater infrastructure is a major challenge for local authorities in Zimbabwe. This is due to a variety of factors, including a lack of funding, inadequate technical capacity, and a lack of political will. Added to this is that population growth is expanding at a bigger pace in relation to the capacity of the sanitation system. The case of the city of Harare can illustrate this point better. The city's wastewater treatment system was originally designed for only 250,000 people, but the city's current population is ten times that number. Large amounts of improperly treated wastewater are being released into rivers as a result of the system's inability to handle the 60 million liters of sewage that are produced every day (Chirisa et al, 2017).

The World Bank Service Level Benchmarking Coordination Committee (2019), established in 2019 that about 14.2% of the toilets were not functional in the local authorities. It also established that only about 20.5% of the total wastewater infrastructure across all the urban local authorities in Zimbabwe can be regarded as being of high quality, against a benchmark of 100% functionality. It was also established that the sewer charge

collection efficiency is low; it is estimated at an average of 30.6% across all the local authorities (Zimbabwe Economic Policy Analysis and Research Unit, 2019). As if this is not already bad enough, informal settlements make it worse as they often lack proper sanitation facilities, and their inhabitants often lack access to clean water and proper waste disposal. Untreated wastewater from these illegal settlements and industries often enter public water bodies, polluting water for human consumption and other species. This is leading to serious health risks and environmental degradation. In addition, the lack of formal recognition and planning for informal settlements makes it difficult for local governments to effectively manage them.

Road infrastructure

In Zimbabwe, there are four road authorities: the national government, local government councils (divided into urban councils and rural district councils), provincial governments, and the Zimbabwe National Roads Administration (ZINARA). The local government councils are responsible for managing the road network within their jurisdiction, including the construction, maintenance and rehabilitation of roads. This can be a major challenge as local governments often lack the resources and capacity to effectively manage their road network. The term 'road authority' is used to describe an entity that is legally responsible for the planning, construction and maintenance of roads in a particular jurisdiction. The national government is responsible for the planning, construction and maintenance of all national roads connecting two or more provinces. It also has the authority to designate roads as national roads and to set standards for their construction and maintenance. In doing so, it works closely with other road authorities to ensure that the country's road network is safe, efficient and well-maintained. The ZINARA, or Zimbabwe National Roads Administration, is a parastatal responsible for the management and administration of the National Road Fund. The National Road Fund is a fund that is used to finance the construction, rehabilitation and maintenance of national roads in Zimbabwe. It collects road user charges, such as tolls and fuel levies, which are then used to fund road projects. These are functions it arbitrarily took away from local authorities; thereby affecting their capacity to provide for local road networks.

The state of road infrastructure in local government jurisdictions has consistently been described as extremely poor (Zimbabwe Economic Policy Analysis and Research Unit, 2019). To get a perspective, picture this: in its survey done in 2019, the World Bank Service Level Benchmarking Coordination Committee found that, only 52% of road in urban councils are sealed and that of these, only 21.2% are in good condition. In the same vein, the survey also established that only 10% of roads in urban councils have carriage markings and that only 16.9% have controlled intersections. Poor infrastructure in local authorities does not augur well with an economy trying to achieve sustained economic growth. Such a state of affairs does not speak to the ability of local government to supply essential infrastructure services that support private economic output and improve socio-economic development at the local level where communities are found (Marumahoko, 2023b).

Among others, Marumahoko (2020c) seemingly attributes the decline of local authorities as road authorities to the actions by ZINARA. He argues that up until 2009, using vehicle license fees, urban councils, for example, supported efficient, reliable, and safe road infrastructure services. After vehicle licensing was removed from local councils and given to ZINARA, a state-owned enterprise created by national government, the capacity of

urban councils to invest in the urban road network system suffered decline and has not recovered ever since. Harare mayor, Jacob Mafume, seemingly aligns with Marumahoko's assessment. On 16 January 2024, Mayor Mafume said that the City of Harare was in the grip of a road maintenance funding dilemma as the ZINARA was channeling a mere US\$2 million of the staggering US\$64 million contributed annually by the city's 800,000 registered vehicles (Zimeye, 2024). The pittance payment to Harare City Council constitutes a paltry 3% of the colossal sum amassed from Harare motorists. The funding model described by Mayor Mafume as "daylight robbery" is accused of "leaving Harare drowning in neglected infrastructure". A dire picture of the state of road infrastructure in local authorities becomes clearer when one takes into consideration the deprivation suffered by Zimbabwe's other 91 local government councils as a result of the national government taking away this stream of revenue from local authorities and bestowing it on ZINARA, a parastatal controlled by the centre and whose funding model bears considerable blame for the deterioration of local government road infrastructure.

The Factors that Service Consumers' Perceive for Poor Service Delivery

Research done by Marumahoko et al (2020) may be applicable in the current engagement. Among others, the researchers sought service consumers' perception of the origins of poor local government service delivery in Zimbabwe. In seeking to provide valuable insight into the state of local government service delivery, the researchers asked the service users to shed light on the causes of poor service delivery. The objective which is comparable for the current discussion, was to gain more insight into the challenges encountered in decentralising service provision as well as to facilitate comparative observation and improve policy formulation and analysis. Declining public sector investment, waning donor funding, misuse of council funds, a lack of public participation, a lack of political leadership, poor policies, poor budgeting and monitoring and evaluation, were cited by respondents' as some of the key drivers of inadequate service provision (see Table 3). These perceptions suggest that there are significant challenges facing local government in Zimbabwe, and that a more systematic approach in addressing these challenges is needed.

Table 3: Percentage distribution of service consumers' perception of the origins of poor service delivery

| | Bulawayo | Chitungwiza | Zvishavane | Epworth |
|--|----------|-------------|------------|---------|
| Limited local government reforms | 50 | 40 | 30 | 40 |
| Centre-local power struggles | 60 | 40 | 50 | 60 |
| Politicisation of service delivery | 60 | 70 | 60 | 50 |
| Limited and insecure revenue | 70 | 60 | 50 | 80 |
| Limited expenditure powers | 40 | 30 | 60 | 50 |
| The 'unfunded' mandate | 100 | 90 | 100 | 80 |
| Obsolete service delivery infrastructure | 80 | 100 | 90 | 90 |
| Declining public sector investment | 100 | 90 | 80 | 100 |
| Declining donor funding | 100 | 100 | 100 | 100 |
| National government debt | 100 | 90 | 70 | 100 |
| Corruption in staffing | 80 | 100 | 100 | 60 |
| Lack of managerial capacity | 90 | 100 | 100 | 60 |
| Lack of transparency and accountability | 60 | 90 | 100 | 40 |
| Lack of training and capacity building | 30 | 40 | 20 | 30 |
| Misuse of council funds | 100 | 100 | 100 | 60 |

| | | | | |
|-------------------------------------|-----|-----|-----|-----|
| Lack of public participation | 90 | 100 | 80 | 70 |
| Poor coordination processes | 100 | 100 | 90 | 80 |
| Poor monitoring and evaluation | 100 | 100 | 90 | 100 |
| Lack of political leadership | 90 | 100 | 100 | 70 |
| Poor intergovernmental coordination | 60 | 80 | 50 | 40 |
| Poor service delivery policies | 100 | 90 | 100 | 60 |
| Poor budgeting | 30 | 70 | 80 | 40 |

Source: Marumahoko et al., 2020, pp. 62-63

What Does All of the Above Tell Us?

If anything, the engagements above underscore that Zimbabwe has a vibrant system of local government in place. They seemingly highlight that a few features characterise the vibrant system of local government in Zimbabwe: the Constitution of Zimbabwe explicitly recognises the existence of local government and defines its structure and functions, to some extent, there is a discernible system of decentralisation, with roles and responsibilities of national government, provincial governments and local governments outlined, local governments enjoy some autonomy in making decisions that affect their areas, there are mechanisms for citizen participation in local government decision-making, such as through elections and community meetings and local governments have systems and procedures in place for delivering local services. Despite existence of a system in place, there are a number of challenges seemingly stifling robust local governance highlighted in the engagements that need to be addressed. They include, inadequate resources, limited intergovernmental coordination, inadequate planning, unnecessary encroachment by national government, and a limited capacity to implement devolution and programs and projects that benefit the socio-economic progress of communities. The article engaged three of many critical issues at the heart of vibrant local government service delivery: water supply, wastewater management and road infrastructure planning, development and maintenance. In so doing, the research seemingly added value by further exploring aspects of the question asked by RTI International and IDAZIM, a little over a decade ago: *What are the three most important services the council is providing to the community?* (see Table 4). Among others, improving the capacity of local government to deliver local public services in Zimbabwe, may entail the need for greater financial autonomy for local government, the necessity for more capacity-building programs to equip local government with the skills and resources they need to effectively deliver services, development of service delivery systems anchored by cost recovery philosophy, and the need for local authorities and local residents to reconnect on all fronts.

Table 4. Response to question: What are the three most important services the council is providing to the community?

| Number of times mentioned among top three (percentage of N) | | | | |
|---|----------------------|-------------------|------------------|---------------------|
| Local officials | Water and sanitation | Refuse collection | Road maintenance | Primary health care |
| Mayors/Chairs (N=14) | 8 (57.1) | 10 (71.4) | n.a. | 7 (50.0) |
| Administration officials (N=15) | 14 (93.3) | n.a. | 5 (33.3) | 11 (78.6) |
| Councilors (N=194) | 103 (53.1) | n.a. | 64 (33.0) | 97 (50.0) |

| | | | | |
|----------------|------------|----------|-----------|------------|
| Totals (N=223) | 125 (56.1) | 10 (4.5) | 69 (30.9) | 115 (51.6) |
|----------------|------------|----------|-----------|------------|

Note: Administration officials, interviewed as a group, include the town clerks, heads of department, and other officials, and the composition of the group varied by local authority.

N = Total number of survey respondents

n.a. = not applicable; issue was not mentioned among top three

Source: *RTI International and the IDAZIM, 2013, pp. 52*

Conclusion

The article focused on local government in Zimbabwe, and highlighted the challenges (and to a lesser extent the opportunities) facing local government in the country. Among others, it engaged on the opportunities for local government to play a greater role in service delivery, economic development and local democracy. It also engaged on the challenges that local government faces, including financial constraints, a lack of capacity, and a lack of public support. Finally it provided recommendations for addressing these challenges and strengthening local government in Zimbabwe. Increasing financial autonomy for local government, through measures such as increasing local revenue sources and implementing more transparent and accountable financial management, strengthening capacity building efforts for local government officials, such as training and capacity building programs, increasing community participation in local government, through initiatives such as local forums, public hearings, and community consultations, and enhancing coordination and cooperation between different levels of government, as well as with other stakeholders such as civil society organisations and the private sector, were some of the recommendations it proposed. In its engagement, the article was guided by the principles of subsidiarity, the theory of local self-governance and document analysis, in the form of reviewing published sources of data such as government databases, internet searches, yearly reports, journals, periodicals, annual reports, books, and articles. In its analysis of the state of local government and service delivery in Zimbabwe, the article drew mostly from the perspectives of nongovernmental organisations (NGOs), all of which have a rich history of actively supporting local government capacity building in the country in one form or another.

The article began its effort of rigorous analysis with introduction, followed by organisation, structure and methodology of the study, statement of the problem, organisation of government in Zimbabwe, constitutionalisation of local government, opportunities and challenges of local government, and assessment of local government service delivery. In doing so, it specifically gave prominent attention to analysis of local government efforts in the provision of water supply, wastewater management and road infrastructure planning, development, construction and maintenance. The objective was to sample a few services to assess success of local government in the delivery of basic services. The three services analytically engaged in greater detail (i.e. water supply, wastewater management and road infrastructure) are part of a family of services considered critical by communities and therefore worthy of consideration. The article also engaged on the factors perceived of by communities as being the root causes of poor and dysfunctional local public service delivery. Following this, it reflected on its prior discussions. In doing so, it was proceeding on the basis that reflecting on prior discussions in an academic and professional paper is a valuable process, as it can help to highlight prominent themes that emerged from the discussions. By analysing the themes, researchers can gain a deeper understanding of the subject matter. This process can also help to identify gaps in knowledge or areas that

require further exploration. The article then presented its concluding remarks. There are a number of areas that future studies could focus on to further explore the knowledge generated in this article. One possible area of engagement for future studies is examining the different approaches to service delivery being used in Zimbabwe (and perhaps beyond) by different local governments, and assessing their effectiveness.

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ETHICAL DILEMMAS IN THE ALLOCATION OF LOW-COST HOUSES: A SOUTH AFRICAN CASE STUDY

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Abstract: This paper is a culmination of an empirical study which sought to investigate the ethical dilemmas and Clientelism in the allocation of low-cost houses. Section 26 (1) of the Constitution of the Republic of South Africa, 1996 eloquently states that ‘everyone has the right to have access to adequate housing’. Low-cost houses commonly known as ‘RDP houses’ are government’s approach in responding and respecting the constitutional right to adequate housing for all deserving South Africans. This paper argues that the low-cost housing system in South Africa is concocted by ethical dilemmas and conflict of interest such as corruption, nepotism, administrative discretion, and policy dilemmas amongst others. The paper adopts a combination of mixed methods (qualitative and quantitative research approaches) and content analysis. The paper followed a case study approach whereby 10 selected villages within the jurisdiction of the Greater Giyani Local Municipality, Limpopo Province were randomly sampled for data collection. Therefore, questionnaires were administered and collected, interviews conducted and documents relating to the discourse of this study were analysed in context of the general objectives of the study. This was done with a view of proposing recommendations that can be used to minimise and curb unethical conduct and the use of public goods for the benefit of political parties, particularly those running the machinery of government.

Keywords: Clientelism, Corruption, Ethics, Ethical dilemmas, Low-cost housing

Introduction

The Freedom Charter (1955) declares that ‘there shall be houses, security and comfort’. This declaration further finds expression and articulation through section 26 (1) of the Constitution of the Republic of South Africa (1996) which eloquently states that ‘everyone has the right to have access to adequate housing’. ‘RDP houses’ are government’s approach in responding and respecting the constitutional right to adequate housing for all deserving South Africans. It is against this brief background that the paper argues that the low-cost housing system in South Africa is concocted by ethical dilemmas and conflict of interest such as corruption, nepotism, administrative discretion, and policy dilemmas amongst others. Some of the objectives that guided the study were; to investigate the ethical dilemmas in relation to the allocation of low-cost housing and features of clientelism in relation to the allocation of low-cost housing in selected communities within the Greater Giyani Local Municipality in Limpopo Province of South Africa. This paper starts by providing the theoretical framework, presents the adopted methodology and present the findings and analysis.

Theoretical Framework: Ethics, Principles and Theories

According to Mathebula and Makamu (2014), ethics is a branch of philosophy examining the righteousness and the wrongfulness of moral behaviour. According to the Vocabulary Dictionary, the word philosophy has a Greek root composed of the words philo (love) and sophos (wisdom). Loosely translated, philosophy is the love for wisdom. People studying philosophy seeks to comprehend why and how people do certain things to live good in life (Vocabulary Dictionary). Therefore, the etymology of the concept ethics which similarly is of Greek origin is derived from the word ‘ethos’, which principally refers to attitude that differentiates agreeable conduct of a profession or work (Ehrich et al. 2004). Drawing from the work of Greek philosophers such as Plato and Aristotle, ethics can be understood as ‘what we ought to do’. According to Emerson et al (2011), ethics refers to standards of behaviour that are acceptable when measured against acceptable community standards. Inasmuch as there exists acceptable society or community values that are part of the overall discourse on ethics, members of society expect public officials to abide by those values. The normative foundations of public administration that emanate from community values include; reasonableness and fairness, balanced decisions, Christian doctrine, thoroughness, probity, efficiency and effectiveness (Coetzee 1988; Du Toit and Van der Walddt 1999; Du Toit et al. 2002).

Principles of Ethics

A principle in ethics is “a basic truth or a general law or doctrine that is used as a basis for reasoning or a guide to action or behaviour” (Lawrence and Roosevelt n.d). There are four principles in the discourse of ethics which are; beneficence, least harm, respect for autonomy and justice.

Beneficence

According to Page (2012), beneficence means an obligation to convey benefits to others so that they are able to further their interests. Simply put, beneficence is a moral obligation to help others. A classic example is if moral obligation is a case of organ donation (Chagani 2014). This principle seeks to guide public servants and strive to do what is right and good. The prioritisation of going ‘good’ is a possible solution for ethical dilemmas. In this context, public servants must by all means possible attempt with the largest form of reason and rationale to do good and right over evil. In the context of this study, public officials responsible for implementing the delivery of the low-income housing system must act in the best interest of those low-income households when allocating houses. The principle of beneficence according to Chagani (2014), signifies the provision of goods and services and requires public servants to weigh risks and benefits and take decisions that conveys the greatest of benefits to beneficiaries.

Least harm

According to Summers (2009), harm refers to that which worsens the condition of person(s). In this vein due diligence needs to be exercised by civil servants to ensure the prevention of any type of harm from ensuing. According to Mathey (2003), least harm as an ethical principle is difficult to quantify since it bears the risk of unconsciously infringing other rights. However, central to this principle is that “first do no harm, benefit only” (Summers 2009). It has been alluded on the conceptualisation of conflict of interest that public servants are caught in between two or more conflicting situations whereby it becomes difficult to make informed decisions for a single choice. This ethical principle

requires public servants to do least harm to the fewest people when confronted with a situation in which no choice appears beneficial.

Respect for Autonomy

According to the Oxford English Dictionary, autonomy refers to the freedom for a country, region or organisation to govern itself independently. Autonomy requires the ability to decide for one self from the control of others with an understanding of a meaningful choice (Lawrence 2007). According to Chagani (2014), respect for autonomy signifies an obligation to public servants of respecting the decision-making capabilities of the beneficiaries of services. In the context of this study, the concept autonomy refers to the independence of South African citizens who must independently govern and dictate development alternatives for themselves rather than government dictating. Respect for autonomy as an ethical principle holds that the public and the general citizenry must be allowed to make decisions directly affecting their lives. Allowing the public to be involved in decision making concerning their livelihoods and wellbeing increases their sense of ownership over public goods and services as provided to them by government.

Justice

In simple terms, justice means fair treatment of people (Oxford English Dictionary). The ethical principle of justice states that those in charge of public office must strive to make fair and consistent decisions unless there are extenuating circumstances that can be used as a justification. This then call for public servants who are obsessed with making principles decisions that can escape criticism in future. Justice addresses the questions of distribution of scarce public resources to ensure the protection of their rights (Lawrence 2007). According to Chigani (2014), justice deals with the allocation of resources equally with fairness among citizens according to need, right and utility, while focus is placed on fair distribution of resources keeping risks and benefits into account. This is in line with section 195 (1) (d) of the 1996 Constitution which emphatically states that “services must be provided impartially, fairly, equitably and without bias”. The four principles discussed above assist in understanding how public officials can align their behaviour in ensuring that ethical decisions are taken. Theories of explaining ethics and ethical behaviour are outlined below.

Theories for Explaining Ethics and Ethical Behaviour

Ethical theories are imperative in decision making in that they enable individuals to consider making ethically correct decisions (Finfgeld-Connett 2013). Ethical theories are also tools that public officials can adopt to avoid ethical dilemmas and leads them to ethically correct resolutions (Chun et al. 2013; Pullen and Rhodes, 2014). Such theories are; deontology, utilitarianism, rights and virtues.

Deontology

The concept deontology is a combination of Greek terms deon (duty) and logos (science) which if loosely translated means the science of duty or what one ought to do. In contemporary moral philosophy, deontology is a normative deontic theory regarding which choices are morally required, forbidden or permissible (Slowther et al. 2004). Deontological theory which is sometimes referred to as Kantianism places great emphasis

on the use of rules rather than consequences in the justification of policy actions. Simply put, public officials are bound to work within the strict confines of the law and rules irrespective of what consequences those rules lead to. The theory underscores the importance of public officials to adhere to their obligations and duties. The use of the word adherence juxtaposes that the execution of public duties ‘must’ be done by the book. However, adherence is a relative concept as enforcement becomes a challenge particularly for public officials who claim to be innovative and therefore acting *ultra vires*. Adherence to strict obligations and duties will practically translate into ethically correct conduct. This is so because a deontologist is principled and take consistent decisions within the confines of the law.

Utilitarianism

Utilitarianism is a theological ethical theory that is generally applied in economics to explain a rationale of a particular decisions (Baumane-Vitolina, et al. 2016). This theory is closely associated with philosophers such as Jeremy Bentham and John Stuart Mill. The ethical principle of utilitarianism is based on a person’s ability to predict and foresee the consequences of his actions. Just like the ethical principle of least harm, utilitarianism makes a call to take decisions conveying the greatest of benefits to most people. Such decisions are ethically correct. When confronted with a conflict of interest or an ethical dilemma, a utilitarian’s concern is that of achieving maximum goal. Thus, a right of one individual can be infringed in order to benefit the interests of masses. The theory of utilitarianism suggests that efficiency and higher levels of satisfaction are dependent on human morality (Baumane-Vitolina, et al. 2016). Bentham (1982) believed that happiness can be counted in terms of quality and quantity as he used in his calculation; intensity, duration, certainty, volume, time, consequences and purity to quantify happiness.

Rights

Rights that emanate from community or societal values in terms of this theory must be given the highest priority. Of course, ethics are obsessed with what is socially acceptable. The rights of individuals are deemed to be ethically correct since a large population of the society endorses them. The society in terms of this theory can determine the rights it wants to uphold against other rights. This theory must be explained with other theories that seeks to explain the aspirations of society. Is South Africa for example, people have the right to choose their religion since it is enshrined in the 1996 Constitution.

Virtues

Virtue ethics is one of the major normative ethics approaches (Stanford Encyclopaedia of Philosophy 2016). According to the Oxford English Dictionary, virtue refers to behaviour or attitude that shows high moral ground. Although virtue ethics is related to consequentialism (i.e. utilitarianism) and deontology, it is distinguished from them because of its centrality within the theory (Kawall 2009). Virtue ethics points out to the fact that those in charge of public office must execute their public duties that assist a person(s) as charity or benevolence (Stanford Encyclopaedia of Philosophy 2016). The virtue ethical theory judges a person by his character rather than actions that result in unethical conduct. The theory takes into account the person’s reputation, motivation and morals when rating unethical behaviour. This notion can be misleading in that people have the ability to

misrepresent their character for immediate good image. It therefore has a weakness in that it does not consider a person's change in moral character. Central to the concept of ethics and ethical dilemmas in the concept of conflict of interest.

Design And Methodology

A research design according to Mouton (2014: 107), is a set of guidelines and instructions to be followed in addressing the research problem and enables the researcher to anticipate what the appropriate research decisions should be in order to maximise the validity of the results. In an attempt to understand the ethical dilemmas in the allocation of low-cost housing in the Giyani area, this paper adopted a quantitative research approach. The study targeted residents from Thomo, Muyexe, Homu, Ndhambhi, Ngove, Mphagani, Nhlaniki, Mapuve, Nkurhi, and Xikukwani villages under the jurisdiction of the Greater Giyani Local Municipality. The study used a purposive sampling technique whereby 300 participants were selected on the basis of their knowledge and expertise on ethical dilemmas in relation to the allocation of low-cost houses. Structured questionnaires were administered while semi-structured supplementary interviews were conducted to the targeted population.

Findings And Discussion

The findings as presented below provide for ethical dilemmas in relation to the allocation of low-cost houses. As such, nepotism corruption and bribery were probed and the data as presented below.

A People receive houses by virtue of being relatives to those in power

Probing this section was for the purposes of establishing the prevalence of nepotism in the allocation of low-cost houses. Nepotism is one of the ethical dilemmas that confront public servants. This means that public goods and services are extended to benefit those that are close relatives, spouses, friends and family with those in power at the expense of the general public. There was a hypothesis in this study presuming that some of the beneficiaries of low-cost houses are relatives to those holding political power and such as influence the allocation process.

Table 1: Houses received by those related to incumbents in power

| Strongly Agree | Agree | Neutral | Strongly Disagree | Disagree |
|----------------|-------|---------|-------------------|----------|
| 18% | 24% | 6% | 29% | 23% |

The findings reflected in the Table 1 above indicate that majority (29%) of the respondents strongly disagree that nepotism is used in the allocation of low-cost houses while 23 percent disagree. The results further indicate that 24 percent of the respondents agree that nepotism is a factor in the allocation of low-cost houses while 18 percent strongly agree. Only 6 percent of the respondents were neutral. It is common cause though that those with low-cost houses would not agree that they receive those houses by virtue of being related to the incumbents in power. This can be seen in one of the findings in this study, whereby those without low-cost houses are of the view that houses are allocated on the basis of nepotism. It must however be acknowledged that the findings of this study are contrary to the perused literature in that it negates the prevalence of nepotism in the allocation of low-cost houses.

Nepotism features immensely in the allocation of low-cost housing

The rationale for probing this section was for the purposes of following up on the previous section that solicited the views about the pervasiveness of nepotism in the allocation of low-cost houses. Hence this section aimed at establishing the extent of nepotism in the allocation of low-cost houses. It must however be noted that, majority (52%) of the respondents on the figure above negate the presence of nepotism while 42 percent of the respondents do agree that there is nepotism in the allocation of low-cost houses.

Table 2: The extent of nepotism in the allocation of houses

| Disagree | Strongly Disagree | Neutral | Agree | Strongly Agree |
|----------|-------------------|---------|-------|----------------|
| 25% | 20 | 18% | 21% | 16% |

Findings in the table above indicate that, 25 percent of the respondents disagree that nepotism is rampant in the allocation of low-cost houses while 20 percent of the respondents strongly disagree. The results further indicate that 21 percent of the respondents indicate that nepotism is endemic while 16 percent of the respondents strongly agree. Surprisingly, a high number (18%) of the respondents had nothing to say in relation to the high commonness of nepotism in the allocation of low-cost houses. It can be seen from the findings above that the ratio of the responses does not have a major difference. However, it must be concluded that though there is some evidence of nepotism in the allocation of low-cost houses, the ethical dilemma is not very dire. This is the case though the statistics do not explicitly provide a clear picture in terms of the trends.

The low-cost housing allocation is corrupt

Although scholars from different fields of study conceptualise corruption differently, this study aimed at probing corruption within the context of the allocation of low-cost housing in the area of study. Borrowing from the definition of the World Bank, corruption in the simplest of terms refers to the abuse of power for private benefit (Tanzi 1998). With this in mind, politicians and public office bearers uses their administrative and political power to influence processes of allocating low-cost houses while neglecting policy and legislative policies underpinning such a process.

Table 3: Corruption in the allocation of houses

| Strongly Agree | Agree | Neutral | Strongly Disagree | Disagree |
|----------------|-------|---------|-------------------|----------|
| 15% | 34% | 11% | 18% | 22% |

The findings on the table above indicate that 34 percent of the respondents agree that the process of allocating low-cost houses is corrupt while 15 percent of the respondents strongly agree. On the other hand, 22 percent of the respondents disagree that the process is corrupt while 18 percent strongly disagree. Only 11 percent of the respondents were undecided on this matter. On average, 49 percent (34%+15%) of the respondents are of the view that there is corruption in the allocation of low-cost houses while 40 percent of the respondents on average disagree. The findings paint a picture that has mixed reactions. However, it is apparent that the allocation of low-cost hoses and its process is flowed with corrupt practices. This confirms the findings of the study conducted by the Legal Brief (2015) which reported 2 600 000 cases of corruption in the low-cost housing processes. It

is further alluded that, high ranking government officials in particular are the perpetrators of corruption and consequently fails to take responsibility and be held accountable.

In pursuit of verifying the findings above, the paper probed the stage within which corruption in the allocation of low-cost houses is likely to take place. The rationale is that it is mostly reported that the housing process is corrupt particularly at a stage where applicants apply for their houses. So, respondents were asked whether they agreed or disagreed of the occurrence of corruption in the application stage of the low-cost houses.

Table 4: Corruption in the allocation process

| Strongly Agree | Agree | Neutral | Strongly Disagree | Disagree |
|----------------|-------|---------|-------------------|----------|
| 3% | 31% | 4% | 14% | 48% |

The findings in the table above indicates that 48 percent of the respondents disagree that the application stage of the low-cost houses is corrupt while 14 percent of the respondents strongly disagree. The results further show that 31 percent of the respondents agree that the application stage of the low-cost houses is corrupt while only a mere 3 percent of the strongly agree. 4percent of the respondents are undecided on the matter. From the findings, it can be deduced that though other results in the study have shown the prevalence of corruption, it does not manifest at the application stage. However, this is contrary to a study conducted by Ellero (2015) whereby it was found that applicants have to pay government officials a sum of R2000 in bribery if their applications are to be processed. In the same study, the SIU identified 1000 fictitious applications in the low-cost housing system. Greyling (2009) attributes corruption in the allocation stage to inefficiencies and slow pace due to lack of effective administrative systems. It is also alluded that corruption in the low-cost housing system takes place during the allocation process. Hence this section sought to solicit data about the manifestation of corruption during the stage in which houses are supposed to be allocated to the beneficiaries who have applied and meet all the necessary requirements.

Table 5: Corruption in the allocation process

| Strongly Agree | Agree | Neutral | Strongly Disagree | Disagree |
|----------------|-------|---------|-------------------|----------|
| 36% | 17% | 3% | 16% | 28% |

The table above demonstrates that 36 percent of the respondents strongly agree that there is corruption during the allocation of low-cost houses while 17 percent of the respondents agree. 28 percent of the respondents disagree that there is any form of corruption in the allocation process while 16 percent of the respondents strongly disagree. Only a mere 3 percent of the respondents were neutral. It becomes clear from the revelations of the findings above that corruption is likely to take place during the allocation process than in the application process as alluded in the figure preceding this one. It can therefore be assumed that while there is some evidence of corruption during the application stage of the low-cost housing, this ethical dilemma becomes rife during the allocation stage. From this, it can be underscored that, while applicants would apply for a house, the lists are meddled with and the outcomes changed at a stage when houses are supposed to be built in favour of other 'beneficiaries'.

Residents bribe officials to get low-cost houses

One of the major growing concerns in the allocation of low-cost houses in the South African public service environment is bribery. These occurs when public officials receive money or other tokens in return of low-cost houses. Normally, people paying bribes to government officials and political office bearers do not meet the requirements for a low-cost house. In these instances, beneficiary lists are manipulated whereby qualifying beneficiaries are removed from lists in favour of people who paid bribes. This section was aimed at soliciting views from respondents on whether residents pay bribes to officials in exchange of a low-cost house.

Findings on the table above shows that majority (42%) of the respondents disagree that residents offer bribes to officials in exchange of low-cost houses while 23 percent strongly disagree. Furthermore, 14 percent and 5 percent respectively agree and strongly agree that indeed there are those residents who will offer bribes to government officials in exchange of a low-cost house. Lastly, 16 percent of the respondents were undecided on whether there are government officials accepting bribes or rather residents offering bribes in exchange of a low-cost house. In a nutshell, a whooping majority of 65 percent (42%+23%) of the respondents are against the fact that there are residents that are offering bribes to officials. It can therefore be concluded that residents in the area of study do not rely on bribes to secure low-cost houses. However, it must be acknowledged that the findings paint to some extent a picture of the prevalence of bribery, though not convincing enough in the view of the statistics as presented in the table above. This however does not necessarily mean the dilemmas of bribery can be ruled out in the allocation of low-cost houses as an average of 19 percent of the respondents agree with the fact that officials are bribed in return to offering houses to undeserving citizens. The finding is also contrary to the findings of the study conducted by Ellero (2015). Ellero found out that government officials accepted bribes from the public in return for low-cost houses.

Conclusion

This paper attempted to provide a theoretical framework which was relied upon to draw inference to the current discourse and the methodology used to gather primary data. The paper as per the study carried out sought to comprehend the existence and prevalence of ethical dilemmas such as nepotism, corruption and bribery confronting government officials in executing their public duties of delivering low-cost houses in the Greater Giyani Municipality area. Against the plethora of literature pointing out the rife of those ethical dilemmas, the findings as presented above point to a different direction. However, other findings indicate the existence of ethical dilemmas, it is not very common. Therefore, it can be concluded that although the low-cost housing allocation system is deemed to be mainly corrupt, the case is not very dire in the selected area of study. It can therefore be recommended that political interference which plays a role in the manifestation of ethical dilemmas must be curbed or to a certain extent limited.

Recommendations

It is often said that South Africa has best policies but compliance to such policies remains a major stumbling block in realising their intentions. Policymakers ought to craft regulations in a way that compliance is not limited by administrative discretion. Therefore, enforcement strategies need to be put in place especially during the legislating process rather than focusing on 'useless' control measures such as auditing. This study seeks to

reiterate that ex ante compliance measures based on forecasts and consequences should be the actual focus rather than on the outcome. This recommendation is necessitated by the fact that lack of compliance in the South African public administration practice is a matter of choice and the absence of consequentialism. This paper recommends for the separation of politics from the appointment of senior officials of state institutions such as the National Prosecuting Authority. This will go a long way in dealing with ethical dilemmas and conflict of interest. This proposal comes on the basis that those heading such institutions are politically appointed and therefore become politically indebted. Secondly, life-style audits and vetting needs to be conducted. Appointing credible and people with integrity is so vital. Importantly, anomalies manifesting within the government housing system needs to be given priority and perpetrators prosecuted. sanctions must be imposed and impunity fostered to perpetrators and offenders in the South African public service. Inasmuch as it can be proven through literature and empirical evidence that there is a prevalence of ethical dilemmas such as corruption, bribery, nepotism etc. The South African public service has in the past been placing lots of emphasis on correcting the ills and anomalies perpetrated by those charged with executing public duties but accountability remains just a 'word'. If the low-cost housing system is to 'fixed' accountability and consequentialism for those in the wrong side of the law must be fostered.

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CAPITAL STRUCTURE AND PROFITABILITY OF COMMERCIAL STATE-OWNED ENTERPRISES IN NAMIBIA

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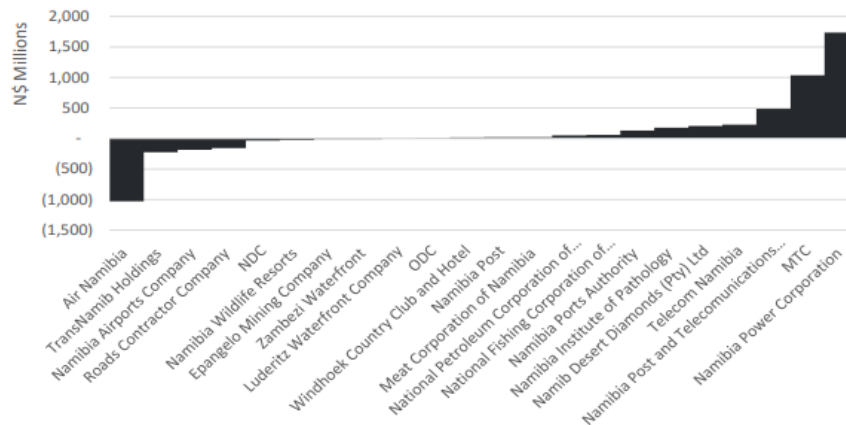
Abstract: This study investigates the impact of capital structure on the performance of commercial state-owned enterprises (SOEs) in Namibia using panel data modelling techniques on data from 2011 to 2020. The research extends performance measures and leverage measures employed by previous studies, utilizing total liabilities to total assets (TLTA) and total equity to total assets (TETA) to examine the effects of debt structures on corporate finance. The study employs return on equity (ROE) and return on assets (ROA) as performance measures. The findings reveal no significant relationship between capital structure and profitability of commercial SOEs in Namibia, thus supporting the irrelevance theory. Additionally, a unidirectional causality is found between capital structure and profitability measures. The study's implications suggest that high debt levels should be reduced to optimize capital structure and that policies should be implemented to enhance SOE performance through innovation and best practices. The findings contribute to the ongoing debate on public sector reforms and provide a basis for further research in this area.

Keywords: Capital Structure, State-Owned Enterprises, ROE, ROA, Performance

Introduction

Research exploring the relationship between capital structure and profitability presents divergent views, without a clear consensus emerging. Studies by scholars such as Shubita and Alsawalhah (2012), Amara and Aziz (2014), and Gupta and Gupta (2014) have delved into this relationship, with mixed findings. Chandra, Junaedi, Wijaya, Suharti, Mimelientesa and Ng (2019) highlight the debate within the academic community, noting that while some research indicates debt influences capital structure, others find no such impact. Furthermore, evidence varies on whether the relationship between profitability and capital structure is negative or positive. Fox (1977) cautioned against the risks associated with excessive debt, such as potential technical bankruptcy, and the high cost of capital from underutilizing debt's tax benefits. Despite these complexities, it is imperative for managers to strike an optimal balance between debt and equity to maximize profitability, underscoring the importance of a nuanced understanding of capital structure dynamics in strategic financial decision-making. The profitability of some of the SOEs in Namibia has been the subject of various government initiatives aimed at improving their performance (Amunkete, 2015). Figure 1 below shows the profitability of 22 Namibian SOEs whose portfolios were taken over by the Ministry of Public Enterprises (now a department under the Ministry of Finance and Public Enterprises). As illustrated, without a government subsidy, most of them are non-profitable resulting in a need for them to get a government bailout, funds which could have been used to finance other economic activities.

Figure: 1: SOE profitability without subsidy



Source: Cirrus Securities: Economic outlook 2020

Mbahijona (2016) examined the impact of capital structure on the financial performance of firms on the Namibian Stock Exchange, finding a significant negative relationship. Marotholi (2018) discusses how governments utilize SOEs to achieve developmental goals like reducing unemployment and poverty, stressing the need for these enterprises to secure financial stability through an optimized capital structure for sustainability. However, Weylandt and ANTI (2016) highlight a national concern in Namibia, where SOEs are often viewed as failing to operate profitably. This research seeks to bridge existing gaps by exploring how capital structure impacts the profitability of commercial State-Owned Enterprises (SOEs) in Namibia, expanding upon the range of performance and leverage metrics previously used. The study employed two measure of leverage, total liabilities to total assets (TLTA) and total equity to total assets (TETA) to investigate the varying effects of these debt structures on corporate finance. Therefore, the aim is to elucidate the relationship between capital structure and profitability within Namibia's commercial SOEs.

A brief overview on the performance of SOES in Namibia

One cannot separate the existence of SOEs from Government intervention as it is essential to SOEs operations. According to estimates by Christiansen & Kim (2014), 22% of the top 100 corporations in the world are under government control. In addition to being a shareholder, the government also acts as a stakeholder. In both capacities, the government demands that SOEs adopt sound corporate governance practices. As the OECD (1998) highlighted, the clear connection between the government and the SOEs include boosting financial discipline, focusing on the core business, and managing the ties between the government and the SOEs. It is common knowledge that very few Namibian SOEs makes profit. Be that may be, one in every 20 jobs are supported by parastatals, according to the government, whose business portfolio is valued at N\$90 billion. In addition, recent initiatives, such as the NamCode and the Public Enterprise Act 1 of 2019 are aimed at turning around the SOEs that do not make profit and enhance more those that does. Among those that makes profit is Namibia Power Corporation (Nampower), which had a profit after tax of N\$1.2 billion in 2017/18, is among the best-performing parastatals (Minney, 2019). This is primarily due to Nampower's status as a monopoly, whose prices are controlled by the Electric Control Board, allowing them to continually raise prices and

generate profits. The Mobile Telecommunications Corporation (MTC), which generated N\$711 million in 2016–17, and Telecom Namibia (N\$244 million in 2016–17), are two additional top producers (Minney, 2019).

During the 2022/2023 budget review, Namibia's Minister of Finance Ipumbu Shiimi increased the budget for the phased-out Ministry of Public Enterprises from N\$734 million to N\$791 million. While motivating this allocation, the Minister of Finance, who was also acting as the Minister of Public Enterprises said the biggest allocation (which is N\$ 747 million) of the ministry's budget will go to the 10 parastatals that fall under the ministry (see table 1 below). The remaining N\$44 million is to go towards legal, economic, financial advisory, policy coordination and support services.

Table 1: 2022/2023 budget allocation of Namibia's 10 parastatals under the Ministry of Public Enterprises.

| Parastatal | Allocation |
|--|-----------------|
| Namibia Wildlife Resort (NWR) | N\$188 million |
| TransNamib | N\$175 million |
| Namibia Institute of Pathology (NIP) | N\$107 million |
| Agriculture Business Development Agency (AgriBusDev) | N\$75 million |
| Agro-Marketing Trade Agency (AMTA) | N\$72 million |
| Road Contractor Company (RCC) | N\$55 million |
| Namibia Airport Company (NAC) | N\$47.5 million |
| Epangelo Mining | N\$12 million |
| Lüderitz Waterfront | N\$9.8 million |
| Zambezi Waterfront | N\$4,5 million |

Source: 2022/2023 budget review and Authors construction

On the 11th February 2021 the Namibian Government announced the immediate shut down and liquidation of Namibia's national airline AirNamibia. The airline operated 10 aircrafts on routes to 18 destinations, seven being domestic (Minney, 2019). The decision to close the airline was taken after careful consideration as the national airline was not profitable and has not been profitable since inception. According to a media statement release by the Ministry of Finance (2021), at the time of its shut-down, the airline had significant debt of about N\$3 billion and government guaranteed debt of N\$2.58 billion. This was a situation that the government was unable to sustain in economic conditions it was facing (which were exacerbated by the Covid-19 pandemic) and it was therefore unreasonable for the airline to trade out of insolvency. The national airline was attempted to be saved on numerous occasions, but none of these efforts were successful. It was discovered during these efforts that a sizeable sum of more than N\$4 billion would need to be made available to save the national airline. This, however, was not feasible at the time because using this amount of money would have come at the expense of other national priorities like agriculture, housing, health, and education. Another effort to save the national airline involved collaborating with other airlines that are already operating in and out of Namibia as well as those that plan to, to see if they would be interested in strategic alliances (Ministry of Finance, 2021). When AirNamibia was shut down and liquidated, it was leasing two aircraft for which the government had previously provided guarantees. Regardless of whether AirNamibia continued to operate or was liquidated, the government was required to pay this estimated sum of N\$2 billion to N\$2.5 billion (Ministry of Finance, 2021).

The National Petroleum corporation of Namibia (NAMCOR) is another SOE that is facing serious financial troubles. According to a press release by NAMCOR, the SOE faced financial losses of up to N\$ 700 million for the 2022 financial year which has left the SOE in a delegate situation. According to the press release the SOE also owed its international fuel sources about N\$2.5 billion.

NAMCOR's financial struggles and substantial debts to international fuel sources, also demonstrate the difficulties faced by SOEs in maintaining financial health. Such situations often require careful evaluation and strategic decision-making to ensure that the management and operation of these enterprises do not adversely impact the nation's broader economic and social objectives.

These cases reflect broader trends and challenges in the management of SOEs globally, where governments must balance the commercial viability of these entities with their strategic importance and potential socio-economic benefits. The experiences of AirNamibia and NAMCOR may offer valuable lessons for other countries in managing SOEs, especially in times of economic uncertainty and crisis.

Literature Review

Theoretical Literature Review

This section delves into various theoretical perspectives on capital structure and their implications for firm performance, alongside methods for measuring this performance. At the heart of capital structure discourse is the irrelevance theory, which posits that a firm's value is inherently tied to its real assets rather than its financial structuring, as argued by Culp (2006). However, the theory's foundational assumptions—perfect markets and absence of taxes—deemed unrealistic by Wafula and Otuya (2019), underwent revisions by Gordon (1989) to incorporate real-world elements like taxes and bankruptcy costs, thus enhancing its applicability. Further enriching the discussion are the static trade-off theory, which Calabrese (2011) explains as firms striving for optimal leverage by balancing the costs and benefits of debt, and the pecking order theory, which suggests a preference for internal financing over external to avoid information asymmetry and equity issuance costs, as noted by Stančić, Janković, and Čupić (2017). These theories collectively address the gaps left by the M&M theory, shedding light on the intricacies of managerial and investor decision-making processes.

The discourse extends to equity market timing and agency cost theories. Barker and Wurgler (2002) introduce the concept of equity market timing, where firms issue shares at peak prices and repurchase them when undervalued, exploiting equity cost fluctuations. This notion contrasts with other theories by suggesting managerial efforts to manipulate market perceptions rather than reflecting the company's intrinsic value. Similarly, the agency cost theory, as elaborated by Chechet & Olayiwola (2014), highlights the goal of achieving an optimal capital structure by mitigating conflicts between managers and owners, suggesting that agency costs directly influence capital structuring. Insights into the signalling power of capital structure decisions come from the information signalling theory, which argues that such decisions reveal insider information to external investors, often obscured by asymmetric information. Leland and Pyle (1977) and Ross (1977) provide contrasting viewpoints on how leverage adjustments signal a firm's value to the market. Additionally, Jensen's (1986) free cash flow theory champions the use of dividends

over debt reduction to curb managerial misuse of company earnings, emphasizing legal mandates associated with dividend payments.

Lastly, the life cycle theory, introduced by Anil and Zenner (2005) and based on Disiboshi's (1989) concept, posits that firms undergo evolutionary stages from inception to decline, influencing their financing preferences. In the nascent and growth phases, firms shun substantial debt to preserve agility for seizing new ventures. As firms mature, they become more amenable to borrowing, reflecting a divergence between management and ownership, culminating in a debt reduction in their twilight years. Together, these theories offer a multifaceted view of capital structure's role in shaping firm performance, reflecting a blend of financial discipline, strategic management, and evolutionary adaptability.

Empirical literature on Capital structure and profitability

Numerous empirical studies have been conducted all over the world on the relationship between profitability and capital structure. Although many research studies on capital structure and profitability have been conducted, only few of these studies truly explain how capital structure affects profitability. Corporate finance academics have worked very hard over the past few decades to convert the rationality of capital structure into empiricism (Aragaw, 2015). The research on the connection between capital structure and firm performance has yielded conflicting findings as highlighted in table 2 below. As a result, there has been much discussion on how capital structure and company value are related. In addition to Modigliani and Miller's ground-breaking work from 1958, which minimizes the importance of the capital structure theory and its revision the following year, other theories have also emerged. Some of the subsequent arguments and studies include the Pecking Order Theory by Myers and Majluf (1984), which challenges the static trade-off theory and supports empirical studies that focus on the connections between capital structure and the profitability/performance of firms.

Table 2: empirical studies on capital structure and performance

| Author(s) | Country and period | Findings |
|--------------------------------|-------------------------|--|
| Shyam-Sunder and Myers (1999) | US, 1971 to 1989 | The pecking order theory holds up well for the sample of mature firms they used. |
| Ozkan (2001) | UK, 1984 to 1996 | The trade-off theory's estimate that there is a negative relationship between leverage and the non-debt tax shield. |
| Daskalakis and Psillaki (2008) | Greece, 1997 to 2001 | The study's findings lend credence to the pecking order idea. They discovered, however, that there is a positive correlation between debt and size, which is consistent with the trade-off theory. |
| Salim and Yadav (2012) | Malaysia, 1995 to 2011 | A firm's performance and capital structure are strongly correlated. |
| Nirajini and Priya (2013) | Sri Lanka, 2006 to 2010 | The findings showed that capital structure and financial performance are positively correlated. |
| Arulvel and Tharmila (2013) | Sri Lanka, 2007 to 2011 | There is a negative correlation between financial performance and capital structure. |
| Chechet and Olayiwola (2014) | Nigeria, 2000 to 2009 | These research's findings offer proof against the Agency Cost Theory.” |
| Wahba (2014) | Egypt, 2008 to 2010 | There is a favourable relationship between performance and capital structure. |

| | | |
|------------------------|---------------------|---|
| Gupta and Gupta (2014) | India, 2009 to 2013 | The findings demonstrated a favourable correlation between the selected firms' financial performance and capital structure. |
|------------------------|---------------------|---|

Source: Author's compilation

In addition to the empirical literature in table 2 above. Arulvel and Ajanthan (2013) found a negative correlation between debt ratio and profitability in Sri Lanka, a finding echoed by Nassar (2016) for Turkish industrial companies, where indicators like ROA also showed a negative relationship. Meanwhile, Abu Tawahina, Mohammed, and Salem (2015) discovered that capital structure significantly impacts the financial performance of the financial and banking sector in Palestine, but its influence on industrial firms is negligible. In Namibia, Mbahijona (2016) found that capital structure negatively affects performance among companies listed on the NSX, using data from 2010 to 2013. This contrasts with Mbo (2017)'s study across Sub-Saharan Africa, which showed that strong board governance and resource availability positively influence SOE performance, while government intervention hinders it. Marotholi (2018) offered mixed outcomes from South Africa, indicating the complex relationship between capital structure and financial performance. Internationally, studies like Chandra et al. (2019) in Indonesia and Marimuthu (2020) in South Africa further explore this relationship. Chandra et al. found a negative impact of capital structure on profitability, whereas Marimuthu noted that government financial support adversely affects SOE performance, suggesting reliance on government bailouts weakens financial health. These diverse findings underscore the need for further research to clarify capital structure's effect on profitability, taking into account variables like economy, industry, and business size. Specifically, there's a gap in literature regarding Namibian commercial SOEs, with only Mbahijona's study shedding light on listed companies. This study aims to bridge this gap, focusing on the impact of capital structure on profitability in Namibian commercial SOEs and addressing conceptual, contextual, methodological, and temporal gaps from the past five years.

Methodology

Data and Model Specification

This study aims to assess the impact of capital structure on the profitability of commercial State-Owned Enterprises (SOEs) in Namibia, analysing data from 2011 to 2020. Although there are 21 commercial SOEs, annual reports for only 8 were accessible for the period studied. The data, given its 10-year span, was structured into a panel format for analysis using Eviews12. Panel data analysis was chosen for its effectiveness and flexibility, offering a more comprehensive observation set and handling unobserved variables across firms or individual cultures effectively. Additionally, panel data facilitates the use of instrumental variables to address endogeneity, as noted by Le and Phan (2017), enhancing the study's accuracy in examining the relationship between capital structure and SOE profitability.

$$Y_{it} = \beta_0 + \beta_1 D_{it} + e_{it} \quad \dots(1)$$

Where: Y = Dependent variable, D = Independent variable, β_0 = Intercept, β_1 = Coefficient of the explanatory variable, e = Error-term, it = Cross-sectional variable and t = Time-series variable.

The study utilizes the Ordinary Least Square (OLS) method, a widely adopted approach in panel data analysis as supported by the work of Barclay & Smith (1995), Demircug-Kent & Maksimovic (1998), and Scherr & Hulburt (2001), to establish correlations within the dataset. Additionally, a Vector Error Correction Model (VECM) Granger causality test was applied to determine the causality direction. The research investigates the relationship between capital structure and profitability in Namibian commercial SOEs by employing regression models (equations 3 to 6). These models analyse how independent variables—total liabilities to total assets (TLTA), total equity to total assets (TETA), tangibility (TANG), tax (TAX), business risk (BR), liquidity (LIQ), and inflation rate (IR)—affect the dependent variables return on assets (ROA) and return on equity (ROE). This methodological approach is in line with the procedures used by Singh & Bagga (2019).

General equation:

Profitability = f (total liability, total equity, tangibility, tax, business risk, liquidity, inflation) (2)

Specific model:

$$ROA_{it} = \alpha_{it} + \beta_1 TLTA_{it} + \beta_2 TANG_{it} + \beta_3 TAX_{it} + \beta_4 BR_{it} + \beta_5 LIQ_{it} + \beta_6 IR_{it} + \varepsilon_{it} \quad \dots (3)$$

$$ROA_{it} = \alpha_{it} + \beta_1 TETA_{it} + \beta_2 TANG_{it} + \beta_3 TAX_{it} + \beta_4 BR_{it} + \beta_5 LIQ_{it} + \beta_6 IR_{it} + \varepsilon_{it} \quad \dots (4)$$

$$ROE_{it} = \alpha_{it} + \beta_1 TLTA_{it} + \beta_2 TANG_{it} + \beta_3 TAX_{it} + \beta_4 BR_{it} + \beta_5 LIQ_{it} + \beta_6 IR_{it} + \varepsilon_{it} \quad \dots (5)$$

$$ROE_{it} = \alpha_{it} + \beta_1 TETA_{it} + \beta_2 TANG_{it} + \beta_3 TAX_{it} + \beta_4 BR_{it} + \beta_5 LIQ_{it} + \beta_6 IR_{it} + \varepsilon_{it} \quad \dots (6)$$

where α_{it} , “is the unknown intercept for every company, $t = 2011, \dots, 2020$, represents the year analysed, β s are the coefficients for every independent variable and ε_{it} is the error term. The null hypothesis for the dependent variable ROA is that TLTA has no impact on ROA, that is, $\beta_1 = 0$. (A similar set of hypotheses can be stated for other independent variables for ROA and ROE).

Table 2: Variables and measures

| Variable | Notation | Measure |
|-----------------------------------|----------|--|
| Return on assets | ROA | EBIT/Total assets |
| Return on equity | ROE | Net income/shareholders' equity |
| Asset tangibility | TANG | Fixed assets/Total assets |
| Tax | TAX | Tax/EBIT |
| Liquidity | LIQ | Current assets/Current Liabilities |
| Business risk | BR | % change in EBIT/% change in net sales |
| Total liabilities to total assets | TLTA | Total liabilities/Total assets |
| Total equity to total assets | TETA | Total equity/Total assets |

| | | |
|----------------------|----|----------------------------|
| Consumer price index | IR | Used as the Inflation rate |
|----------------------|----|----------------------------|

Source: Authors construction

Data Analysis

Unit root test: The panel data includes a time series component, so testing for unit roots to determine the series' stationarity is prudent to prevent inaccurate results. This study presents the findings of the Im, Pesaran, and Shin (IPS) unit root test, which is based on the well-known Dickey-Fuller method. A stochastic trend in a series prevents it from being stationary and from being predicted far into the future. Regardless of the starting point, a stationary series will always return to a specific value, and it is anticipated that it will eventually reach that value (Sargan, 1958). Pesaran, Shin and Smith (1997) proposed a test for the presence of unit roots in panels that combines data from the time series dimension with data from the cross-section dimension and requires fewer time observations to be valid (Hurlin and Mignon, 2007). This study will also employ the IPS test, which has been demonstrated by economists to have superior test power for examining long-run relationships in panel data.

Correlation Matrix: The relationship between two variables is referred to as correlation. Two things are shown by the correlation: first, the relationship between the two variables is shown, and second, the degree of interdependence between the variables is shown. A number between -1 and 1 represents the relationship, with a coefficient of 1 denoting perfect correlation and a coefficient of 0 denoting no correlation at all between the variables.

Regression analysis - Pooled OLS, Random effects, Fixed effects. According to Saddam (2015), panel data can also be estimated using three distinct estimation models, according to pooled cross section estimation, fixed effect estimation, and random effect estimation. The selection between random and fixed effects models hinges on sample characteristics and statistical assumptions. The random effects model is favoured for randomly selected cross sections and when aiming for fewer estimated parameters, making it suitable for samples with a larger number of cross sections and shorter time observations, as per Brooks (2008) and Gujarati and Porter (2004). However, it assumes no correlation between the composite error term and independent variables, a condition stricter than for fixed effects models. The fixed effects model is preferred when sample units closely represent the population and when error terms might correlate with independent variables. The choice between the two models can be clarified by the Hausmann test, where a p-value below 0.05 suggests the fixed effects model, and above 0.05, the random effects model.

Granger causality test The Dumitrescu-Hurlin panel causality methods, which were developed by Dumitrescu and Hurlin (2012), are used in this study to examine the panel causality between variables.

Empirical findings

Panel unit root tests

Panel unit root test was applied for all variables used in the analysis to avoid spurious regression results. The study applied the Im, Pesaran, and Shin (IPS) unit root test.

Table 3: Panel unit root test (IPS)

| Variable | IPS Test | P Value | Order of Integration |
|----------|----------|---------|----------------------|
| ROA | -1.79 | 0.03 | I(0) |
| ROE | -2.69 | 0.00 | I(0) |
| TLTA | -2.37 | 0.00 | I(1) |
| TETA | -2.33 | 0.00 | I(1) |
| TANG | -2.00 | 0.02 | I(1) |
| TAX | -5.20 | 0.00 | I(0) |
| BR | -7.18 | 0.00 | I(0) |
| IR | -4.66 | 0.00 | I(1) |
| LIQ | -2.77 | 0.00 | I(1) |

Source: Authors computation

The results of the Im, Pesaran, and Shin (IPS) are displayed in Table 3. The IPS tests the alternative hypothesis that the series is stationary while rejecting the null hypothesis that all of the included series have unit roots or are non-stationary. Table 3 shows that TLTA, TETA, TANG, IR and LIQ are stationary after first difference, while ROA, ROE, TAX and BR are integrated in order I(0).

Correlation matrix

The correlation analysis shows the relationships between the study variables, and it is useful in identifying multicollinearity between the explanatory factors. The results of the study's chosen explanatory and control variables' correlation analysis are shown in Table 4.

Table 4: Correlation matrix

| | ROA | ROE | TLTA | TETA | TANG | TAX | BR | LIQ | IR |
|------|--------|--------|--------|-------|--------|--------|--------|--------|-------|
| ROA | 1.000 | | | | | | | | |
| ROE | 0.238 | 1.000 | | | | | | | |
| TLTA | -0.381 | 0.066 | 1.000 | | | | | | |
| TETA | 0.380 | -0.066 | -0.999 | 1.000 | | | | | |
| TANG | 0.085 | -0.072 | -0.305 | 0.304 | 1.000 | | | | |
| TAX | 0.163 | 0.028 | -0.250 | 0.250 | 0.011 | 1.000 | | | |
| BR | 0.035 | -0.132 | -0.208 | 0.208 | 0.067 | 0.296 | 1.000 | | |
| LIQ | -0.161 | -0.050 | -0.496 | 0.496 | -0.328 | 0.123 | 0.082 | 1.000 | |
| IR | 0.113 | -0.163 | -0.030 | 0.028 | -0.049 | -0.011 | -0.126 | -0.021 | 1.000 |

Source: Authors construction

The findings show that there is no multicollinearity among the variables because all the reported correlation coefficients are below the threshold value of 0.60, except for the correlation between the ratios of total liability to total assets (TLTA) and total equity to total assets (TETA), which is approximately 0.9998. This, however, does not create multicollinearity as both independent variables TLTA and TETA will regress separately in different regression models and will not be considered in a single regression model. As per the results, it is evident that the multicollinearity issue does not exist along with other variables.

Regression analysis

Numerous scholars have stressed the importance of a firm's capital structure in determining the performance of the companies (see, for instance, Huberman, 1984; Opler & Titman, 1994; Gonzalez, 2013). The result of fixed effect, random effect and OLS estimation techniques are given in Table 5 and 6 below.

Table 5: Regression model with Return on Asset as a dependent variable

| Variables | Model 1 | Model 2 |
|--------------|------------------------|------------------------|
| Constant | 0.1918 (2.2684) | 0.1019 (1.3529) |
| TLTA | -0.0910 (-1.0283) | - |
| TETA | - | 0.0883 (0.9936) |
| TANG | -0.0963 (-1.2975) | -0.0971 (-1.3094) |
| TAX | 0.0007 (0.2192) | 0.0007 (0.2203) |
| BR | -4.83E-06 (-0.1106) | -4.81E-06 (-0.1100) |
| LIQ | -0.0202 (-4.82)*** | -0.0202 (-4.80)*** |
| IR | 0.0065 (1.4428) | 0.0066 (1.4495) |
| F-Value | 4.5644 | 4.5493 |
| Adjusted R2 | 0.2314 | 0.2307 |
| Hausman Test | 0.1136 (10.2745) | 0.1093 (10.3850) |

Source: author's construction. Notes: t-values are in parentheses (t-statistics) while ***, **, and * designate the level of significance at 1%, 5% and 10% respectively

Table 5 exhibits the estimated outcomes of the regression analysis using ROA as the measurement of profitability. TLTA is used as the explanatory variable for model 1 and TETA as the explanatory variable for model 2. TANG, TAX, BR, LIQ and IR are used as control variables in both models. Table 5's Hausman test findings demonstrate that the random effect model is more suitable for illuminating the link between the data in the first and second models. That is, the p-value of the Hausman test was 0.1093 and 0.1136 for model 1 and 2 respectively (both more than 0.05) meaning do not reject the null hypothesis that the random effect model is appropriate than the fixed effect mode. As a result, the random effect model's outcome is discussed.

The results of model 1 in Table 5 indicates that when using TLTA as a proxy for leverage, firm performance which as measured by ROA is negatively related to capital structure and statistically insignificant. The negative results are consistent with Rajan and Zingales (1995), Zeitun and Tian (2007) and Abor (2007) who indicate firm performance is negatively related to capital structure. In contrast, the results of model 2 in Table 5 indicates that when using TETA as a proxy for leverage, firm performance which is measured by ROA is positively related to capital structure and statistically insignificant. The positive results are consistent with Hadlock and James (2002), Frank and Goyal (2003) and Berger and Bonaccors di Patti (2006) who revealed a positive relation between firm performance

and capital structure. Moreover, Model 1 and 2 reveals that LIQ has a negative impact on ROA at a 1% level of significance. All other variables do not influence ROA.

Table 6: Regression model with Return on Equity as a dependent variable

| Variables | Model 3 | Model 4 |
|--------------|----------------------|----------------------|
| Constant | 1.8870 (1.3014) | 1.5908 (1.807) |
| TLTA | -0.2940 (-0.2907) | - |
| TETA | - | 0.2854 (0.2824) |
| TANG | -0.8454 (-0.7807) | -0.8396 (-0.7763) |
| TAX | 0.0487 (0.6005) | 0.0488 (0.6026) |
| BR | -0.0014 (-1.3025) | -0.0014 (-0.3016) |
| LIQ | -0.0562 (-0.6682) | -0.0557 (-0.6630) |
| IR | -0.1849 (1.5379) | -0.1846 (1.5366) |
| F-Value | 0.7974 | 0.7965 |
| Adjusted R2 | -0.017412 | -0.0174 |
| Hausman Test | 0.9086 (2.1172) | 0.9078 (2.1250) |

Source: author's construction. Notes: t-values are in parentheses (t-statistics) while ***, **, and * designate the level of significance at 1%, 5% and 10% respectively

Table 6 displays the estimated results of the regression analysis using ROE as the profitability metric. Model 3's explanatory variable is TLTA, while Model 4's explanatory variable is TETA. Both models employ TANG, TAX, BR, LIQ, and IR as control variables. Again, the Hausman test results in Table 6 show that the random effect model is better suited for analysis. That is, the p-value of the Hausman test for models 3 and 4 was 0.9086 and 0.9087, respectively (both greater than 0.05), indicating that the null hypothesis that the random effect model is superior to the fixed effect mode cannot be rejected. Hence, the interpretation focuses on the outcomes of the random effect model.

According to the results of model 3 in Table 6, when TLTA is used as a proxy for leverage, firm performance as measured by ROE is negatively related to capital structure and statistically insignificant. The negative findings support Rajan and Zingales' (1995), Zeitun and Tian's (2007), and Abor's (2007) findings that firm performance is negatively related to capital structure. Furthermore, the results of model 4 in Table 6, on the other hand, show that when TETA is used as a proxy for leverage, firm performance as measured by ROE is positively related to capital structure and statistically insignificant. Hadlock and James (2002), Frank and Goyal (2003), and Berger and Udell (2006) all found a positive relationship between firm performance and capital structure.

Granger causality test

Granger causality, also known as precedence, occurs when one time series variable consistently and predictably changes before another variable (Granger, 1969). Granger causality is significant because it allows us to determine which variable comes first or "leads" the other. Table 7 and 8 shows the Granger causality test results for the estimated models for this study.

Table 7: Granger causality test when ROA is the dependent variable

| Null Hypothesis: | F-Statistics | Prob. | Result |
|---------------------------------|--------------|--------|----------------|
| TLTA does not Granger Cause ROA | 2.55768 | 0.0870 | Reject |
| ROA does not Granger Cause TLTA | 0.26800 | 0.7659 | Fail to Reject |
| TETA does not Granger Cause ROA | 2.80817 | 0.0693 | Reject |
| ROA does not Granger Cause TETA | 0.28180 | 0.7555 | Fail to Reject |
| TANG does not Granger Cause ROA | 1.70287 | 0.1920 | Fail to Reject |
| ROA does not Granger Cause TANG | 1.72759 | 0.1876 | Fail to Reject |
| TAX does not Granger Cause ROA | 0.24072 | 0.7869 | Fail to Reject |
| ROA does not Granger Cause TAX | 0.40718 | 0.6676 | Fail to Reject |
| BR does not Granger Cause ROA | 0.08886 | 0.9151 | Fail to Reject |
| ROA does not Granger Cause BR | 0.17582 | 0.8393 | Fail to Reject |
| LIQ does not Granger Cause ROA | 4.61855 | 0.0142 | Reject |
| ROA does not Granger Cause LIQ | 1.12604 | 0.3319 | Fail to Reject |
| IR does not Granger Cause ROA | 0.15992 | 0.8526 | Fail to Reject |
| ROA does not Granger Cause IR | 0.25438 | 0.7763 | Fail to Reject |

Source: Authors construction

The Granger causality test results at lag 2 in Table 7 above can be summarised as follow. The variables TETA does Granger cause ROA, similarly, TELTA also does Granger cause ROA. Therefore, there is a unidirectional relationship running from TELTA and TETA to ROA. In addition, there is also a unidirectional causal relationship running from LIQ to ROA. There is no causal relation between ROA and the other variables.

Table 8: Granger causality test when ROE is the dependent variable

| Null Hypothesis: | F-Statistics | Prob. | Result |
|---------------------------------|--------------|--------|----------------|
| TLTA does not Granger Cause ROE | 1.46137 | 0.2411 | Fail to Reject |
| ROE does not Granger Cause TLTA | 0.03362 | 0.9670 | Fail to Reject |
| TETA does not Granger Cause ROE | 1.45479 | 0.2426 | Fail to Reject |
| ROE does not Granger Cause TETA | 0.03449 | 0.9661 | Fail to Reject |
| TANG does not Granger Cause ROE | 3.18446 | 0.0494 | Reject |
| ROE does not Granger Cause TANG | 0.58004 | 0.5634 | Fail to Reject |
| TAX does not Granger Cause ROE | 0.04829 | 0.9529 | Fail to Reject |
| ROE does not Granger Cause TAX | 0.00497 | 0.9950 | Fail to Reject |
| BR does not Granger Cause ROE | 0.07453 | 0.9283 | Fail to Reject |
| ROE does not Granger Cause BR | 1.75059 | 0.1844 | Fail to Reject |
| LIQ does not Granger Cause ROE | 0.05818 | 0.9435 | Fail to Reject |
| ROE does not Granger Cause LIQ | 0.06961 | 0.9328 | Fail to Reject |
| IR does not Granger Cause ROE | 0.32870 | 0.7213 | Fail to Reject |
| ROE does not Granger Cause IR | 0.86020 | 0.4289 | Fail to Reject |

Source: Authors construction

Table 8 shows that only TANG Granger cause ROE and this is a unidirectional causal relationship. All the other variables do not Granger cause ROE.

Conclusion

This study delves into the contentious topic of capital structure's impact on the profitability of commercial State-Owned Enterprises (SOEs) in Namibia from 2011 to 2020, using panel regression and descriptive statistical analysis. It explores the relationship between capital structure and profitability, employing leverage measures like total liabilities to total assets (TLTA) and total equity to total assets (TETA), alongside performance indicators such as return on equity (ROE) and return on assets (ROA). Contrary to expectations, the findings indicate no significant relationship between capital structure and profitability, thus supporting the Irrelevance Theory. Granger causality tests also uncover specific unidirectional relationships between TETA and ROA, and other variables, suggesting certain causal effects on profitability.

The study advises against high debt levels, recommending a balance between the costs and benefits of debt to enhance efficiency as suggested by the agency theory. It emphasizes the need for improved monitoring, reporting, and the introduction of innovation within SOEs. These insights urge a reassessment of public sector reforms by government and policymakers. This research lays a foundation for further exploration into capital structure and SOE performance in Namibia, suggesting the need for new hypotheses and considerations of institutional influences and the broader economic context.

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THE IMPACT OF PROSOPIS JULIFLORA INVASION ON REGIONAL DEVELOPMENT IN ETHIOPIA

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Abstract: *The purpose of this study is to analyze the impact of Prosopis-Juliflora invasion on development in Ethiopia by taking Afar Regional State as Case Study. Prosopis Juliflora has become the most invasive plant in the Ethiopia. Although the social, economic and environmental impacts of Prosopis in Afar Regional State has become threatening, both the federal and regional state governments were late to start the practice of controlling and managing its spread in the region. Data for this study were collected through qualitative methods like informant interviews, observation, focus group discussions and document analysis. Ninety six participants were interviewed and eight focus group discussions were conducted. The qualitative dataset was thematically analyzed through deductive identification of themes. The researcher recommended that both the federal and regional state governments should give prior concern to the eradication of the invasive plant before it covered the whole land in the regional state.*

KeyWords: *Afar Region, development, Ethiopia, Impact, Prosopis*

Introduction

Prosopis Juliflora (henceforth referred as Prosopis) is a fast growing, drought resistant and invasive evergreen tree of South America, the Caribbean, and Central American origin which spread to most arid and semi-arid areas of the world. Currently, *Prosopis* has become the worst weed in Pastoral and agro-pastoral communities of Ethiopia, Kenya and generally in the eastern part of Africa (Mwangi, and Swallow, 2008). According to FARM Africa (2008, p.6) Prosopis has several peculiar features which made it grow tremendously and covering large areas within a short period of time than any woody species within its niche such as “*tolerance of arid conditions and saline soils, fast growing, nitrogen-fixing, rooting abilities, coping abilities, ability to stay dormant for longer time in a soil and germinate during favorable conditions, number of seeds/pod, sweetness of pods, made it grow tremendously, covering large areas within a short time than any woody species within its niche*”.

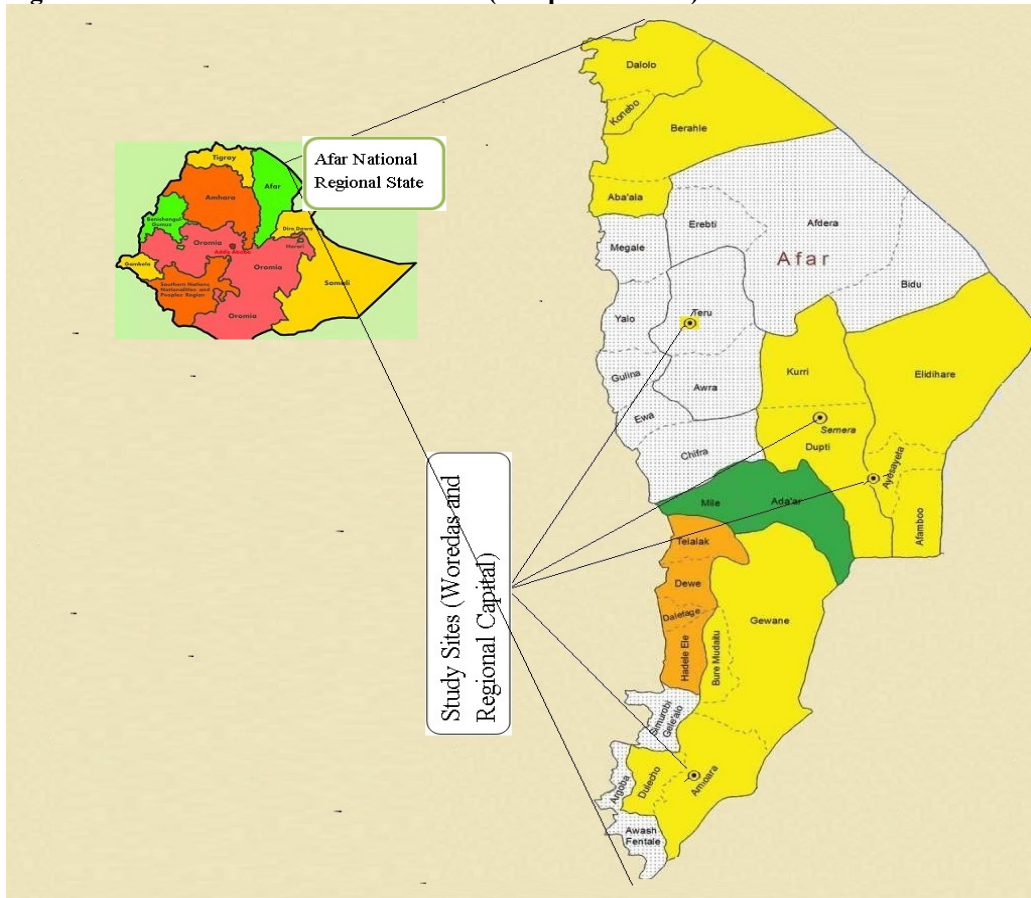
The introduction of Prosopis to the Ethiopian lowlands during the Derg regime was part of its environmental rehabilitation campaign in which the planting of Prosopis was conceived as an afforestation measure to halt desertification processes in dry land areas. Local administrators were ordered to plant Prosopis seedlings around state farms and in few permanent settlements in the vicinity of these farms for the benefit of governmental agriculture and the settled population. However, in the process the best areas in terms of agro-ecological conditions, the wetlands, large floodplain areas along the Awash River were affected. These were areas where seasonally flooded fertile soils provided abundant grazing opportunities for pastoralists as well as a good potential for irrigation agriculture. Therefore, Prosopis was introduced into Afar region without giving due consideration to

the invasive nature of the plant which as a result it rapidly spread throughout the country and in particular in dry lands and along water courses overtaking critical dry season grazing areas and irrigable land (FDRE, 2017). The study analyzes the social, economic and environmental impact of the invasion of *Prosopis* in Afar Regional State in particular and the socio-economic development of the regional state in general.

Study Area

This research was carried out in the Afar Regional State of Ethiopia which is one of the eleven regional states legally constituted based on the 1995 FDRE constitution. Geographically, the Afar Regional State is located in the northeastern part of Ethiopia between 39° 34' to 42° 28'E longitude and 8° 49' to 14° 30' N latitude. The total geographical area of the regional state is about 270,000 km² (CSA, 2008). It shares common international boundaries with the State of Eritrea in the north-east and Djibouti in the east, as well as regional boundaries with the Regional States of Tigray in the north-west, Amhara in the south-west, Oromia in the south and Somali in the south-east (Art (2) of the 2002 Revised Constitution of Afar Regional State).

Figure 1.1: Semera and Selected Woredas (Sample Woredas)



Sketched map of Afar Regional State and the three sample Woredas where data for this study collected

Research Design

Research Design is the blueprint for collecting, measuring and analyzing of data. It clarify what data are needed, what methods will be used to collect and analyze the data, and how all of this is intended answer research question (Kothari, 2004). Explanatory research design is employed in this study because this research design is used to examine the reasons “why” something occurs (Lee, 2008). The data obtained from the National Planning Commission (NPC) indicated that Afar Regional State is the least developed regional state in the country and hence explanatory research design was appropriate to explain why this is the case. This study tries to examine the impact of the spread of Prosopis on the development of the regional state.

Sources of Data

Afar Regional State is divided into five administrative zones which constitute 32 Woredas (Districts). Based on the economic livelihood of the peoples of the Afar region, the Woredas in the regional state can be classified in to three categories: predominantly pastoralist, agro-pastoralists, Woredas having better infrastructure, investment projects and modern mechanized agriculture. Teru, Assaita and Amibara Woredas were selected to reflect the above respective Woreda characteristics. Accordingly, data for this study were collected from the Federal institutions, Semera (regional capital) and from the three selected Woredas.

Sampling Design and Sample Size

Purposive and snowballing sampling technique was employed to get knowledgeable participants voluntary to discuss about the issue to be researched. As suggested by Marshall and Rossman (2016), this technique helped the researcher in removing worthless answers and gaining comprehensive and practical viewpoints. Thus, participants were purposefully selected from federal institutions, Afar Regional State Bureaus, Zone and Woreda Offices, Regional State Council Members, members of Afar Peoples Democratic Party, local officials, clan leaders, community members, young people and women.

Data Collection Instruments

Data for this study was gathered through in-depth interviews, focus group discussions, personal observation and document analysis. Generally, Ninety Six participants were interviewed from federal institutions, regional, Zonal and Woreda levels administration, community and experts in the regional state Coordination Office for Basin Development and Villagization Programme. The researcher also conducted 8 focus group discussions with a group of 6- 8 purposefully selected participants in each focus group discussions both in the regional capital and in the three selected Woredas.

The Socio-economic and Environmental Impact of Prosopis in Afar Regional State

The 2018 reports of Afar Regional State Pastoral and Agriculture Development Bureau pointed out that the Afar region has been seriously affected by the invasion of Prosopis. At present 20 Woredas of the region are affected by the adverse effects of Prosopis at different levels. The magnitude of the problem related to the invasion of Prosopis is worse in Woredas found in Zone 1 and Zone 3. The report of the Bureau mentioned that 60% of the land in most affected Woredas like Amibara, Gewane, Awash Fentale and Bure Medayitu

has been covered by *Prosopis* plant.). According to Herrie (2014), the invasion of *Prosopis* has been rated as the second most important ecological problem next to reduced volume of Awash River. Rettberg (2014) mentioned that the uncontrolled floodwaters are a major agent for the spread of *Prosopis* seeds to new areas. Similarly, pastoralists interviewed in the three selected Woredas explained that the main mechanisms for the spread of *Prosopis* in the region include animals (both domestic and wild), rivers and water flow through irrigation channels. Animals eat the pods that contain the seeds. The seeds get released into the land through the animals' dung, where they germinate after rain.

Social Impact of Prosopis Invasion in Afar Regional State

The social consequences that come as a result of the invasion of *Prosopis* in Afar region include animal and human health problems, increased incidences of malaria, displacement of the community from their residence areas as well as exposure to wild animals (Interview, 21 December, 2018, Andido). Research findings on the impacts of feeding on the pods of *Prosopis* agree with the above idea of pastoralists. For instance, Inkermann (2014) stated that animals are subjected to problems of digestion as a result of eating too many of the pods of *Prosopis*. Abiyot and Getachew (2006) also asserted that ingestion of the pod over long periods of time will result in death of cattle and stomach poisoned by the pod may induce a permanent impairment of the ability to digest cellulose. According to a pastoralist from Assaita Woreda, Galifahge Kebele, the health, quality and productivity of their animals has been increasingly declining since the introduction of *Prosopis* into their locality. He explained that, the toxic thorns of *Prosopis* have been causing injuries and damage on the eyes and feet of animals. Sometimes they see that the jaws of animals get deformed and their teeth fall out which reduced their grazing ability. The animals become thinner and thinner until their final death due to underfeeding. Moreover, after injuries animals are exposed to serious infections which adversely affect their health condition (Interview, 14 December, 2018, Assaita). Another pastoralist in Teru Woreda resident of Berentu Kebele explained that the invasion of *Prosopis* has resulted in the reduction of the number of animals and milk productivity at alarming rate. He further elaborated that their pastoral way of life has been endangered for the last two decades. According to him, *Prosopis* has double blades through which it cut their livelihood. It devastated their grazing lands and denied their cattle to have access to pasture. Secondly, feeding on *Prosopis* has been causing death of animals. Cattle feeding on *Prosopis* became sick, getting weak and thin until their final death as a result of consuming pods for prolonged time (Interview, 13 December, 2018, Alelu). The other social impact of *Prosopis* is its impact on human health. Various research findings (Herrie, 2014; Inkermann, 2014) revealed that *Prosopis* has been severely affecting the health conditions of pastoral communities. For instance, according to Herrie (2014), the impact of *Prosopis* on human health has complex nature:

The thorns of the plant are inflicting wounds on legs, hands and eyes causing blindness, lameness and even amputation of legs and hands due to infection of wounds. People are becoming disabled and could not perform their day-to-day duties and are exposed for food insecurity. People especially children, women and the elderly are suffering from malnutrition causes by the shortage of milk at household level. Additionally, their immunity level is very poor and thus they easily succumb to diseases. Children feeding on the Prosopis-Juliflora pods are suffering from impaction and constipation (Herrie, 2014, p. 120).

Participants of FGD supported the above idea. During the discussion, pastoralists living in Amibara Woreda, Sediha-fage Kebele asserted that the encroachment of Prosopis into their farms and settlement areas has been inflicting heavy harm on the health of the local community. For instance, one of the participants of the discussion reflected:

Our children like to eat the pods of Prosopis for their test but it leads to constipation. The thorns of Prosopis are very poisonous and people thrust by the thorns of Prosopis have been getting sick or may get permanent disability. Although the thorns of Prosopis inflict harm on all categories of people, it has been causing more health problems on women than men because of their interaction with the environment. Women are in charge of domestic chores such as nourishing the family, collecting water and fire wood, looking after small livestock as well as building traditional houses. Six years ago, the thorn of Prosopis thrust the leg of my wife while she was collecting firewood. We were able to pull out the thorn after few days. But she encountered permanent disability due to the poisoning effect of the thorn (FGD, 26 December, 2018, Andido).

The other health problem related to the invasion of Prosopis is the increased incidences of malaria. Pastoralists interviewed in the three Woredas mentioned that in spite of the efforts of the regional state government to control malaria disease, it remained to be one of the serious health problems among pastoralist communities. The national strategic document for the control and management of Prosopis substantiate the ideas forwarded by the interviewees. According to the document the incidence of malaria is said to have increased due to a moister microclimate than before (FDRE, 2017). The other socio-economic problem caused by the invasion of Prosopis is its effect of deterring mobility. During the interview community members highlighted that Prosopis trees form dense stands, making it impossible for animals (sheep, goats, cattle and camel) to move through and graze.

The other social problem caused by Prosopis is displacement of pastoralists from their settlement areas. A pastoralist from Assaita Woreda Galigage Kebele underlined that their economic life has been severely affected by the fast encroachment of Prosopis into their rangeland, farms and villages. Prosopis grew well in dry seasons while other types of grasses, shrubs and trees gradually vanished. Grasses and other types of plants cannot grow around Prosopis. Nowadays, it encroached to their villages. However, the efforts made so far by different stakeholders, could not help to control its spread. They have a threat that the invading tree will force them to leave their residence with no hope of returning back unless some kind of solution is designed ahead of their decision (Interview 17 November, 2018, Assaita).

Economic Impacts of Prosopis Invasion in Afar Regional State

Most of the Afar people are pastoralists whose livelihood and income sources are based on the rearing of animals. On the other hand, the sustainability and productivity of animal husbandry is determined mainly by the supply and quality of pasture in the region. The spread of Prosopis has been ever endangering the future fate of the pastoralist community by devastating their economic base (pasture lands). An overview of the impact of Prosopis on the economic life of pastoralists and agro-pastoralists in the selected Woredas could reflect the economic situation of Afars reg. A 57 years old pastoralist living in Assaita Woreda, Kede-bura Kebele expressed how the invasion of Prosopis has changed their life from bad to worse. He explained that in the past, one pastoralist could have up to hundred cows or some had fifty. However, people who have had a several number of livestock in

the past, have one cow, or might have two cows today. *Prosopis* has killed their animals directly through its poisoning effect or indirectly by denying them access to have water and pasture. Now pastoralists are leading destitute way of life. They became aid dependent after losing their resources (Interview, 8 November, 2018, Assaita).

In line with this view, an educated Afar, lecturer at Semera University asserted that the Afar people gone from very well off to be a community who are living in malnutrition, stricken by thirsty and hunger, stricken by herd lost, not being able to get into the market and the whole thing is challenging for them. They need long term support to bring about change and to enable them move out of the vicious circle of poverty (Interview, 21 February, 2018, Semera University). According to Halai-deghe Kebele administrator in Amibara Woreda, in the past there were no trees in the Kebele and the whole land was covered by grasses. The grasses which grew over vast areas in the Kebele were comfortable for cattle, sheep, goats and camels as well as to herbaceous wild animals. Pastoralists were competing in the number of cattle they owned. He further elaborated that the introduction of *Prosopis* has drastically changed the situation. *Prosopis* invades the grazing lands and the rate of its expansion is progressive. Now more than 80,000 hectare of land of the Kebele is covered by *Prosopis* plant and the residents of the Kebele have been severely affected. The number of cattle and camels that individual households possess reduced. Pastoralists are forced to live in poverty due to the loss of their animals that resulted from the loss of pastureland (Interview, 27 December, 2018, Andido).

Pastoralists underscored that the number and productivity of animals has been significantly declined due to loss of dry season grazing areas by *Prosopis* plants. An agro-pastoralist from Halai-Debi Kebele in Amibara Woreda mentioned that meat, butter and milk were the main food items in their diet. However, this situation is completely changed today due to the invasion of *Prosopis* and the accompanied loss of grazing lands which in turn caused reduction in the number of animals and their productivity. The situation in Teru Woreda is also similar. Pastoralists who participated in the FGD during the field work underscored that the adverse effect of the invasion of *Prosopis* is well felt in many of the Kebeles in the Woreda. A pastoralist resident of Awidi Kebele asserted that their pasture lands are highly invaded by *Prosopis* trees. The number and productivity of their animals declined from time to time due to diseases and malnutrition caused by the invasion of *Prosopis*. This is because *Prosopis* formed a dense canopy prohibiting their animals from grazing. Had it not been the aid provided through the safety-net programme, many of them would have died probably years ago (FGD, 15 November, 2018, Alelu).

An expert in the Regional Pastoral Agriculture Development Bureau reported that the Afar region is known for its irrigation development next to its animal resources. He pointed out that the region has several medium and large government irrigation projects and private investments along the courses of the Awash River. However, the sustainability and profitability of these sectors have been facing serious challenges as the result of the invasion of *Prosopis* plant (Interview, 12 March, 2018, Semera). Preparation of land for cultivation is a labor-intensive task. Due to its laborious nature, individual agro-pastoral households producing crops through irrigation find it difficult to clear *Prosopis* which reclaimed their farm after every production cycle. Agro-pastoralists from Berga Kebele of Assaita Woreda who participated in the FGD expressed how producing crops is tiresome while at the same time struggling against the encroachment of *Prosopis*. They explained that *Prosopis* covers most of the land which they have been using it for different livelihood

activities. They have been producing Tomatoes, Onion, Pepper, cotton and Maize using water from Awash River. The supply of water to the soil both during land preparation and cultivation phases creates favorable conditions for Prosopis. Prosopis has been growing well along irrigation channel which supply water to their farms and in areas where water is available. It took over farm lands if they are left uncultivated for a short time. Therefore, managing and controlling Prosopis plant is difficult and time consuming task (FGD, 14 November, 2018, Assaita).

Tendaho Sugar Project which is expected to support the realization of the country's growth and transformation plan could not be free from the adverse impacts of the invasion of Prosopis plant. Although Prosopis has been identified as drought resistant species, its growth and land coverage following the direction of the water drainage system is greater than areas far away from the system. Regarding this issue, one junior manager of the factory reported that the growth and greenness of the Prosopis plant is greater on the right and left side of irrigation channels which supply water to Tendah Sugar Factory. Clearing the channels has been a routine activity to protect Prosopis from invading channels and the farms where sugarcane grows (Interview, 10 November, 2018, Tendah Sugar Factory).

Environmental Impact of the Invasion of Prosopis in Afar Regional State

Prosopis has been threatening the environment or biodiversity in many ways. Decline of the number and variety of wild animals in pastoral areas is one of its adverse effects. The strong and dangerous thorns of Prosopis plant which has the character of controlling the ground and growing sideways make the invaded areas difficult for the movement and sheltering of wild animals and subject them to death and migration. The spread of Prosopis is also one of the contributing factors for the reduction of domestic animals in Afar region. According to a senior expert in Amibara Woreda Civil Service and Capacity Building Office, the Afar people love their environment and they knew every trees and grasses grew in their locality. They never destroy the environment, trees, grasses or whatever around. Instead, they want to preserve it and they have rules and regulations in their tradition which had enabled them to rear large stock size at times where there was no drought. Now the situation is completely changed due to the rapid expansion of Prosopis at the expense of important trees and grasses which in turn threatened the livelihood of pastoralists and agro-pastoralists by further complicating livestock food shortage and hindering crop production (Interview, 23 December, 2018, Andido).

Still another interviewee further elaborated the ecological impact of Prosopis. According to him, there were different varieties of trees and grasses in Afar region. However, they disappeared following the introduction of Prosopis plant in the region. In areas where it spread, Prosopis has destroyed natural grazing lands, displaced indigenous trees, and led to fewer and lower quality rangeland sites available to pastoralists. Prosopis is water consuming species and has very deep root system and this nature has enabled it to take over the lands which once were covered by grasses and various species of trees. Pastoralists resident of Galifage Kebele in Assaita Woreda who participated in FGD asserted that the Woyane tree destroys everything upon which their livelihood depends on. It invaded areas which were covered by grass, herbs, and shrubs, trees, overtaking pasture land and reducing its productivity. The number of animals they had reduced from time to time due to loss of pasture. Prosopis grew well along livestock routes where their animals regularly migrating from one place to another and hence movement in search of grazing lands and water points became difficult at times when it is critical and leaving our

residence became a must. This is because the densely growing Prosopis created blockage denying both humans and animals access to roads and water points(FGD, 13 November, 2018, Galifage).

According to an expert in the regional Bureau of Pastoral and Agricultural Development, the Afar called Prosopis '*Woyane Tree*' because they made a kind of analogy between the characteristics of Woyane (which TPLF called itself when it started its struggle) and Prosopis. According to this analogy, Woyane entered into Afar Region without their will, exploit all available resources of their region and prosper itself at the expenses of the Afar People. Similarly, the nature of Prosopis was not clearly understood by the Afar when it was introduced into their area. But it soon became invasive, covered the resource base of pastoralists and grew well and thereby it worsened the living conditions of the Afar people (Interview, 6 March, 2018, Semera).

The invasion of Prosopis has also adverse effects on the water resource development in Afar region. According to one agricultural expert, the roots of Prosopis grew deep into the soil in search of water. Naturally the Afar region has erratic rainfall and it has been obtaining water sources from the neighboring highland drainages. The growth of dense thickets of Prosopis along the Awash River has been contributing for the reduction of the volume of water. If it continued to expand more without being controlled, it will destroy the whole dry season grazing lands which in turn will exacerbate the suffering of Afar pastoralists. The increase of the volume of the Awash River which caused unprecedented flooding in the summer of 2020(July-September) and the displacement of more than 143, 000 Afars could confirm the above assertion. In general, all the available research findings of different authors and the data obtained from the participants of this research showed that the rapid expansion of Prosopis has become the major socio-economic and environmental threat to peoples of the Afar region.

Control and Management of the Invasion of Prosopis

The discussions above showed that the spread of Prosopis in Afar region has been threatening the socio-economic life of pastoral and agro-pastoral communities. In extreme cases agro-pastoralists have to leave their farms, change the composition of their herds and that herd productivity has been reduced by as much as 85% (Yibekal, 2012). Although there is an increasing use of Prosopis for firewood and charcoal production, most people in the Afar region consider it as a serious threat and they have been trying to use mechanical controlling mechanisms like cutting and stumping it (Ilukor, et al., 2014). The researcher's discussion with pastoralists found while selling the pods of Prosopis during the field visit at Alelu, the capital of Teru Woreda substantiates the above idea. They reported that they earn income from the sale of Prosopis pods during the dry season, 60-70 Ethiopian Birr/sack which has the capacity to contain 50kg of other crops. Pastoralists in the town buy Prosopis pods to feed their cattle, goats, donkeys and camels. However, the perception of pastoralists who generate income from the sale of pods towards Prosopis is still negative. This sentiment has been voiced by a pastoralist as:

Although we use Prosopis for firewood, construction of houses and fences as well as for generating income, we don't like it. The process of collecting pods, transporting it and the waiting time before the sale at the market are all very tedious works. Prosopis has taken all the good things we had before it was introduced to our areas. It covered the rangelands and this severely affected our animals. It decreased our herd size because it covered the

dry season grazing areas and diseases that come as a result of feeding on it. Meat, Milk and Butter were available in our diet. There were times where we dump milk to the soil. Now everything is changed, no milk and the income we generated from the sale of animals is low because lack of animal feed has reduced their quality. Therefore, we use Prosopis pods as life sustaining strategy and not because we fond of it (Interview, 7 January, 2018, Alelu). The rapid expansion of Prosopis has been endangering the livelihood of Afar pastoralists and agro-pastoralists. Some authors contend that most pastoralists perceived Prosopis as a harmful bush or express their hatred to Prosopis and they need for its complete eradication because it began to take over their resource base, formed impenetrable thickets which blocked human and herd mobility, and the strong thorns cause physical injuries to both humans and animals (Hailu,et al., 2004).

Although there were no national and regional policies and strategies which aimed at controlling and managing Prosopis until 2011, there have been piecemeal efforts by government bodies, NGOs and others to control the spread and prevent the impact of Prosopis on the livelihood of the Afar pastoralists and agro-pastoral communities (Herrie, 2014). A senior expert in the Afar Region Pastoral Agricultural Development Bureau clarify that before the enactment of regulation on Prosopis, the first strategy of the regional state to control and manage the spread of Prosopis was to encourage the people to cut the tree and use it for the production of charcoal. Thus, members of the community were organized into cooperatives for the purpose of coordinating their efforts. This strategy was thought to be helpful for both controlling the spread of Prosopis and creating income generating opportunities for those involved in clearing Prosopis trees(Interview,8 May, 2018, Semera). One senior Amibara Woreda official stated that initial efforts of eradicating Prosopis was encouraging but soon the regional state government prohibited the activities of cooperatives and individuals who engaged in clearing Prosopis mainly for two reasons: *First*, charcoal production has been used in some cases as a cover to produce charcoal from more easily accessible but protected tree species particularly Acacia spp, an act adversely affecting biodiversity in the region. *Second*, the emergence of conflict of interest associated with the income generated from the sale of charcoal. There is also some concern expressed that if cooperatives make a profit from Prosopis, they may have an incentive to let the tree return to their lands through coppicing, rather than to take the additional effort of removing stumps, which is the recommended action (Interview, 2 December, 2018, Andido).

On the other hand, the regional state government supported the efforts of the British NGO, FARM Africa which worked in Afar Region since 1998. Senior agro-pastoralist professional in the region's Pastoral Agricultural Development Bureau explained that FARM Africa has implemented integrated pastoral development projects which included regular development interventions and livelihood-based emergency services, pastoral extension approach-mobile outreach system. He further pointed out that in 2001 this NGO conducted research on the management of Prosopis in two Prosopis affected Woredas of the Afar Regional State, Gewane and Amibara (Interview, 13 March, 2018, Semera).

Wondimagegne (2014) mentioned that FARM Africa organized a project known as Afar Prosopis Juliflora Management Project and implemented Prosopis management in two phases. The first phase lasted from 2008-2011 and the second phase from 2012 to 2015. The First phase was implemented in four and five Kebeles of Gewane and Amibara Woredas respectively. The second phase was implemented in 20 Kebeles of three Woredas, Amibara, Gewane and Burmudaytu. FARM established Community Development

Committees (CDCs) on Woreda level in order to prepare and implement Community Action Plans (CAP), Participatory Resource Use Plans (PRUP) and Community Development Funds (CDF). FARM Africa mobilized local communities and providing them hand tools to clear invaded lands and started to use the cleared land for crop and pasture production.

The second phase was originally designed for four years (2012-2015) and it was planned that the *Prosopis* which covered vast areas could be eradicated by uprooting the tree and making charcoal out of it and reclaiming the cleared land for crop and pasture production. However, the project phased out one year earlier due to the evaluation made by the funding organization. The evaluation proved that such intervention in limited Kebeles made the successes registered limited while the invasion continued at alarming rate in other Kebeles (Ibid). The Other NGO which worked on *Prosopis* management in Afar region was USAID under CARE Ethiopia consortium with its program Pastoral Livelihood Initiatives. CARE Ethiopia worked with the Gewane Woreda Pastoral and Agriculture Development Office where it organized seven groups to clear land invaded by *Prosopis* and use the land for crop cultivation. To make the management of *Prosopis* successful CARE made different efforts like providing technical support, capacity building trainings, purchasing water pump and creating links to the central markets. Yet, success remained to be far since the reclaimed land through this mechanism was by far less when compared to the land invaded every day. In line with the above idea, a pastoralist resident of Sideh-Faghe Kebele in Amibara Woreda described the situation as:

Prosopis tree covered almost all the available land in our Kebele, farms, pathways, pasture lands, water points and resident areas. With the support of NGOs, we were organized into cooperatives in order to control and manage Prosopis tree in a coordinated manner. Although we were able to clear several hectares of land, we were not able to control the invasion. This was because the pace of the invasion exceeds our capacity of clearing by cutting and uprooting the tree. What makes things worse is that Prosopis reclaimed the already cleared land before we use it either for crop production or for pasture development (Interview, 17 November, 2018, Andido).

Although the challenge of *Prosopis* started before two decades, Afar Regional State governments was late to show their concern about it. On 7th of July 2011 the Afar Regional State issued the Regulation No. 5 to control, manage and eradicate the invasion of *Prosopis* in the Afar Region. The regulation describes the control strategy and the roles and responsibilities of the pertinent regulatory bodies at Regional, Woreda and Kebele levels to implement the strategy designed to prevent, control and eradicate *Prosopis*. In order to accomplished plan-based activities, the Woreda administration council established *Prosopis* Committee at Woreda and Kebele levels comprising of different stakeholders specifying their roles and responsibilities.

Article 3 of the regulation make clear that the regulation will be implemented only in areas severely affected by *Prosopis* identified by research and assured by the regional state Pastoral Agricultural Development Bureau. Article 2 (6) of the regulation listed the main types of indigenous trees prohibited not to be cut in the process of clearing *Prosopis*. Moreover, Article 4(2) of the regulation stated that the land use purpose and use plan has to be presented and get approved before clearing the infested areas.

According to the explanation of regional leaders interviewed during the field visit in 2018 and 2019, the negative perception of Afar pastoralists concerning the invasion of *Prosopis* has forced the regional state to give concern about its regulation. Although, the impact of *Prosopis* on the livelihood and environment of pastoralists was not discussed in the parliamentary session, the regional state has felt the threat posed by *Prosopis*. The issuance of the regulation may indicate the concern of the regional state government about the problems of the people living in *Prosopis* infested areas however its implementation on the ground is still pending.

Experts in various regional Bureaus and Woreda Offices interviewed during the field visit in 2018 and 2019 mentioned that regional leaders have been heard expressing about the threat posed by the spread of *Prosopis*. To that end, they established a task force and tried to mobilize the community. But, during the campaign, the community cut all the indigenous trees and used it for charcoal production. The Regional State government decided to stop the campaign to design mechanism which could help to protect indigenous trees. But, the regional state failed to correct the problems and start the campaign against the fast spreading *Prosopis*. In the meantime, the invading tree got the opportunity to cover vast areas in the region. As stated by the respondents during the focus group discussion, many efforts have been done to eradicate and control *Prosopis* from its areas of invasion. However, the spread of *Prosopis* continued to be unresolved problem because efforts have been done in the form of uncoordinated campaign and lack of consistency in discharging stated responsibilities among the various stakeholders.

At national level, there was no policy and strategy regarding the control and management of *Prosopis* until January 2017. The Government of Ethiopia (GoE) has declared *Prosopis* to be a dangerous plant, which should not be cultivated or planted, and requires containment, control, management and ultimately its removal (FDRE, 2017). It was in this year that the government of Ethiopia recognizes the importance of a strategic approach to control and manage this invasive species particularly in pastoral areas. In this regard the federal government developed a strategic guidance to deal with the problem of *Prosopis* invasion.

A national Taskforce of experts in pastoralism and the management of *Prosopis* coordinated the development of the document. This document provides policy and strategic direction for the control of *Prosopis* invasion, technical guidance and lays out the institutional arrangement and human and physical resources required for the implementation of the Strategy. The objectives of the Strategy are to i) prevent the expansion of *Prosopis* to un-invaded areas, ii) to reclaim and restore invaded areas after *Prosopis* clearance and sustainably manage *Prosopis* for productive use and increasing biodiversity and iii) to regulate and coordinate *Prosopis* management initiatives for complementarily and synergy.

The strategy document suggested several arrangements for effective control and management of *Prosopis* such as setting up of *Prosopis* Management Councils at national, Regional and Woreda levels; deciding which interventions should be done where and by whom; intervention mechanisms for *Prosopis* control and management (improve knowledge about *Prosopis* and build capacity and commitment to address the problem, prevention of new introductions of *Prosopis* and removal of *Prosopis* where it is already established); monitoring, institutional arrangements and knowledge management

mainstreaming of Prosopis in land use planning and development activities and management structures required, and roles and responsibilities.

The national Prosopis management strategy document mentioned that a National Prosopis Management Council (NPMC) has to be established in order to coordinate the process of Prosopis management. The Council will constitute ministers and executives of agencies including key stakeholder institutions such as the Ministry of Agriculture and Natural Resources (MoANR), Ministry of Environment, Forest and Climate Change (MEFCC), Ministry of Federal and Pastoralist Affairs (MoFA), Ethiopian Institute of Agricultural Research (EIAR), CSOs and NGOs. However, regional officials and experts in various Bureaus and Offices of Afar Regional State interviewed during the field Visit in 2018 mentioned that the federal government did anything accept designing Prosopis management strategy and facilitating structures for the various stakeholders.

Experts in Teru Woreda Pastoralist and Agriculture Development Office who participated in the FGD during the researcher's field visit in February 2018 underscored that the Federal government is too late to act against the threat posed by the invasion of Prosopis at least in terms of designing strategy to control and manage Prosopis in affected areas. They further elaborated that by the time the federal government designed a strategy on the control and management of Prosopis, most of the Woredas in Afar region were infested by Prosopis and pastoralists and agro-pastoralists have already lost their water points, rangeland, farms and passing corridors.

The plan of the regulation presented different procedural approaches and mechanisms of controlling the expansion of Prosopis such as identifying areas already invaded, areas started to be invaded and areas which will be invaded soon and create awareness to the various stakeholders. Preparing land use plan with the participation of professionals should precede the start of clearing invaded areas. The controlling mechanisms were uprooting Prosopis three that grew around residence areas and passing corridors either individually or in groups with the support of Kebele and clan leaders; picking the seeds of Prosopis before spreading, cutting immature Prosopis trees and use for firewood, charcoal and other uses; to avoid further germination of Prosopis, the tree has to be cut 15-30 cm deep inside. Participants of the interview mentioned that the effort of the various stakeholders to control the invasion of Prosopis was not properly coordinated. The area of land invaded every time was by far greater than the land cleared. Although pastoralists were allowed to use Prosopis for charcoal, it was found that they cut other indigenous trees instead of Prosopis. Due to this reason, the regional state passed a decision which forbid cutting of Prosopis until it will design another strategy of controlling the spread of Prosopis. However, the regional state government did not yet come up with a new strategy and the uncontrolled Prosopis has been expending to Woredas in the regional state (Interview 8 November, 2018, Andido).

Although the proposed development of a National Land Use Plan provides an opportunity to integrate Prosopis and other invasive species into land use management decisions across the country, there is a wide gap between the practical implementations and actual performance on the ground. According to the participants of the interviewees, neither the national strategy nor the regional regulation on the control and management of Prosopis bring significant change in solving problems related to the invasion of Prosopis in Afar region. In line with this, one regional official in the Regional Bureau of Finance and Economic Development has the following to say:

Prosopis invasion has created severe threat to pastoral and agro-pastoral livelihood in our region. We use Productive Safety Net Project to coordinate the efforts related to control and manage *Prosopis* and our communities have invested their time, energy and resources in clearing *Prosopis*. Development agencies and NGOs have also supported activities to eradicate *Prosopis*. However, effective control of *Prosopis* is not yet achieved because efforts remained to be fragmented. Due to the aggressive nature of the plant, the proportion of land invaded every time is more than the reclaimed land. Our development goal of improving pastoral and agro-pastoral livelihood and reducing poverty will remain a dream unless serious and coordinated action is taken to mitigate the threat posed by *Prosopis* (Interview, 26 March, 2019, Semera).

An expert in Assaita Woreda Pastoral and Agriculture Office interviewed in February 2019 underscored that the invasion of *Prosopis* has been significantly affecting the benefit of pastoralists from their animals. He further elaborated that, *Prosopis* has been covering grazing lands and water points and it also restricted the seasonal movement of pastoralists with their animals in search of pasture.

Conclusion

The invasion of *Prosopis* has been adversely affecting the socio-economic life of Afar pastoral and agro-pastoral communities by claiming rangelands and water points and thereby causing decline in livestock production and productivity. The Volume of the Awash River has been reduced due to the growth of dense *Prosopis* thickets along the valley. The plant also cause harm on the health of animals and human beings, as well as environmental degradation. Loss of livestock and inability of agro-pastoralists to further engage in crop production because of the reclaiming of agricultural lands by *Prosopis* has subjected the people to food insecurity.

The federal and the Afar Regional State governments, NOGs as well as local community members became concerned about the control and management of *Prosopis* for the last two decades due to the multidimensional adverse effects of the invasion of *Prosopis*. Federal government designed national strategy on *Prosopis* Management and the Afar Regional State issued Regulation to control, manage and eradicate *Prosopis*. Moreover, NGOs like FARM Africa and CARE Ethiopia have tried to support the community's effort of controlling and managing *Prosopis* in the region. However, the national strategy and the regional state regulation were not practically implemented due to lack of leadership commitment, lack of coordination among the various stakeholders and the fragmented nature of efforts of controlling and managing *Prosopis*. The invasion of *Prosopis* continued to be a severe threat to the livelihood of Afar pastoralist and agro-pastoralists. Therefore, the challenge posed by *Prosopis* remained to be a contributing factor hindering the socio-economic development of Afar Regional State.

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INFLUENCE OF PEACEBUILDING STRATEGIES ON INTERNAL DEMOCRACY OF ALL PROGRESSIVES CONGRESS IN NIGERIA

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Abstract: This research looked at the relationship between the All-Progressive Congress's internal democracy in Lagos State, Nigeria, and peacebuilding strategies. To provide direction for the investigation, two hypotheses (tested at the 0.05 level of significance) were established. All political players in the state were included in the population, which was stratified into senatorial districts to provide a sample size of 289 using correlational and descriptive research techniques. Pearson's Product-Moment Correlation Analysis was used to evaluate the data. Findings indicate that there is no significant relationship between peacebuilding strategies in terms of conflict transformation and internal democracy of All Progressives Congress in Lagos State ($r = .004, p > 0.05$), and the study also further found that there is a positive, moderate and significant relationship between peacebuilding strategies in terms of conflict-sensitive policies and internal democracy of All Progressives Congress in Lagos State ($r = .537, p < 0.05$). It is found that internal democracy in political parties has had favourable results in Lagos State.

Keywords: Peacebuilding, Internal democracy, Conflict transformation, Conflict-sensitive policies, All Progressives Congress.

Introduction

In the dynamic political landscape of Nigeria, the All-Progressives Congress (APC) has maintained its stronghold in Lagos State for over two decades since the advent of democracy in the country. While various factors have contributed to the party's sustained power, the implementation of effective peacebuilding strategies has played a crucial role. This article examines how peacebuilding efforts have helped the APC maintain its dominance in Lagos State, exploring the significance and impact of these strategies. One of the primary contributions of peacebuilding strategies to the APC's longevity in Lagos State has been the promotion of stability and unity within the party and among its supporters. By fostering an environment conducive to peaceful coexistence, the party has been able to mitigate internal conflicts and maintain a united front. This has allowed the APC to present a strong and united political force, bolstering its electoral prospects and consolidating its power over time.

Peacebuilding strategies often involve engaging in dialogue and reconciliation processes, which have proven effective in resolving conflicts and bridging divides within the APC in Lagos State. By encouraging open and constructive discussions, the party has been able to address grievances and foster understanding among different factions, ensuring that internal disputes do not escalate and undermine its stability. Moreover, the APC's commitment to reconciliation has extended beyond its own ranks. The party has actively sought to reconcile with opposition parties and individuals, promoting a culture of inclusivity and cooperation. By embracing dialogue and reconciliation with political rivals, the APC has built bridges and expanded its support base, making it an attractive choice for voters seeking stability and progress.

Another crucial aspect of the APC's peacebuilding strategies in Lagos State has been its focus on development and empowerment. The party recognizes that sustainable peace cannot be achieved without addressing the underlying socio-economic challenges faced by its constituents. By implementing policies that prioritize infrastructural development, job creation, and social empowerment, the APC has been able to improve the quality of life for many Lagosians, thereby reducing the potential for social unrest and political instability. Furthermore, the party's commitment to inclusive development has helped bridge the gap between different communities within Lagos State. By ensuring equitable distribution of resources and opportunities, the APC has fostered a sense of belonging and shared prosperity among diverse groups. This has not only strengthened social cohesion but has also enhanced the party's electoral prospects, as it resonates with a broader cross-section of the population. Unquestionably, democracy as a system of government rises above all others across the world. According to Egobueze (2020), Abraham Lincoln stated succinctly that "democracy is the government of the people, by the people, and for the people." According to the description above, democracy is a people-oriented government. No surprise, the majority of the world's prospering nations, including the United States of America, the United Kingdom, France, Germany, and others, use this form of governance. Although democracy began in ancient Greece, it has gained global recognition and practice in the Western World, including the United Kingdom, France, the United States, and Germany. With the advent of imperialism, it extended to other parts of the world, including Africa and Nigeria (Egobueze, 2020).

It is vital to emphasize that Nigeria, as a developing democracy, is more of a process than a destination. Democratization is a shift to more political reforms and a push toward greater democracy. The process of democratization necessitates pragmatic nurturing with the required democratic ideas and values. The ideas and structure include ideologically driven political parties, an open and accessible electoral process, adherence to the rule of law, liberty, and equality, a party constitution and electoral guidelines, responsive representation based on accountability, transparency, and trustworthiness, among other things. A detailed examination of the Nigerian political environment reveals bleak images of persistent disagreement, particularly in party politics. This may be traced back to the recurrent widespread and excessive need for personal happiness, which is antagonistic to the collective interest of the political party and party members. As admirable as the dream of political parties is, intra-party fighting tramples on internal democracy and amputates democratization. Yahaya (2018) and Momodu and Matudi (2013) discovered that internal squabbling among political parties disrupts the democratic process.

According to Muriithi (2007), peace building is an all-encompassing procedure that addresses issues at several levels. The endeavor is to surmount the systemic, interpersonal, and cultural inconsistencies that serve as the foundation for conflict in order to facilitate the establishment and maintenance of peace. Fundamentally, maintaining peace entails addressing the underlying causes of conflict and empowering the parties involved to continue offering solutions via dialogue and, if needed, mediation.

The process of encouraging social reforms and reconciliation is also known as peace building. This intervention aims to improve social fairness and lessen violence (Sodipo, 2013). It is a strategy for managing and preventing violent disputes via campaigns, awareness-raising, and lobbying. According to Onigu-Otite and Albert (1999), it entails developing people's ability to cope with and treat the local underlying causes of hostilities and conflicts. The idea that force cannot bring about or maintain peace is the foundation for peace building. Only comprehension will lead to its discovery (Ofuoku & Ewrierhurhoma, 2018). Rebuilding a society's political, security, social, and economic facets after a war is a part of peace building.

The term "peace building" also describes strategies or tactics intended to advance social change, defuse conflict, and improve harmony within society. It sometimes includes sensitization, education, advocacy, enlightenment campaigns, and awareness-raising. In the context of this study, "peace building" refers to conflict management, prevention, and resolution, especially those meant to guarantee lasting peace throughout the competition for political dominance inside any political party. According to Ezirim & Mbah (2014), democratic administration has all the required indices to avert all sorts of conflicts that usually raise their ugly heads in Nigeria and Africa. For instance, the Nigerian State has effectively practiced democratic government for almost 20 years, but not without sporadic setbacks. Nigeria's democratic adaptability, according to Ezirim (2009), has allowed the country to survive the fire that would have destroyed it. In Nigeria and, by extension, throughout West Africa, he proposes that the application of good governance, the rule of law, effective voter outreach, adequate employment, and a fair distribution of resources and values would all help to further defuse tensions and serve as conflict resolution techniques.

The assertion that Nigeria is "consolidating its democracy" is often at the core of mainstream media discourse and popular political debate in the country. However, this assertion is refuted by the available data (Momoh, 2013). Indeed, without strong political parties, democracy is impossible. Parties are supposed to help electorates become politically literate, aid in the development of political power, assist in the hiring of political leaders, and act as a uniting factor in a divided society (Omotola, 2010). The goals of party regulation, along with the unresolved issue of internal party democracy—that is, the tug-of-war between political parties to uphold their own bylaws and conduct their internal affairs in accordance with democratic principles—remain essential to the broader consolidation of Nigerian democracy (Ibeanu, 2013).

A prolonged and pervasive disagreement amongst members of the same political party is referred to as intra-party conflict. This kind of disagreement is often brought about by competing egos and interests that collide with the party's shared goals, ideologies, and platform. Because of the party's members' ongoing rivalry, democracy is doomed and the party's cohesive and intentional goal is divided. While conflict is inevitable, what may be

achieved from it depends on how it is managed and addressed. Irreconcilable disagreement therefore has a crisis-like quality that might impede rather than advance democratization. Since 1999, when the country reverted to multiparty rule, intraparty clashes have assumed new dimensions. As a consequence of not having a practical conflict management system, political parties have defected. These and other problems have created a great deal of discussion in the policy community and in academics about practical approaches to take when dealing with internal party crises when participants rely so heavily on zero sum game tactics. Some viable political candidates have been pushed out of the political system by this idea, while others have become lifetime defectors (Pogoson, 2014). In addition, political parties in Nigeria have been implicated in a wide range of anti-democratic actions, such as rigging party primaries and general elections, killing political rivals, engaging in hooliganism, thuggery, and vandalism during elections, having unclear nomination and flag-bearing procedures, and generally lacking internal democracy. These and other acts have become uncontrollable and have given rise to a never-ending list of political complaints (Dike, 2003). In other words, poor management of these crises has led to party alignment over time, defections, and the prostitution of party members—a practice known as "party cross-carpeting." However, if member decampment is predicated on the party's ideology with respect to the national objective, then the aim of democratic consolidation will be a fiction and an impossible goal. By contrast, democratic norms will be reinforced and solidified if party alignment or defection stems from egotism and self-aggrandizement. In conclusion, the aforementioned antidemocratic forces have caused the Nigerian people to no longer be a part of the political system. What determines the survival of the system is the degree to which the populace has been socialized to use appropriate patterns of handling political conflict when it arises, such as adhering to party norms, conventions, and the constitution during intraparty decisions that would steer the process leading to democratic stability. In addition, the extent to which political parties resolve disputes in a political system based on popular policy or the constitution serves as a functional regulatory mechanism that reinforces or solidifies democratic values (Jinadu, 2014; Clean Foundation, 2014). On the other hand, one may counter that this is a fundamental characteristic of advanced political systems, which typically support the growth of politics and the economy as well as the consolidation of democracy.

Literature Review

The concept of Peace Building

In the world of politics today, is a place of contact and every place of contact is a place of conflict. Thus, politics of today is marred by conflicts, violence, and discord, the concept of peace building emerges as a beacon of hope. Peacebuilding aims to create sustainable peace by addressing the root causes of conflicts and fostering reconciliation and cooperation among political actors and spectators. It goes beyond simply ending violence; it focuses on building the foundations for long-term peace and stability. Muriithi (2007) claims that peace building is an all-encompassing procedure that deals with issues on many fronts. The endeavor is to surmount the systemic, interpersonal, and cultural inconsistencies that serve as the foundation for conflict in order to facilitate the establishment and maintenance of peace. The process of encouraging social reforms and reconciliation is also known as peace building. This intervention aims to decrease violence

and promote social justice (Sodipo, 2013). It employs advocacy, awareness-raising, and campaigns to avoid and manage violent confrontations. According to Onigu-Otite and Albert (1999), it entails developing people's ability to cope with and treat the local underlying causes of hostilities and conflicts. The idea that force cannot bring about or maintain peace is the foundation for peace building. Only comprehension will lead to its discovery (Ofuoku & Ewrierhurhoma, 2018).

The term "peace building" also describes strategies or tactics intended to advance social change, defuse conflict, and improve harmony within society. It sometimes includes sensitization, education, advocacy, enlightenment campaigns, and awareness-raising. In the context of this study, "peace building" refers to conflict management, prevention, and resolution, especially those meant to guarantee long-term peace during power struggles inside political parties. Deep polarization is a common feature of politics in conflict-affected situations, and how parties respond to this polarization is crucial in determining the likelihood of peace. This is especially true in situations where animosities and grievances based on identity have fueled conflict. In these situations, identity-based parties are very important. These often have strong support from their constituents and may be able to guarantee that minority groups' views are taken into account during peace negotiations. But rather than playing divisive identity politics, their capacity to articulate a national vision or speak for their communities' interests in national institutions will determine how much they can contribute to peace (Castillejo, 2016).

"Inadequate representation of people's interests is the greatest detrimental effect of weak political parties, claims. Assembling and representing the interests of various groups in bargaining processes between the state and society over the nature of the post-conflict political settlement, both during peace negotiations (where parties can access or influence negotiations) and in post-conflict political life, is arguably the most important role that parties can potentially play in peacebuilding" (Carothers, 2006:16). However, parties in such situations are most obviously failing in their duty as links between the state and society (Wild & Foresti, 2010). In fact, parties in many conflict-affected environments essentially serve as front organizations for armed groups or as means of gaining power and access, with little motivation to carry out broader interests-aggregation and representation tasks.

Internal Party Democracy

The term "internal party democracy" refers to a broad variety of practices that provide party members access to discussion and decision-making inside the organization (Scarrow, 2005). In accordance with democratic ideals, it was also intended to refer to the internal organization, structure, and coordination of political parties, which directly affects the processes of choosing candidates, establishing leaders, formulating policies, and allocating funds (Ojukwu et al., 2011). Okhaide (2012) defines internal democracy as a party's organizational structure characterized by engagement and inclusion, which act as catalysts for the development of democracy. There are two primary types of party governance that aim to fairly represent the interests of all parties involved. To fill party official positions and choose candidates for general elections, the first option entails conducting open, fair, credible, and frequent elections. The second is ensuring that all party cadres participate in party affairs on an equal and transparent basis.

According to Mimpfen (2007), internal party democracy has two fundamental tools. The first is free, fair, and regular elections for party posts and representative offices inside the party. Second, to ensure that their interests are fairly represented, all people and organizations must engage in equitable and transparent participation (Scarow, 2005, Salih, 2006). Inclusion is a further aspect of internal party democracy. This suggests that the party makes a variety of choices. According to Scarow (2005), inclusion ensures that all party members have an equal voice in crucial decisions such as selecting the party's leadership and selecting candidates to serve as the group's representatives in general elections. Consequently, more inclusive parties would provide a forum for candid discussion prior to the actual decision-making processes (Hofmeister & Grabow, 2011).

The third thing that distinguishes them is the extent of institutionalization of the party. This reveals the degree of internal decision-making and procedural codification as well as the amount to which the party's collaborative structures are ingrained in its target audience. Internally democratic parties are peculiarly institutionalized since participation rules are necessary to determine eligibility for participation and evaluate possible victors in the party's internal elections (Mimpfen, 2007, Mersel, 2006, Matlosa, 2004).

In Nigeria, it might be difficult to identify the true members of a certain party. Because people in Nigeria enter politics to further their own interests, party loyalty is ephemeral (Liebowitz & Ibrahim, 2013). In a 2011 report by the International Republican Institute (IRI), just 37% of Nigerian respondents said they had a great deal of faith in parties, compared to 26% who said they had none at all and 35% who said they had none at all. There's no denying that Nigerian party partisanship and attachment are atrociously low. This is shown by the high incidence of party defection among elected officials and party representatives. The formal structure of the party is called the party-as-organization (PO), and it consists of party leaders, national headquarters, and subnational offices. It is the official party bureaucracy, with "committees" operating in almost every state and town in the nation.

It is inviolable and hence sacrosanct to apply the internal democracy concept to political party affairs, especially when it comes to primary elections. Due process, fair play, equality, and conscience in fulfilling obligations to organizations, groups, or society at large are the cornerstones of internal democracy. The notion of internal democracy seems to be increasingly violated inside the ranks of most political parties in Nigeria, as basic human desires—such as avarice, greed, nepotism, and plain ravenous ambition—continue to take precedence over the needs of the populace. Today, there are cases of questionable substitution, disqualification, and reversal of nomination of previously screened and accepted candidates due to a complex web of party intrigues, overt displays of power, cultures of impunity, and disregard for internal democracy and fair play.

Some scholars have proposed a list of traits that characterize internal party democracy, which includes the party's structure and institutions as well as the relationship between the party and its members. Some of these features include equal and proportional representation of minorities within the party, majority rule voting, substantial influence over the party's platform and agenda, and the power of party members to elect party leaders or dissolve the leadership as well as select candidates for public office. Other features include safeguarding the freedoms of party members, including the prohibition against expulsion without due process, the availability of independent counsel, the freedom of expression and association within the party, especially concerning the formation of

factions, and the right to access information and transparency about the party's management, particularly with regard to financial accountability. This is a bit of a broad definition of internal party democracy.

For example, a political party cannot be deemed internally democratic if it prohibits party splits or does not conduct free and fair elections for member leadership positions. In that sense, the organization of such a party is vertical because power moves from the top, or the leadership, to the bottom rather than from party members at the bottom to the leadership (Mersel, 2006).

To boost the impact and participation of the party's politically engaged people, internal party democracy is required. In a democratic state, political parties must be free of anti-democratic elements. Many nations have legislative measures requiring political parties to follow their own intraparty democratic procedures. But in reality, these are often broken (Hofmeister & Grabow, 2011). According to Hofmeister & Gabrow (2011), adhering to internal party democracy principles produced the following outcomes:

1. It encourages all members to take part in the party's internal issues.
2. It allows party members to voice their opinions inside the organization.
3. It increases the subgroups' level of active involvement, including women, adolescents, people with physical disabilities, minorities, etc.
4. Tolerance and acceptance of differing viewpoints as long as they fit within the framework of the party's core policies.
5. Compliance with the guidelines governing member involvement and intraparty decision-making.
6. When interacting with regular party members, the party leadership shows respect.

The Failure of Internal Democracy in Lagos State All Progressives Congress (APC)

Internal democracy is a fundamental principle of any political party, as it ensures fairness, inclusivity, and transparency within the political organization. It allows party members to participate in decision-making processes, choose their leaders, and shape the party's policies. However, the All-Progressive Congress (APC) in Lagos State has been marred by the failure of internal democracy. Some of the causes of the failure include:

Lack of Level Playing Field: One of the primary reasons for the failure of internal democracy in the Lagos State APC is the lack of a level playing field. The party leadership has often been accused of favoring certain candidates or factions, leading to a skewed electoral process. This bias undermines the trust and confidence of party members, discourages participation, and hampers the growth of a vibrant political culture.

Imposition of Candidates: Another significant issue within the Lagos State APC is the imposition of candidates. This practice involves the party leadership handpicking candidates for various positions without considering the aspirations and preferences of party members. By doing so, the leadership disregards the principle of internal democracy and undermines the will of the majority. This imposition not only stifles the voices of party members but also limits their choices, leading to a lack of representation and accountability.

Influence of Money and Power: The influence of money and power also contributes to the failure of internal democracy within the Lagos State APC. Politics, unfortunately, attracts individuals who are willing to use their financial resources and connections to gain an advantage. Party positions and nominations become commodities that can be bought

and sold, rather than earned through merit and popular support. This undermines the integrity of the party and erodes the trust of party members in the leadership.

Lack of Intra-Party Dialogue: Effective internal democracy requires open and robust intra-party dialogue. However, within the Lagos State APC, there is a lack of constructive engagement and meaningful discussions. Decision-making processes are often opaque, with little or no consultation with party members. This lack of dialogue prevents the party from benefiting from the diverse perspectives and experiences of its members, leading to a stagnant and unresponsive leadership.

Theoretical Perspective

Democratic Peace Theory

In international affairs, the Democratic Peace Theory postulates that democracies are less likely to resort to military confrontation with one another. It claims that democratic countries are more likely to choose diplomacy and collaboration over violent ways of resolving disputes. The globe is moving more and more towards democracy, and over 120 nations have had general elections that have been deemed to be fair and free. A negotiated peace that includes an electoral process to create political structures that are acceptable to all parties and an agreement by the parties themselves to deliver on a sustainable peaceful settlement through a democratic transition is the outcome of many internal conflicts (Gerald Ekenedirichukwu Ezirim, 2009; Harris & Chapman, 2004).

Fundamental to the liberal paradigm of conflict resolution and management in Africa are democracy and elections (Abubakar & Gorondutse, 2013; Fayemi, 2009; Kaur, 2007). These notions are drawn from Western socio-historical and political experience. Theorists of liberal political science have made certain generalizations about how democracies relate to one another.

As a mechanism, democracy offers the structures, rules, channels, and procedures that allow different groups to peacefully pursue their goals and reduce the likelihood that they would turn to the more expensive and unlawful tactic of revolt, which might lead to violence. A democratic government offers a structure that is deemed acceptable for the selection of leaders via regular, nonviolent elections that are competitive (Abubakar & Gorondutse, 2013). As a result, the Democratic Peace Theory postulates that democracies are less likely to clash militarily with one another. It suggests that since democratic nations share many institutions, procedures, and principles, their interactions tend to be more harmonious. According to the notion, democratic governments have a greater stake in preserving peace since they are answerable to their constituents.

Additionally, democratic countries often have mechanisms in place for resolving disputes peacefully, such as mediation and diplomacy. The theory provides a useful framework for understanding the potential benefits of democratic governance.

Several explanations have been proposed to understand why democracies tend to be more peaceful. One argument is that democratic governments are accountable to their citizens, who bear the costs of war both in terms of human lives and economic resources. As a result, leaders in democracies are more cautious and are less likely to engage in unnecessary conflicts. Another explanation is based on the idea that democracies have institutions and processes in place that promote peaceful resolution of conflicts. For instance, democratic nations often have strong legal systems, independent judiciaries, and free press. These

institutions provide a platform for peaceful negotiation and dispute resolution, reducing the likelihood of resorting to violence.

While the Democratic Peace Theory has gained significant support, it is not without its critics. One criticism is that the theory only applies to liberal democracies, which have a specific set of values and principles. It does not account for non-liberal democracies or countries with different cultural or historical contexts. Another criticism is that the theory does not explain the instances when democratic nations have engaged in armed conflict. Critics argue that there have been numerous examples where democracies have gone to war, such as the United States' involvement in the Vietnam War or the invasion of Iraq. These examples challenge the notion that democracies are inherently peaceful.

Research Hypotheses

Ho₁: There is no significant relationship between peacebuilding strategies in terms of conflict transformation and internal democracy of All Progressives Congress in Lagos State.

Ho₂: There is no significant relationship between peacebuilding strategies in terms of conflict-sensitive policies and internal democracy of All Progressives Congress in Lagos State.

Method

This presents the methodology that was used in carrying out the research work. It therefore discusses the research design, area of study, sample size and sampling technique, data collection technique/source of data, and data processing and analysis.

In the choice of a design for this study, descriptive and correlational research designs are considered suitable. This is because the study will make an attempt to describe: peace building, internal democracy, All Progressives Congress as a political party, and their relationship. The study also describes the interplay between the variables. The study covers the Lagos State, a state in South-Western Nigeria. The study population comprises all the political party stakeholders in all the twenty local government councils in Lagos State. The stratified random sampling technique will be used to select thirty percent (30%) of total number of political party stakeholders in Lagos State. That is, for all the political party stakeholders, 30 percent of them was chosen after stratifying into local government councils. That is, two local government councils was selected from the three senatorial districts of the state, making six (6) local government councils.

Again, a purposive sampling technique was employed to select those that really involve in the political party activities. It is purposive in that, persons that have stayed or have been participating in their various political activities for four years are selected as participants in the study. Therefore, a total of 300 political party stakeholders are used for the study. That is, 50 participants per each local government council. However, the selection of respondents from each local government council was based on an equal basis.

Qualitative archival and library research was consulted to provide data for; analyses of the background of peace building strategies and internal democracy in particular reference to All Progressive Congress in Lagos State, Nigeria. The research instrument used for the study was responded to by the political party stakeholders such as ward chairmen, youth leaders, women leaders, canvassers during election, executive members of political parties and party members. The questionnaires were tagged Peacebuilding Strategies

Questionnaire (PBSQ) and Internal Democracy Questionnaire (IDQ). This instrument was used to elicit information from respondents regarding peacebuilding strategies and internal democracy. The (PBSQ) and (IDQ) which were responded to by the political party stakeholders such as ward chairmen, youth leaders, women leader, canvassers during election, executive members of political parties and party members, and the instrument is divided into two parts. Section A requests for information on personal data of respondents. Section B contains structured items that were patterned along the Likert-type four-point scale with the options, Strongly Agreed (SA), Agree (A), Disagree (D), and Strongly Disagree (SD) for IDQ, and PBSQ.

The information gathered was analyzed using descriptive and inferential statistics. Tables, charts, figures, and percentages were among the descriptive statistics used. Inferential statistics used were correlation analysis for testing hypotheses 1 and 2 at 0.05 level of significance through the aid of Statistical Package for Social Sciences (SPSS) version 24.0. In terms of scoring both questionnaires (PBSQ) and (IDQ), all positively worded items for the Likert-type of instruments were scored in this order:

Strongly Agree (SA), = 4
 Agree (A), = 3
 Disagree (D) = 2
 Strongly Disagree (SD) = 1

However, the reverse was the case for the negative worded items.

Results and Discussion

Test of Hypotheses

Table 1: Correlation Showing Relationship Between Peacebuilding Strategies in terms of Conflict Transformation and Internal Democracy of All Progressives Congress in Lagos State, Nigeria

| | | Conflict Transformation | Internal Democracy |
|-------------------------|---------------------|-------------------------|--------------------|
| Conflict transformation | Pearson Correlation | 1 | .004 |
| | Sig. (2-tailed) | | .944 |
| | N | 289 | 289 |
| Internal democracy | Pearson Correlation | .004 | 1 |
| | Sig. (2-tailed) | .944 | |
| | N | 289 | 289 |

The result of the test performed indicates that there is a very weak, positive and non-significant relationship between peacebuilding strategies in terms of conflict transformation and internal democracy of All Progressives Congress in Lagos State, Nigeria ($r = .004$, $N = 289$, $p > 0.05$). The implication of this is that peacebuilding strategies in terms of conflict transformation positively influence internal democracy of All Progressives Congress in Lagos State to a very low extent. But the result shows that the peacebuilding strategies in terms of conflict transformation do not statistically significantly determine internal democracy of All Progressives Congress in Lagos State. The null hypothesis is not rejected; hence, there is no significant relationship between peacebuilding strategies in terms of conflict transformation and internal democracy of All Progressives Congress in Lagos State.

Table 2: Correlation Showing Relationship Between Peacebuilding Strategies in terms of Conflict-Sensitive Policies and Internal Democracy of All Progressives Congress in Lagos State, Nigeria

| | | Conflict-sensitive policies | Internal democracy |
|--|---------------------|-----------------------------|--------------------|
| Conflict-sensitive policies | Pearson Correlation | 1 | .537** |
| | Sig. (2-tailed) | | .000 |
| | N | 289 | 289 |
| Internal democracy | Pearson Correlation | .537** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 289 | 289 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |

Table 2 shows that there is a positive, moderate and significant relationship between peacebuilding strategies in terms of conflict-sensitive policies and internal democracy of All Progressives Congress in Lagos State ($r = .537$, $N = 289$, $p < 0.05$). This implies that peacebuilding strategies in terms of conflict-sensitive policies do significantly influence internal democracy of All Progressives Congress in Lagos State. Therefore, the hypothesis which states that there is no significant relationship between peacebuilding strategies in terms of conflict-sensitive policies and internal democracy of All Progressives Congress in Lagos State, Nigeria is rejected. Peacebuilding strategies and conflict transformation play a pivotal role in promoting and enhancing internal democracy. These approaches not only address the root causes of conflict but also lay the foundation for sustainable peace and the establishment of democratic institutions. By fostering dialogue, reconciliation, and participation, peacebuilding and conflict transformation contribute to the development of robust democratic systems. One key way in which peacebuilding strategies and conflict transformation influence internal democracy is by promoting inclusive and participatory decision-making processes. During periods of conflict, power imbalances often prevail, and marginalized groups are excluded from decision-making structures. Peacebuilding efforts aim to rectify this by creating spaces for dialogue and negotiation, where diverse voices can be heard and taken into account (Jega, 2018). By involving all stakeholders in decision-making, peacebuilding fosters a sense of ownership and empowerment, leading to more democratic outcomes.

Furthermore, peacebuilding strategies and conflict transformation contribute to the strengthening of democratic institutions and the rule of law. In conflict-affected political arena, institutions are often weakened or corrupted, undermining the democratic process. By promoting accountability, transparency, and good governance, peacebuilding initiatives help rebuild and strengthen institutions necessary for democratic functioning. This includes establishing independent judiciaries, promoting free and fair elections, and ensuring the protection of human rights (Smoljan, 2010).

Conflict-sensitive policies are designed to address conflicts in a way that minimizes their negative impact and maximizes their potential for positive change. When implemented effectively, these policies can transform conflicts into opportunities for growth, improve the overall functioning of political parties, and contribute to the broader democratic landscape.

Conflict-sensitive policies prioritize inclusivity and ensure that all party members have a fair chance to participate in decision-making processes. By creating mechanisms for dialogue, consultation, and consensus-building, these policies encourage the involvement

of diverse perspectives and prevent the dominance of a few influential individuals or factions. This fosters a culture of democratic decision-making within parties and enhances internal democracy.

Conflict-sensitive policies address these issues by promoting open communication channels, clear rules and regulations, and mechanisms for monitoring and evaluation. By enhancing transparency and ensuring accountability, these policies create a conducive environment for internal democracy to thrive. Party members feel empowered and confident that their voices will be heard and their concerns will be addressed.

Conflict-sensitive policies emphasize the importance of conflict resolution and mediation mechanisms within political parties. By providing training and resources for party members to effectively manage conflicts, these policies prevent the escalation of disputes and promote a culture of constructive engagement. This, in turn, strengthens internal democracy by fostering a respectful and collaborative atmosphere within parties.

Conclusion and Recommendations

In Lagos State, political parties that embrace internal democracy are more likely to resolve conflicts in a peaceful and inclusive manner. Lagos State has witnessed the positive outcomes of embracing internal democracy in political parties. Unarguably, conflict transformation and conflict-sensitive policies play significant roles in shaping internal democracy within the APC in Lagos State. These approaches can facilitate dialogue, inclusion, and fairness, allowing all party members to actively participate in decision-making processes. By adopting these practices, the party can strengthen its internal structures, promote unity, and improve its overall effectiveness. These have helped to build trust among party members and reduce the incidence of intra-party conflicts. As a result, the party has been able to focus more on delivering good governance and addressing the needs of the electorate.

The recommendations that followed were based on the findings:

1. To enable a long-term, sustainable democratic process, party politics must have a strong, fair, and decentralized method for settling conflicts. Although conflict cannot be avoided, its impacts may be mitigated by managing, controlling, and reducing it.
2. Deeply embedded internal democratic procedures inside political parties are necessary for All Progressives Congress (APC) in Lagos State to democratize successfully. Internal democracy encourages due process, fair play, equality, and moral rectitude when it comes to party management. Furthermore, internal democracy will allow for inclusiveness and decentralization in party institutions, preventing powerful members from taking control of the party.
3. The party must keep a careful eye on the selection of candidates for elections. Rather of being based on loyalty to some influential party members, it should be grounded on consensus.

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ASSESSMENT OF LEADERSHIP AND SERVICE DELIVERY AT LOCAL MUNICIPALITY IN SOUTH AFRICA

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Abstract: Leadership is a very important element for effective service delivery. However, Madibeng Local Municipality is exposed to excessive corrupted related activities. Information gathered on the ground revealed that, projects are not completed due to political fighting on the group.. There are no plans in-place to offer good services. Money is squandered. Top management including the mayor are involved in corrupt related activities. They are only concerned about their positions, power and money. Projects are not completely e.g. water treatment and reticulation plant that started in 2015 have not been completed. There is no monitoring of approved plans, no evaluation of employee's performance. Plans are not revisited to ensure implementation. Madibeng leaders are not accountable, responsible and eager to improve service delivery. They are power hungry, concerned about their personal gain and positions. No projects or approved plans to improve our situation. Corruption, greed and bribery is at the centre of Madibeng. Madibeng municipality was put under administration twice recently but there's no change/ improvement in service delivery. The mayor is failing the Madibeng community because of lack of effective leadership. Using a quantitative research approach, the study provides findings of the study that was done in the Madibeng Local Municipality.

Keywords: Leadership, Madibeng local municipality, Political fighting, Monitoring, Evaluation

Introduction

South Africa is committed to a program of strengthening local governments for effective service delivery. Early observations showed a significant improvement in basic service delivery in the country. This is consistent with the 1994-started program for development and reconstruction. However, many homes still lack access to essential amenities like power, free health care, clean water, and sanitary. The failure to provide these basic services led to the outbreak of numerous demonstrations by the citizens. The recurring difficulties experienced by the Madibeng Local Municipality in the North West of South Africa regarding principal service delivery include: “poor road connection between rural and town centres, lack of proper maintenance of water infrastructure, land development and reform, poor electricity connections and provision and road maintenance” (Khale and Worku 2013:61) . Using a quantitative research assessment , the paper was able to provide results on which areas are in need of serious attention.

Review of the related literature

South Africa is having leadership challenges in local governments. According to Mbandlwa, Dorasamy and Fagbadebo (2020:1645), unethical leadership behaviour has contributed to the management problems in South African municipality systems. The progress made by the democratic government is overshadowed by the South Africa's local governments. According to Sharma and Jain (2013:309), leadership is the capability to motivate followers to develop teamwork and achieve organisational objectives". Long-term survival and growth of all organisations is dependent efficient leadership (Rigii, 2017:643). The direction and coordination of work and the building of interpersonal relationships all depend on leadership. A leader's potential to show their followers the need of achieving organisational results is critical to the leadership process (Rigii, 2017:643). The effectiveness of leadership is measured by excellent results such as quality production and services (Rigii, 2017:643).

Authentic Leadership

This kind of leadership is about a leader's capacity to persuade subordinates to work toward a common aim (Sharma and Jain, 2013:309). Leaders can complete this process by putting their training, experience, and knowledge to use. to develop people's leadership skills (Sharma and Jain, 2013:310). Leaders must also have particular personality traits, for example, vision, traits, and behaviour that have a vital role in creating values. Leaders should further be able to enhance people's strengths and implement expertise to inspire others to attain the wanted objectives (Sharma and Jain, 2013:311).

Trust in Leadership

The dynamic, interpersonal connection of trust has special working ramifications. According to Bligh (2017:319), trust is the expectation that one person has of another regarding their words, deeds, and capacity to keep their word. Trust demonstrates its meaning in situations in which individuals rely on others. As a result, trust becomes important in maintaining relations between leaders and employees, with specific roles, and ranks of power and status (Bligh, 2017:319). The bottom line of an effective and significant leadership is represented by trust that constitutes the building blocks of organisational relationships between leaders and other stakeholders (Bligh, 2017:320).

Employee trust in leaders and organisational performance

Employees trust can be multidimensional and represents a psychological readiness to deal with weakness based on constructive expectancies from the purposes or conduct of another. It has to do with how much faith one has in other people to act justly and respectably. In other terms, followers' trust in their leader's intentions and deeds is referred to as employee trust in leaders. (Asencio,2016:10)

The effects of employee trust in leaders

Trust in leaders is thought to mediate the relationship between various leadership behaviours and employee attitudes, according to available empirical studies in private-sector contexts. When leaders are consistent about how they evaluate, penalize, and keep track of performance and underperformance, their subordinates grow to trust them.

Leaders that exhibit transactional leadership behaviours are more likely to enjoy the trust of their followers. Employees that have confidence in their leaders consequently exhibit higher levels of performance. (Asencio, 2016:10)

Concept of Service delivery

“Service delivery” is used to describe the allocation of basic resources that people depend on like housing, sanitation, land, infrastructure, electricity and water (Le, Janice, Jesper and Rachana, 2014:1). For Rigii (2017:645), service is the comprehensive presentation of the requirements for the client. According to the Municipal Research and Service Centre (1993), supplying public services represents the act of offering basic needs that include trash disposal and street lighting (Makanyeza, Kwandayi, and Ikobe, 2013:1).

Service delivery is associated with provision of tangible and no-tangible goods and services. Government institutions, non-profit organisations, individuals, private companies, and other organisations can also provide goods and services to communities (Rigii, 2017:645).

In this study, "service delivery" denotes the allocation of basic amenities that people living in MLM communities expect the government to supply, such as access to clean water, electricity, sanitary facilities, garbage collection, decent housing, and roads.

Antecedents of Authentic Leadership

Boateng and Addai, (2018:37) assert that to act honestly, people must be aware of who they are and act accordingly. As a result, self-awareness and self-restraint are regarded as essential characteristics of real leadership.

Self-Knowledge

Several authors have made the case that developing self-knowledge is essential for the growth of authentic leadership. Leaders who are in-tune with who they are do not stray from their core beliefs. Leaders who know and understand themselves can create a significance system from which to think, feel and act genuinely. Genuine leaders can adhere to and act in accordance with their principles even when pressed by societal or environmental forces. To put it simply, to operate in a way that is regarded by their followers as authentic, leaders must be aware of their own values, principles, personal strengths, and shortcomings (Sahin,2015:122)

Self-Consistency

Beyond simply knowing themselves, Boateng and Addai, (2018:37) contend that in order to be portrayed as efficient leaders, leaders must show "consistency when applying their values, beliefs, and actions." Self-consistency is a further indicator of true leadership, as a result. Authentic leaders who behave accordingly do not compromise their own values and principles, rather than relying solely on behavioural style to distinguish them from inauthentic leaders. "Authentic leaders are more efficient in leading others since these leaders are perceived as consistent with their true selves," Through their ideals, purpose, voice, and behaviours, they reveal their genuine selves. A leader is therefore viewed as having a high level of self-consistency. For leaders to engage in authentic leadership practices, several traits are essential. For instance, leader self-learning and self-consistency appeared to be predecessors for authentic leadership; the former is a gradual process

necessitating leaders to understand their own powers and shortcomings and constancy when exercising their convictions, traits, and actions. (Boateng and Addai, 2018:37)

Research Methodology

In this paper quantitative research approach was used to collect and analyse relevant data . Quantitative research is a process that uses numerical data obtained from a population from which a sample is derived (Maree & Peitersen, 2016:162) The three most essential elements in this definition are objectivity, numerical data, and generalisation. Quantitative research further relies on numerical data to test the connection between the variables and to describe the trends between the related variables. (Charles & Mentler, in Clark & Ivankova, 2016:307)

Research Design

The research design is a broad approach of providing answers to the research questions. It guides the specific technique to be used to reach the research objectives. It is crucial that the study design demonstrates why it is considered suitable for a specific study (Saunders et al. 2019:137).

Population and Sampling

A population represents a group of individuals, an event, or a condition to which they are exposed as defined by Cresswell, and Creswell (2018:32). According to Statistics South Africa (2021), there are 41 334 people living in Letlhabile. For this study, participants were selected from the working class in Letlhabile Ward 9. The working class constituted 36% of the total population of 8286 which equals 2983. The sample size is 317 participants. Maree (2016:192-193) asserts that having a sample frame that is complete and current is crucial when obtaining a simple random sample. The population elements must all be given sequential numbers so that they can be recognized individually. The actual drawing of a sample considers both random numbers and the extraction of the sample size.

Data Collection

In the current study, a structure questionnaire was used to gather data. Due to Covid-19 restrictions, the questionnaire was distributed to targeted participants using online platforms such as Survey monkey or Google form for participants who have access to email. Hard copies of the questionnaire were directly sent to the participants who had no email addresses. The questionnaire included an informed consent document that explained study's goals, data confidentiality, and the disclosure of the research findings to the participants. To emphasize the confidentiality of the data collection procedure, an information sheet with detailed instructions was made available.

Data Analysis

Sahin (2015:128) asserts that organizing data to make it ready for analysis is the starting point in quantitative data analysis process. The data entry process consists of entering the information into the Statistical Package for Social Sciences also known as SPSS for data outputs generation. Factor analysis descriptive statistics, frequencies, correlation and regression analyses are among the statistical methods employed throughout the data analysis procedures for this study

Infrastructural Development Services

Water Supply

Figure 1 depicts that:

36% and 64% of respondents said yes and no respectively about having clean water pipes.
68% and 32% of respondents said yes and no respectively about having their own water meter.

100% of respondents said no to having clean water.

1% and 99% of respondents said yes and no respectively about having a regular water supply.

9% and 91% of respondents said yes and no respectively about having correct water accounts.

14% and 86% of respondents said yes and no respectively about having water breakages.

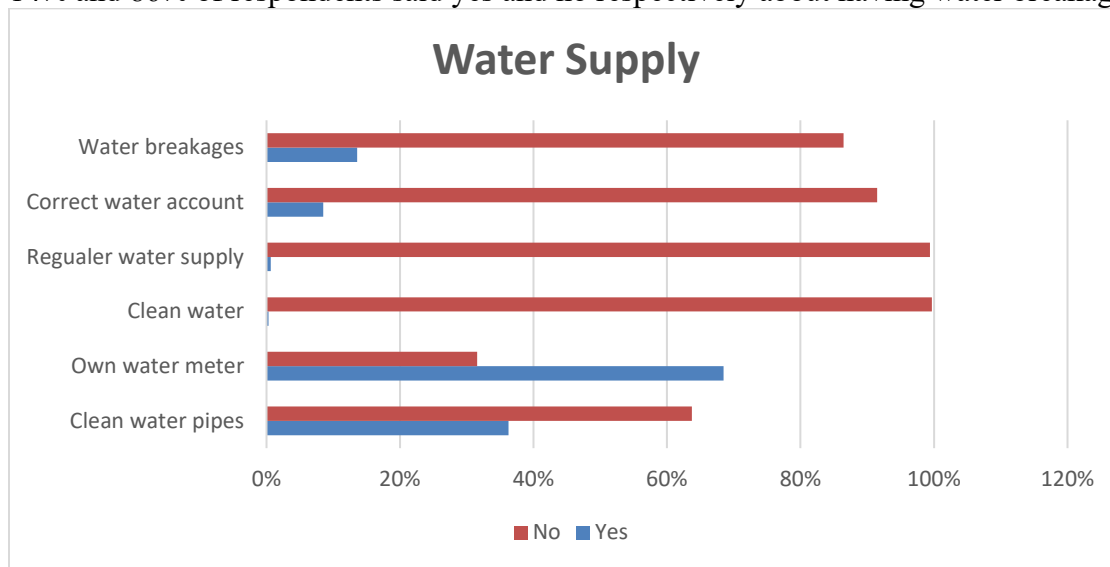


Figure 1: Water Supply

The water supplied by Madibeng is polluted, stinking and sometimes brown in colour. The water from the pipes is not clean, it is smelling and not good for consumption at all. The municipality itself encourages us to boil their water before drinking it. Water supplied by Madibeng is not clean and good for consumption. It makes people sick with virus. The water is not good for consumption. Water treatment plant is not properly maintained. Water supply is so poor that, I have ultimately installed a borehole. Water is life, what can you do without water. Water treatment plant is not well maintained; hence we find tree branches in pipe water. Children, adults including the aged got sick because of this water. People buy purified water in the local supermarkets because Madibeng water is not healthy and fit for consumption. The water is not clean, not tasty and bad for consumption. It is sometimes smelling sewer, brown in colour. Water treatment plant is not accurately maintained by skilled workers. Water from Madibeng is polluted and not good for consumption. Our water treatment plant is not well maintained, because unskilled workers are deployed to department where they're not qualified for. The water is polluted, smelling sewer and totally not good for consumption. We use Madibeng water for washing, cleaning, bathing, but not for consumption. We buy clean water from the shops. People get sick because of

this unhealthy water of Madibeng. People experience water shortage everyday due to poor service delivery and due to incapability of clean water supply from Madibeng municipality. No accurate water readings taken regularly, and the account are not accurate; hence there is no payment of services. Plus/minus 80% of Letlhabile residents do not pay for services because of poor service offered and polluted water supplied. Politicians influenced residents to not pay for services for their personal campaigns/gains, now people are in deep debts. Their bills have escalated so high that they are unable to repay. Madibeng has no mechanism of encouraging residents to pay for the services or bills.

Electricity Supply

Figure 2 depicts that 97% and 3% of respondents said yes and no respectively about getting electricity from the municipality. 11% and 89% of respondents said yes and no respectively about having a regular electricity supply. 97% and 3% of respondents said yes and no respectively about having their own electricity meter.

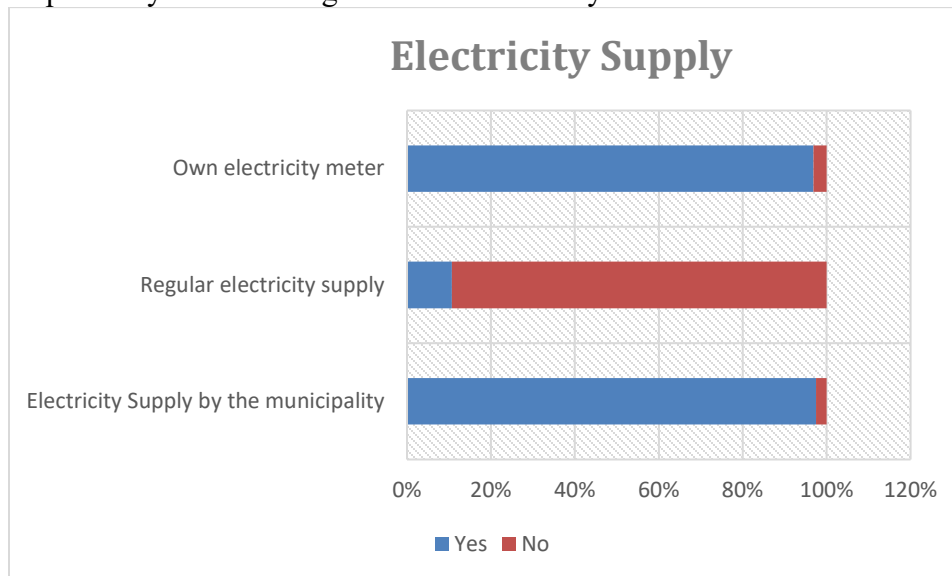


Figure 2: Electricity Supply

The electricity supplied by Madibeng is extremely expensive and it costly to all customers especially to the needy and pensioners. Most of the residents are not buying electricity. They have bridged their meter-boxes and steal electricity. Some houses do not have electricity meters

Residential streets, Roads, Stormwater and Housing

Figure 3 depicts that:

10% and 90% of respondents said yes and no respectively about having tarred roads.

100% of respondents said no to having good, conditioned roads.

100% of respondents said no respectively about having quick repair of damaged roads.

88% and 12% of respondents said yes and no respectively about having flooded streets and houses.

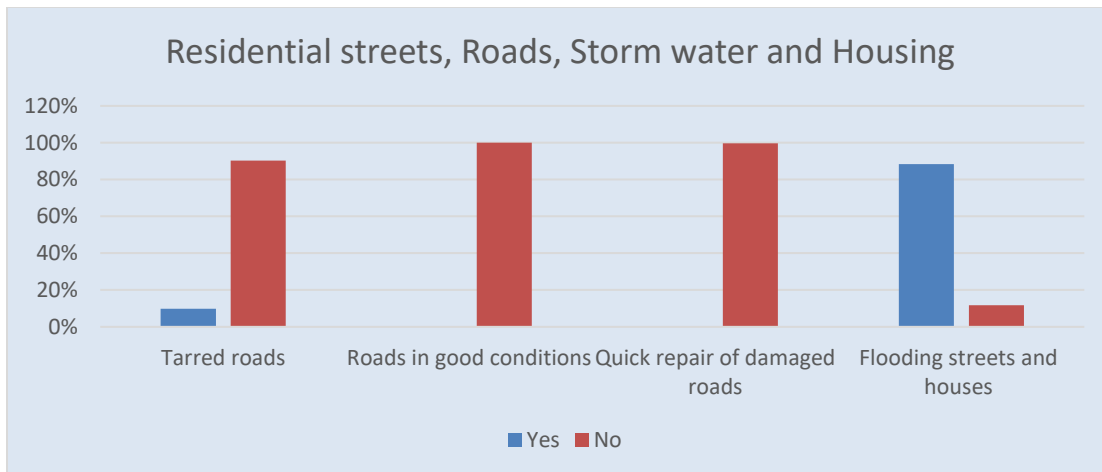


Figure 35: Residential streets, roads, stormwater, and housing.

Only one main road is tarred. Few streets where the councillors reside are paved because they only think of their own personal gain and comfort. Money/Budget which was allocated for paving 15 years back was stolen, squandered, and misused for personal gain. No one was held accountable even today. There is no proper budget for road maintenance. Tenders are offered to unskilled people; hence proper and quality service of fixing roads is not done. Streets and roads in our area are not maintained at all. Not even a grater is used to level the gravel roads. Potholes are a major problem. Some streets have turned into dongas and cars are unable to drive on. Roads and streets are not maintained. Roads have potholes. Our streets are not managed/ attended to for the past 20 years. There is no good leadership and proper mechanism to deal with road infrastructure to the benefits of the customers. Municipality takes months before it can repair damaged roads. When it does repairs, the quality of work is poor, and the same problem recurs. Customers' needs and safety are not prioritised and their lives are taken for granted. Madibeng municipality is unable to deal with storm water; they have no skilled workers. Town planning is not effective, and customer's houses are always flooded. Storm water is a serious life- threatening situation; roads are flooded so is our houses. Proper provision and maintenance of the storm water drainage has never been well constructed. Even continuous maintenance is not done to save customers lives.

Condition of residential streets, roads and stormwater systems

Figure 22 depicts that 2%, 31% and 68% of respondents said the condition of streets, roads and bridges is adequate, inadequate, and totally inadequate respectively. 1%, 8%, 21% and 70% of respondents said maintenance of the stormwater drainage system is good, adequate, inadequate, and totally inadequate respectively.

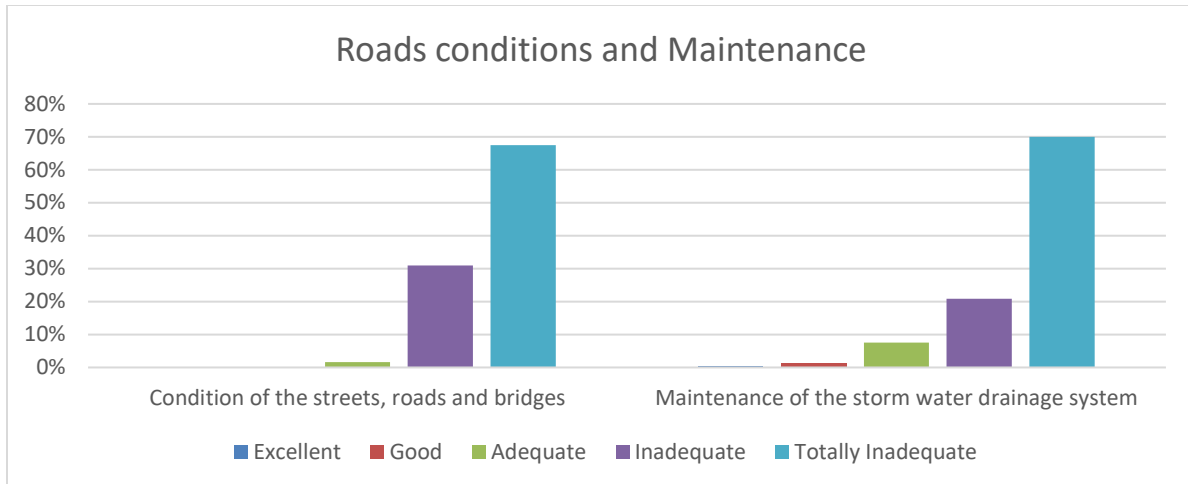


Figure 4: Condition of residential streets, roads, and stormwater systems

Provision of low-cost houses

Figure 5 depicts that 1%, 3%, 13% and 83% of respondents said the provision of low-cost houses is high, medium, average and low respectively.

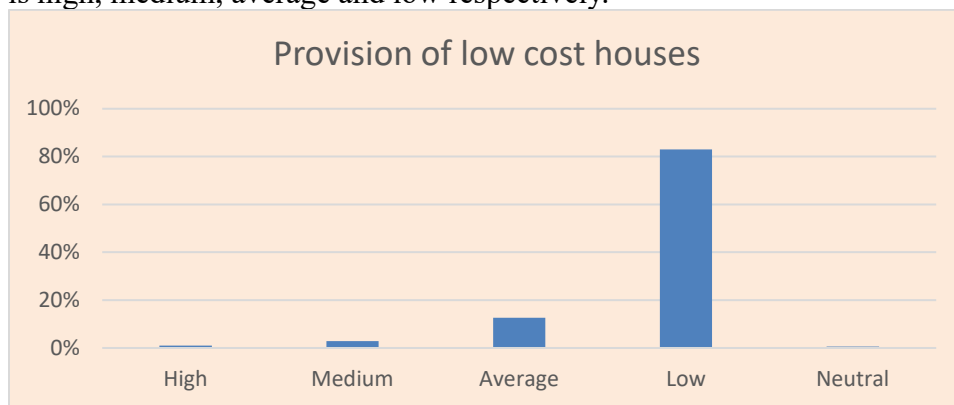


Figure 5: Provision of low-cost houses

Corruption and bribery are the course of low housing provision. Irrelevant and unskilled constructors are offered tenders and they do not offer quality work. Corruption of the leaders and incapability of councillors to ensure quality leads to low-cost provision of houses. Political influence and corruption in offering tenders accordingly or correctly, greed and bribery, is the reason for provision of low-cost housing. Projects/houses which could have been offered to the needy are left incomplete and most of the houses have fallen down due to cheap building materials used. No one is held accountable.

Refuse removal

Figure 6 depicts that 100% of respondents said yes respectively about getting rubbish removed. 95% and 5% of respondents said yes and no respectively about not getting the refuse collection for weeks.

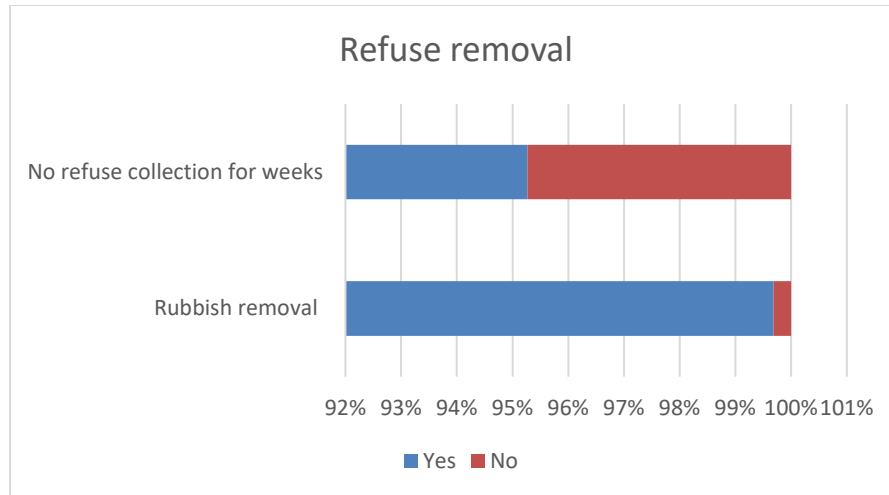


Figure 6: Refuse removal

There is serious lack of physical amenities. It's untrustworthy, unreliable and inconsistent. Collection of refuse is not consistent. Refuse sometimes is piled up for weeks without any notice. Dumping is a serious challenge and causes environmental pollution that causes health hazard. Sometimes refuse is not collected due to their truck breakdown. Standard of service delivery at Letlhabile is not satisfactory at all because refuse is not collected timeously. There's a slight difference/improvement compared to last year. At least they collect refuse on scheduled days.

Complaint regarding a community service

Figure 7 depicts that 86% and 14% of the respondents said yes and no respectively to complain regarding a service.

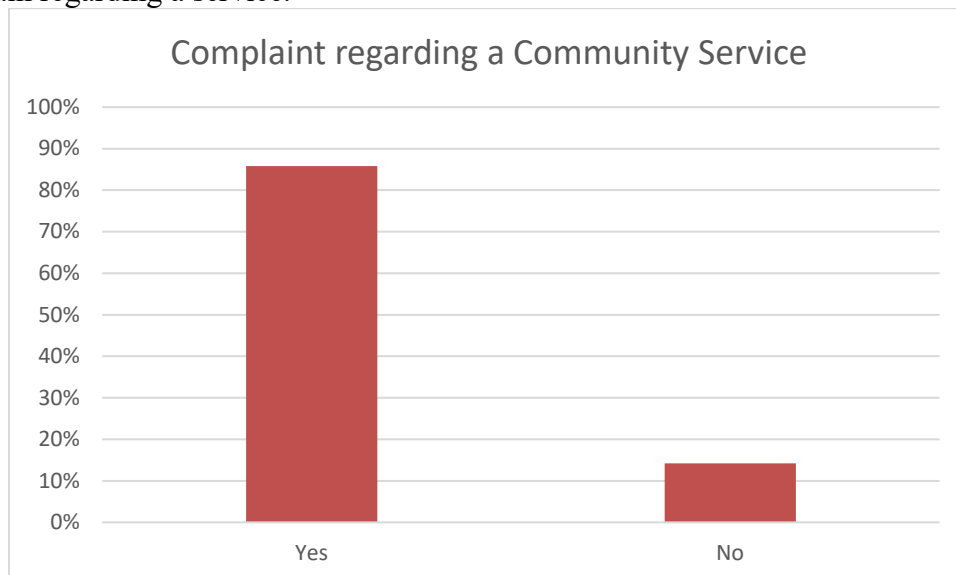


Figure 76: Complaint regarding a community service

Many times, the community complaint to the municipality about poor service delivery. Protest marches have been held; petitions written but the condition of poor service delivery

does not change for the better. Our local clinic is flooded by neighbouring villages' people and there is shortage of staff members to deal with many patients effectively. Many complaints were made to the municipality in community and Ward meetings to our councillors but there no change at all. Madibeng municipality has no leadership that has the interest of the customers at heart. They have not addressed the complaint satisfactorily. Madibeng municipality is ineffective and incapable in dealing with customers' basic needs and complaints.

Management and response to complaints

Figure 8 depicts that 1%, 23% and 76% of the respondents said they were highly capable, adequately capable and incapable respectively to respond to complaints. 18% and 81% of the respondents said they were adequately capable and incapable respectively to manage complaints.

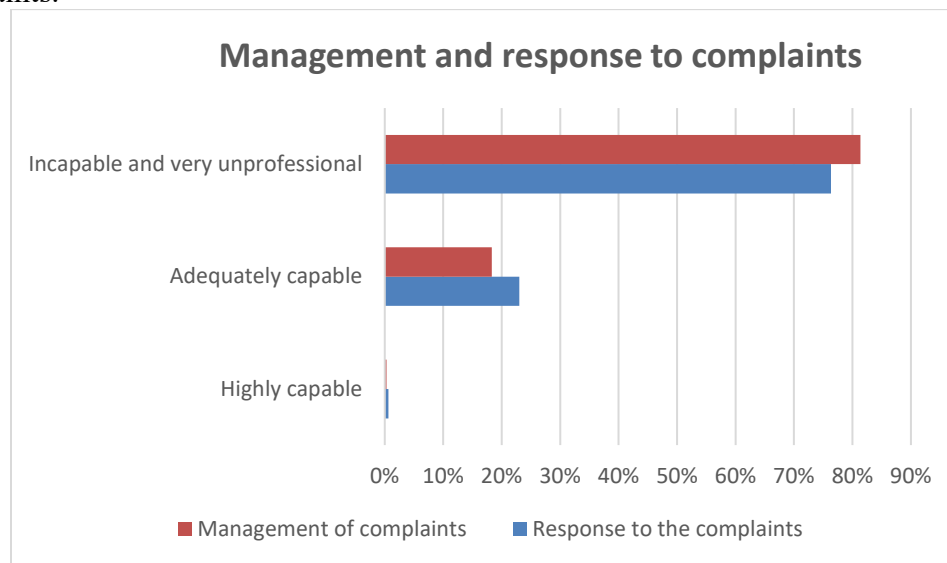


Figure 8: Management and response to complaints

Some or most workers are incapable because they are not trained, supervised, monitored and evaluated on their performance. Madibeng employees need strict managers who will monitor evaluate their performance. Employees need continuous training to deal with customer's needs. Madibeng workers need serious internal continuous development training to assist them to improve their performance for the better. Workers dealing with people lives should be pro-active, eager, willing and dedicated to assist customers.

In overall, figure 27 depicts that:

1%, 1%, 95% and 3% of the respondents said they were satisfied but need improvement, neutral, extremely dissatisfied, and poor with room for improvement respectively regarding water service delivery.

44%, 7%, 2%, 39% and 8% of the respondents said they were satisfied but need improvement, extremely satisfied, neutral, extremely dissatisfied, and poor with room for improvement respectively regarding electricity service delivery.

2%, 31% and 68% of the respondents were neutral, extremely dissatisfied, and poor with room for improvement respectively regarding the condition of the streets, roads and bridges.

1%, 8%, 21% and 70% of the respondents said they were extremely satisfied, neutral, extremely dissatisfied, and poor with room for improvement respectively regarding the maintenance of the stormwater drainage system.

42%, 12%, 2%, 28% and 15% of the respondents said they were satisfied but need improvement, extremely satisfied, neutral, extremely dissatisfied, and poor with room for improvement respectively regarding refuse removal services.

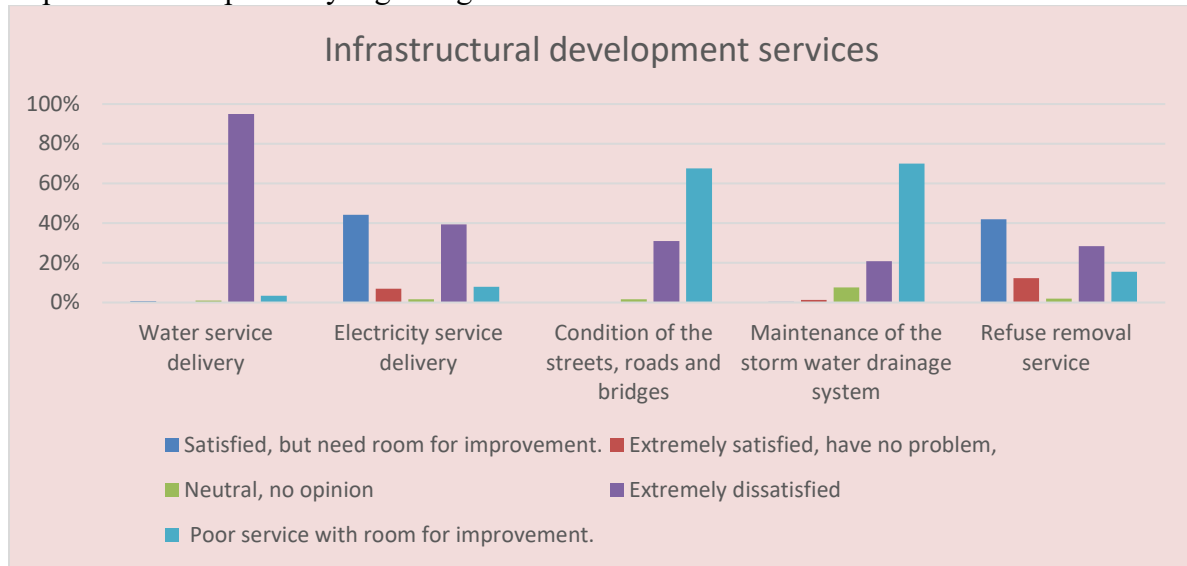


Figure 9 : Infrastructural development services

Conclusion

Poor service delivery is a factor in service supply protests following the above data analysis. Communities protest in retaliation because the municipality is unable to deliver necessary services. There is a connection between providing effective and high-quality services, employee abilities, effective leadership, accountability, responding to customer needs, dedication to their jobs, and services for infrastructure development. Good leadership is key for efficient service delivery. Corrupt activities should be punishable by law because corruption destroy socio economic development and social cohesion. Madibeng Local Municipality requires an overhaul of its governance system through strong audit to see how to save it from where it is now. A strong Management information system is needed and those in office should be held responsible for decision taken.

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MANAGING PUBLIC SECONDARY SCHOOLS IN A VOLATILE ENVIRONMENT IN NIGERIA NORTHEAST ZONE: IMPLICATIONS FOR EDUCATION LEADERS

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Abstract: School leaders' effectiveness and conducive learning environment are devoid of threat, fear, and loss of life and properties enhance the achievement of educational goals with students' academic performance. This study aims to determine school leaders' perceptions and current understanding of managing schools in a volatile environment and the policies guiding school management in a volatile context. To gather data, semi-structured interviews with five purposively selected principals in the Northeast of Nigeria were conducted which were later transcribed and analysed with content analysis. The findings showed school leaders' approaches to managing public schools in a volatile environment as there were no policies in place on school administration in a volatile context. The findings also reveal the inadequacy of security in schools and the inadequacy of training of security personnel. The study concludes that stakeholders should put in place appropriate measures to safeguard life and properties.

Keywords: Boko Haram, insecurity, Northeast, policy, school leaders, volatile environment

Introduction

The roles of school leaders in ensuring that the goals of education are achieved cannot be over-emphasized as they are the key determinant in achieving the aims, objectives, and education of the country. Thus, the teaching and learning environment must be effectively and efficiently run with needed facilities and security of lives and properties to ensure effective teaching and learning. Thus, School administrators should ensure the safety of teachers from physical, material, and intellectual dangers and the resources needed to achieve this must also be provided so that teachers will be able to carry out responsibilities and duties effectively and efficiently. According to Ajani (2021), before the battle with Boko Haram (BH) started, the education system in northeast, Nigeria was already precarious, with a sizable portion of children never attending school and a sizable portion leaving out before completing secondary school. Children from the north were far less likely to attend school, and there were considerable regional differences in educational attainment. Thus, the public schools in the Northeast face numerous challenges that affect quality education and the attainment of educational goals. These challenges include inadequate qualified teachers, poor infrastructural facilities, inadequate funding that affects

the maintenance of the few available ones, and inadequate provision of basic amenities such as water, electricity, and toilets as these would have enhanced teaching and learning. Also, there are overcrowded classrooms, daily insecurity challenges, and limited access to educational resources such as textbooks and other teaching and learning materials as these would affect their motivation to learn (Olujuwon, Omiyale & Olujuwon, 2022). It is impossible to overstate how these affect schooling in the northeast of Nigeria. Most kids were unable to return due to persistent insecurity even after the schools in these locations were officially permitted to reopen.

Therefore, the emergence in 2009 in Nigeria, of the activities of the dreaded Islamist terrorist organization group known as BH whose name means “Western education is forbidden” is opposed to the secular westernization of the country especially, coeducational learning and democratic elections and thereby wanted to create Islamic laws across the states in Nigeria including the capital, Abuja (Irabor, 2022). This sect allied with another terrorist group outside the borders of Nigeria to perpetrate havoc in different parts of the country (Mutambara, Nwali, Chukwu et al, 2022). Boko Haram due to its ties to the Islamic State West Africa Province (ISWAP), the group developed into a potent international terrorist organization that received funding from terrorist organizations including al-Qaeda, al-Shabaab, and the Islamic State (ISIS). In addition to its notoriety in Nigeria, BH has drawn more international attention due to its foreign actions in Lake Chad and the West African region. Its links abroad and assaults outside of Nigeria are a major cause for concern. In 2014, the Global Terrorism Index classified BH as the most ferocious terrorist group in the world (Chigudu, 2020). To counter religious extremism, Nnorom (2021) suggests ensuring the impartiality of Islamic teachings to prevent ideological sway, fostering national identity among young people in northeastern Nigeria to counteract the pervasive influence of religion on youth, and fostering internal security involving indigenous people from nearby regions (Ehiane & Mngomezulu, 2018).

Thus, this group brought untold hardship, and suffering in teaching, and learning as well as loss of life and property to Nigerians in the Northeast of the country. However, the cause of insecurity could be because of internal problems of states that lead to national insecurity which eventually affects neighbouring nations, sub-regions, and the entire African continent (Caleb, Ehiane, & Mngomezulu, 2021). The study of Momodu (2021) has provided some reasons for the activities of BH in the country. His findings indicated that the following factors drive BH attacks on educational institutions in Adamawa, Borno, and Yobe states: This sect has a desire to block the North’s desire to have access to Western education. In addition, they have a big feeling of resentment and envy toward students who pursue Western education. Also, they have a desire to erode public confidence in the Nigerian government. Similarly, the need to restock their ranks through the kidnapping of schoolgirls; and the desire to enhance their reputation through kidnapping.

It could be noted that the magnitude of BH's negative activities was last witnessed in the internecine wars of the 1970s in the country and this new act of terrorism has brought untold hardship to Nigerians and halted the economic, social, and educational activities in the Northeast of the country. Teaching and learning activities were the worst hit by these deadly attacks due to the mindset of the insurgents, schools, and universities were bombed and burnt to ashes, as well as institutions of state and anything that projects and promotes Western ideology (Irabor, 2022)

Therefore, students, teachers, and other school personnel were killed or abducted from their classrooms, especially girls who were then forced into marriage. This made the State Governments in the affected states close 85 schools and colleges for a prolonged time and this affected 120,000 students (Ugwumba & Odo, 2015). The report of Amnesty International in 2013 showed that more than 70 teachers and over 1000 school children have been killed or wounded by extremist attacks by BH. Similarly, the report of Human Rights Watch (2016) showed that between 2009 and early 2016 approximately 10,000 civilians met their untimely death at the hands of BH. Similarly, the International Office of Migration reported in 2017, more than 1,757, 288 people have been displaced in Adamawa, Bauchi, Borno, Gombe, Taraba, and Yobe states. Furthermore, in 2017 the United Nations estimated that the conflicts between Boko Haram and the security forces in Nigeria had destroyed 1,500 schools from January 2014 to December 2016 with at least 1,280 teachers and students' casualties (UN General Assembly and Secretary-General report, 2017). As a result, thousands of children and teachers have been forced out of schools across communities in Yobe, Kaduna, Adamawa, and Borno states. In addition, the Nigeria Union of Teachers (NUT) stated that more than 1,000 teachers have been forced to flee the Northern part of Nigeria for other parts of the country (Amnesty International, 2013). Eme and Onyisi (2014) noted that since August 2011, Boko Haram has planted bombs weekly in public or churches in the Northeast. Also, in 2012, twelve public schools in Maiduguri were burnt down at night and more than 10,000 pupils were forced out of school.

According to the Global Coalition to Protect Education from Attacks (GCPEA), BH is believed to have killed 20,000 people and forced over 2.2 million people from their homes in the region surrounding Lake Chad (GCPEA, 2018). In a similar vein, The United Nations Children's Fund (UNICEF, 2017) estimates that over 1,400 schools have been damaged, destroyed, or looted, mostly in the northeast, and that over 600,000 children have been denied access to education as a result. Millions of people in northern Nigeria have been displaced by the violence committed by the BH insurgency, including 1.7 million women. In camps for the displaced, it is challenging to gain access to information and basic services, and the violence has hampered access to education. Many teenage females are therefore ignorant of HIV/AIDS, contraception, and basic reproductive health.

According to Ezirim, Haruna, Paul, and Ayeni (2023), some secondary schools are still closed to this day, facilities have been destroyed, other schools have had their boarding arrangements changed to daytime attendance, and some boy's schools have been converted to mixed-gender settings because of parental concerns about sending their daughters to girls' boarding schools.

In addition, Idowu, Nwangele, and Nwosu (2021) research found that the Boko Haram insurgency hurts Nigeria's educational system because it has resulted in the deaths of both teachers and students. In addition, there is a lack of qualified staff and widespread destruction of educational facilities like schools. Also, an exodus of academic experts from the area under investigation, as well as the disruption of the academic calendar, and other things. To this purpose, the report also demonstrates that the sect's activities have gravely detrimental impacts on the economy, which continue to manifest negatively in the educational sector. This has implications for education in Nigeria as these assaults have led to internally displaced people, which prompted a low school enrolment as most students and guardians were more worried about security than going to class. This is in line with the study of Olowoselu, Bello, and Onusegun (2014) that due to trauma experienced in

those areas, teachers, students, and school heads were afraid of going to school for fear of being attacked. According to these authors, these have affected teaching and learning in planning, organizing, coordinating, financing, and evaluating educational activities.

Numerous studies have emphasized the issues Nigeria faces due to underdevelopment and insecurity. According to Tsuwa and Aliogba's (2021) study, insecurity is fueled by the spread of small arms, ethnic and religious divisions, a lack of cooperation and compromise among security authorities, as well as the poverty the nation faces. There are lots of security issues that impede cross-border relations, and the porous Nigerian borders pose a variety of threats to her national security (Afaha & Ani, 2020). This supports the findings of Ola and Jagganath's study from 2021, which found ineffective border controls and a high level of illicit small gun proliferation in Nigeria. Similarly, Ani and Uwizeyimana's (2020) research revealed that the main causes of insecurity in the Chad basin, northeast of Nigeria, now include terrorism, illegal arms trafficking, environmental and climate change-related insecurity, kidnapping, killing of government and security personnel, and mass killings of civilians. Another major hindrance to Nigeria's socioeconomic progress is ineffective leadership, widespread corruption, and insecurity leading to stagnancy (Agboola & Alamu, 2023). This is in line with the four-year study of John, Joseph, Gabriel, Theophilus, Atelhe et al. (2023) on armed banditry and human insecurity in Nigeria's Northwest Geopolitical Zone. The study reveals that armed banditry had an impact on human security in the zone. Additionally, it was discovered that armed banditry is motivated by youth unemployment, politicians' political agendas, open borders, and poverty. From another perspective, the intensity and scope of political and electoral violence have increased, and political elites frequently use young unemployed, and impoverished Nigerians as ready-made electoral violence machinery (Alaye, 2021).

However, despite various counter-terrorism security measures put in place by successive administrations in Nigeria, the regional integration efforts, and the international community's support, in the curtailment of BH notorious activities seem unabated. This is supported by the study of Mutambara, Nwali, Chukwu et al (2022) the Dialogue Defense Mechanism, Hyper Security Defense Mechanism, and Special Prison Facility Defense Mechanism are suitable defense mechanisms that ought to be used in counterterrorism strategies. The study concluded that if these defense mechanisms are not effectively implemented to counter the trends the Boko Haram insurgents have created after collaborating with other terrorist groups outside of Nigeria to wreak havoc on various parts of the country, Nigeria as a nation may become history in no distant time. In their study, Ezeani, Ani, Ezeibe, and Ubiebi (2021) enumerated some of the reasons why the armed forces defense mechanism has not yielded the desired results. These authors argued that the Nigerian Armed Forces face several operational, strategic, and tactical difficulties in their counterinsurgency operation, including a lack of resources, outdated or insufficient equipment, a "third force" sabotaging the war effort, and a lack of employee motivation. The military's ability to safeguard Nigeria's territorial integrity and advance national security is jeopardized by these difficulties. This study concludes that an increased military budget offers the chance for proper equipment of the armed forces, raised employee morale, successful BH countermeasures, and the reduction of insecurity in Nigeria.

It could be deduced that insecurity in the country is a product of the deep-rooted failure of good governance and the rule of law which provides an atmosphere for the entrenchment of poverty, unemployment, uneven distribution of resources, and inequality and these have

led to frustration, alienation, and social discontent as seen in the last EndSars protest in the country and discontent witnessed in the last election that threatened to break the country apart if not for the enabling environment. The statistics from the Nigerian Bureau of Statistics have shown an increase in the unemployment rate in the country, in 2016, it was 12.48%, in 2017, 13.91%, in 2018, 15.8%, and 2019, 17.69%. On the other hand, other visible types of insecurity in Nigeria include food, financial, personal, and national insecurity, among others, all of which have an impact on human and material resources as well as the country's economy. Thus, a safe school fosters peaceful, positive, or cordial relationships among students, teachers, and administrators and largely determines the stability of the student's mind for academic readiness and this is required for educational planning (Ajani, 2021). In Nigeria, where there are many risks in the classroom brought on by man-made disasters, pupils are more susceptible to volatile environments. Therefore, volatility is how quickly and easily a situation can change or how to deal with the problem of matching available resources to unknown risks owing to unstable changes that are difficult to foresee and can alter suddenly and without warning. It might be a strategy for figuring out and preparing for the unpredictability of more significant conditions and events. Planning for any issue that may develop is crucial because not all issues that may arise are predictable.

Thus, in this study, a volatile school environment means an unsafe environment that made teaching and learning un-conducive or in which the goals of education could not be attained either within the school, outside the school, or in the larger environment. Whereas stakeholders have to ensure the safety of teachers, students, and school leaders, however, the volatile school environment today does not allow teaching and learning. The emergence of BH on the psyche of Nigerians initially brought confusion to leaders on what must be done to curtail this ugly incidence, because BH can strike at any time and in any gathering. There is the need to ask questions on the outcome or impact of the huge budgetary allocation to the military and the intelligence operations in Nigeria as insecurity permeates the entire country without any tangible progress in ensuring lives and properties. Therefore, school leaders' safety starts with physical, material, intellectual, and job security and protection from harm and danger, as these must be the sole responsibility of the government with the provision of materials that need to be used to enhance organizational goals. The provision of the above will enable teachers to carry out their responsibilities confidently and conveniently in line with the policy on education.

However, Akor, Abubakar, and Ogunode (2021), Manga (2020), Ogunode, Godwin, and Unoaku (2021) and Sadiq et al (2020) have identified causes of insecurity in Nigerian schools, and these include the nonchalant attitude of school administrators on issues of security, lack of comprehensive school security policy to guide action in time of crisis as well as the non-execution of security duties by incompetent guards that provides security in schools. Other causes identified by these authors include deficiencies in school plant construction and faulty buildings as most schools do not have fences and schools sited in remote areas, overcrowding of students with diverse characters in schools and lack of permanent security guards in school and security inspection by the Education Ministry and unemployment and poverty which has made unemployed and poverty-stricken youth to be willing tools for recruitment as foot soldiers by Boko Haram commanders.

This supports the study of Nnamdi (2021) that schools most often have weak security, with few or no fences to protect the school, and the guards manning these schools are few and

poorly trained. In addition, the state and federal security forces are overstretched woefully across the length and breadth of the country. Another critical factor responsible for attacking schools in school is the assumption that the kidnapping of students attracts media attention and public outrage which will make the government negotiate, and the ransom paid could be the motivation for the mass abduction. However, there have been claims without evidence that ransom was paid or release of armed group members from detention to cease these attacks but have come to nothing as the kidnappings continue in large numbers (Ogunode, Godwin & Unoaku, 2021)

All the above have implications for schools' safety and literature has shown probable factors that could be responsible for Boko Haram attacking educational institutions and this may be due to weak security architecture in schools. The study by Ogunode, Godwin, and Unuoaku (2021) highlighted a few effects, including a loss of staff in educational institutions, poor educational quality, damage to infrastructural facilities, closure of educational institutions, increased educational spending, educational wastages, encouragement of foreign education and internal student displacement, insufficient funding of education, and a decline in private investment in education which has affected educational attainment in terms of quality and manpower and the overall national development.

Similar findings by Ajani (2021) that the consequences of the Boko Haram attack led to high drop-out rates, reduction in enrolment, and lowering of teaching quality which worsens effective educational planning and sustainable national development in the country. These acts also affected the recruitment and retention of qualified staff as many teachers are reluctant to take employment but think about their safety first. The study carried out by GCPEA (2018) shows the negative impacts of the BH attacks on education from loss of education to early pregnancy and marriage as well as the stigma associated with sexual violence and with children born from rape activities. These can dramatically affect female students' future and contributions to development. This study also reveals the use of schools for military purposes and the execution of captives. These create fear among parents and pupils about safety in the school of pupils mostly girls even after the existence of the insurgents.

This disrupts learning after which some never return to school, has psychological impacts on students, damages school infrastructures, and affects the quality of education (Ajani 2021). This study attempted to contribute to the knowledge base of insecurity and the activities of BH in the Northeast of Nigeria by exploring school leaders' perception of school management's understanding of a volatile environment. The study examines both the direct effect of Boko Haram activities on school leaders' "lived experience" in articulating and amplifying their memories and their story of loss, and grief in managing schools because of Boko Haram terrorist activities in their area and schools and proffer strategies on how to ameliorate the problem using a case study approach. Data were analyzed using content analysis thereby giving them a voice in bringing to the fore, their anguish and travail as they went about their legitimate duty which is teaching and learning.

Research objectives

This study was conducted to examine school leaders' perception of school management in a volatile context and examine policies guiding schools in a volatile environment. Also, to explore the current understanding of the influence of a volatile environment in school

management and offer strategies to overcome a volatile school environment. Results emanating from the study will be used to advocate for a robust policy formulation on school safety as this will enhance the realisation of educational goals in teaching and learning.

Research questions

We framed the following questions to examine how school leaders perceive school management in a volatile environment. Also, what are the policies guiding managing schools in a volatile environment? In addition, how does the current understanding of the volatile school environment influence school management? Similarly, how can school leaders overcome a volatile environment in schools?

Methodology

This study utilized the case study method of qualitative research. This method involves the how, what, and why questions on how participants experience a social phenomenon in their natural environment through tick-rich descriptions. The population frame of the study was (5) school Principals from seven ((5) public secondary schools' high schools in the NorthEast of Nigeria. The selected schools have one time, or another been attacked by the Boko Haram insurgents and are true representations of public senior secondary schools in Nigeria because they provide typical characteristics of emphasis of schools operating in a difficult environment. The selected schools are particular to this study because the principals of these schools are disposed to this type of research in other to be the "voice" of the school leaders. The researcher used purposive sampling by selecting participants who are representatives of the target population and possess rich information that addresses the research purpose and questions (Patton, 2015) To conduct the study, we got approval from the school principals.

The research instruments used in the study were semi-structured interviews. The semi-structured interviews provide greater scope for discussion and learning about the problem, opinions, and views of the participants on managing schools in a volatile environment. To record the exact words of the participants, with their permission we used an auto recorder which we later transcribed verbatim and was later coded. Pseudonyms were used to protect the identity of the participants and their location. Regarding participation in the semi-structured interviews we paid, particular attention to ethical issues concerning confidentiality, anonymity, data management, and informed consent with the opportunity for any participant to withdraw from the research at any time. In addition, at the beginning of each interview the participants were allowed to ask questions or make comments on the process and implications of their participation in the research. We provided opportunities that could also contact the researchers at the end of the research process. Similarly, they had access to the typed transcript for their review to ensure that their exact words were captured and can provide additional comments where necessary.

The interviews took place in the offices of the principals and lasted an hour due to the situation in the schools. Participants were identified based on their willingness and nearness of the schools to the researchers due to the security situation in those areas. The data was coded thematically. Themes developed from the coding of the data include the Current learning school environment, policy on school administration in a difficult situation, Manager's responsibilities in schools, the Inadequacy of security in schools, and Factors

that hinder managing schools effectively. Strategies to improve the difficult learning environment.

Findings and discussion

The following are the results of the themes gathered from the data in determining managing schools in a volatile context: The role of school leaders.

The current learning school environment

The learning school environment is where teaching and learning take place in an atmosphere of love, a safe environment with the provision of facilities that ensure that educational goals are achieved with motivated teachers. All the participants noted that the learning environment in all ramifications was calm and satisfactory before the insurgency. According to Baroneh one of the principals interviewed noted that: “*before the insurgency, there is no problem at all in terms of smooth academic activities there is a conducive learning environment, enough academic staff on the ground, enough classroom, academically things are moving smoothly not until the coming of the insurgency.*” This shows that academic activities were thriving with enough classrooms and staff before the insurgency. This view was supported by Ibra, another principal: “*That school climate was peaceful, fine, and calm. However, with the dawn of the activities of Boko Haram, the current school learning environment has been devoid of the peace and calmness it requires. This makes Ibra remark that: Learning climate has become difficult in my school because of the existing tension within the school that made many parents withdraw their children from the school and those that are left become scared this also made teachers have it difficult to create a good learning environment and this also made school management to be difficult because parents have control over their children.*

The above reveals that the insurgents made learning difficult which made parents withdraw their children from school as a result, teachers could not create a good learning environment which made school management difficult. The above was corroborated by Zoneh, a principal, who noted that: “*... in the first place, we have a decreasing level of enrolment because most parents that have the means or the resources to leave this area have left the area and then they have gone with their children and there is also a gradual withdrawal of existing students to our neighboring states where the tension of forceful school closure was less. This made the school administration have difficulties because parents have more control over their wards.*

In his account, Baroneh recounted how the insurgents struck at three different times and took over the local government which made all academic activities to be paralyzed as all schools were closed and one teacher was not so lucky as he was killed.

Similarly, Cawu narrated the increasing occurrence of Boko Haram attacks, forceful school closure, and the death of 40 students killed in cool blood and how this has created fear and panic that has affected the psychological climate of the school negatively. He spoke thus:

.... *was when there was an increasing or high occurrence of attracting by Boko Haram and forceful school closure., especially when we lost not fewer than forty (40) students slanted by the terrorist in cool blood. My difficult school environment was when fear occupied our minds which affected especially the psychological climate of our school negatively.*

However, he noted that the intervention of the government through the security agencies has restored a ray of hope, and improvement in the security architecture has made

administrative, social, and academic activities improve better than before. He said: *'My school learning climate is so far calm and satisfactory due to improvement in the security challenges, administrative, the social and academic achievement of the school generally has now improved compared to what we had previously, actually I can see a lot of development.'*

The excerpts show the negative effects of the activities of the Boko Haram insurgency in the North Zone which has created panic among the citizens and adversely affected teaching and learning. However, the intervention of government security agencies has restored hope to a seemingly bad situation, and it is such a big relief to counter such negative activities of the insurgents.

Policy on school administration in a difficult situation

Policies are important in school administration as they help schools establish rules and procedures that make people connected in the day-to-day activities of the schools. There may be some common policies in all schools based on Federal and state legislation while some policies may be designed specifically for each school based on the peculiarities in achieving educational outcomes. As a result, policy expresses goals and objectives, and it is a roadmap for action in achieving them. In Nigeria, the National Policy on Education spelled out the aims, objectives, and philosophies that guide the educational enterprise. In addition, there is the Teachers' Code of Conduct enshrined in the Registration Council of Nigeria policy of 2004, revised in 2005 and 2013 of teachers' rights, privileges, obligations, and their legal bases (TRCN, 2005) as well as their relationships with employers, students, parents, and colleagues. In most schools, there are Student handbooks that spell out the dos and don'ts of students in schools.

Therefore, School administration is a managerial skill for the smooth functioning and execution of all school-related activities. Johnson (2013) states that school administration is the school's main governing body, and it plays a significant role in making decisions on students, faculty, and the school's overall status, there are many sorts of administration depending on the nature of the school. These administrations oversee the school's development as well as the student's and faculty's welfare. They are frequently the only institution that serves as a link between the school and the community. All the participant's responses about policies on school administrations are that there is no concrete policy put in place for school managers in difficult situations and initially the government was confused. As Zoneh one of the participants indicated: *While in terms of policies, I can say there are no concrete policies put in place for managers of schools in difficult situations.* This view was also shared by Ibra another participant. *While I think there was absolute confusion on the side of the government due to frequent attacks by Boko Haram. As such there were no concrete policies put in place for the managers to manage their school, the only way out is when tension becomes high both students and teachers have to vacate the environment for their own safety.*

However, Baroneh another participant articulated that: *yes. the ministry of Education sends in a circular when we resume and, in that circular, they directed all schools not to conduct assemblies that whenever there is anything to announce or any information we should go to the class and pass in the information because gathering together at the same time may probably attract or create attention and some of the insurgences may be hiding somewhere*

else and may find target easily for the attack, so schools stopped from gathering students for assembly

The participants illustrate the initial confusion on the part of policymakers as no concrete policy has been put in place to protect school managers in difficult situations. Also, in case of imminent danger, staff and students must look for a way out of the problem. Thus, stakeholders must put in place a permanent and workable policy that will protect lives and properties in a conflict environment.

Manager's responsibilities in schools

The Manager's responsibilities in schools are to motivate students to learn and encourage professional development. Also, it is to prescribe clear-cut functions for the duty posts and services in the school system as enshrined in Section 24 of Lagos State Post Primary Teaching Service Law (LSPPTSL) of 2005 that the duties of the principal are setting targets and standards for the school activities and maintaining discipline among staff and students. In addition, the principal is to act as an accounting officer and controls the finances of the school. Also, maintains the school infrastructure and facilities, and plans, develops, and monitors curricular and co-curricular activities of the school. Similarly, monitors the performance of his Deputy Principal and Vice-Principals should be conversant with Government policies and regulations as they affect the school system. In addition, maintains a functional and cordial relationship with the Parents Teachers Association (P. T.A.), Board of Governors, and the Old Students' Association, and expectedly. shall teach a minimum of six periods per week etc (See Section 24 & Section 25(1) LSPPTSL, 2005). Cawu, one of the principals explained that: *We spent our time in school through prayers and patrolling the school's surroundings. We also keep in touch with members of staff and the community around us. We often communicate with the security personnel by phone. Sometimes we meet with the security to give us an update on the security measures to employ in our daily school.*

The above is corroborated by Zoneh another principal *I spent my time during the day keeping in touch with the members of staff and the prefects in the school and then I also have 25 minutes of morning assembly twice a week, I go around the classes once in a while and leave my door opened for any report or messages coming to the office in case there are any new message or an emergency then the meeting is conveyed immediately to share with staff, if necessary, with students.*

The issue of managers' responsibility is well articulated by Baroneh another participant, who explained: *As a principal, I used to be in school by 7:00 am or 7:10 am daily if there should be an assembly it will be conducted by 7:20 am to 7:30 am. The first lesson starts at 7; 30am. There is also a special correspondence between me and the class monitors. I must respond to another circular with good correspondence otherwise most of the I used to be outside, in the staff room, in the classes, or going around with some of my colleagues and sometimes disguising myself. So always supervision, entertain some problems, respond to circulars and other communication, and interact with visitors from outside and we close by 1:40 pm. Usually, I used to be the last person leaving the school.*

Ibra another participant added another dimension to the roles and responsibilities of managers in schools. He explained that: *a good school administrator must be courageous and should encourage the staff to be Courageous to do things and you must encourage your subordinator vice-principal to let's do it, after all, that's there with God on our side*

nothing will happen and when our time comes to go we shall go wither in bed or outside we shall go so why not carry on? Encourage people.

The responses describe the responsibilities of managers in schools by ensuring that effective teaching and learning take place despite the activities of the insurgents. However, the insurgency has not allowed the principals to fulfill the above as expressed in the law.

Inadequate security in schools

Inadequate security in schools, especially in the Northeast of the country led to internal migration of people from conflict zones to areas perceived to be safe from the insurgency.

There was also low enrolment of students, due to constant fear of attacks, as well as the unusual transfer of staff and students. Zoneh pointed out that: *Ah, in the first place, we have a decreasing level of enrolment because most parents that have the means or the resources to leave this area have left the area and then they have gone with their children and there is also a gradual withdrawal of existing students to our neighboring states where the tension of forceful school closure was less. This made the school administration have difficulties because parents have more control over their wards.*

Ibra explained that: *Learning climate has become difficult in my school because of the existing tension within the school that made many parents withdraw their children from the school and those that are left become scared this also made teachers have it difficult to create a good learning environment and this also made school management to be difficult because parents have control over their children.* Cawu further noted that: *Am, we experience a constant fear of attack, forceful school closure, unusual transfer of students and sometimes staff, and unusual operation of the school as a day school instead of Boarding school and this has affected our programs so much. A lot of strategies, a lot of strategies that I can mention but few like the Provision of a metal detector machine at the school gate to search for coming persons and cars as I told you earlier. We established a patrol team comprised of teachers on duty and the perfect, as well as school security agents. We also introduced patrolling school surroundings by the police and the army. We also liaise with the community leaders to update and report any suspected movement or unusual faces sighted around the school.*

In their school, Baroneh noted the effort of the military and the vigilantes in warding off the insurgents that presently *after the military and the vigilantes drove the insurgence away, schools did not resume immediately but after when schools resumed; first, we must check what was on and missing.*

The excerpts show what the inadequacy of security in schools has caused the nation. It has led to the loss of lives, students, staff, and loss of properties. There is a constant fear of attacks, internal migration, and low level of enrolment in schools which affects the achievement of the goals of education.

Factors that hinder managing school effectively

In response to the factors that hinder the effective management of schools,' most of the participants noted the prevalence of favouritism in the promotion and discriminatory practices and the issue of "godfatherism" as well as the issue of insurgency in schools.

Zoneh a principal categorically explained that: *Hmm, there are things that school administrators do face especially during this political era. Where you cannot punish a member of staff the way he could be punished. Some are attached to either the commissioner of education or a member of the house or somebody close to the governor if*

you punished them, they would report in bad line and then the next thing is going to be transferred and the transfer is always based on punishment. They like to punish you for just punishing somebody that went wrong or offended the school and other factors are the preferential transfer of staff and discriminatory promotion of some staff at the expense of seniority and unequal treatment to staff by the school board.

This is corroborated by Ibra a participant who: There are unnecessary transfers of staff from one school to another. For those with "godfathers", showing differences in promotion for selfish interest, unequal treatment of staff by the board and hinder effective management of staff because those left will feel fatherless and therefore become discouraged.

This is also in line Baroneh, a participant when he explained that: But the unfortunate thing is that the employment of teachers is supposed to be done professionally under due process. Unfortunately, that is not done. As a result, we discovered that we see every person who claims to be learning with or without the teaching profession.

These participants highlight factors that hinder managing school effectively as these can also be found in the larger Nigerian society. It should be noted that Favouritism and lack of proper procedures in appointment, promotion, and the transfer of staff, affect workers' morale and self-esteem. These negative acts could lead to jealousy, hatred, and unhealthy rivalry among colleagues as these could hamper effective growth and development.

Strategies to Improve the Learning School Environment

During the interviews, we asked participants about the strategies that could be employed to improve the school learning environment. The five participants provided insights into how the learning environment could be promoted in schools and offered various ways of promoting safety in schools. School safety requires a broad-based effort by the entire community, including educators, students, parents, law enforcement agencies, businesses, and faith-based organizations, among others. By adopting a comprehensive approach to addressing school safety focusing on prevention, intervention, and response, schools can increase the safety and security of students. The strategies provided by the participants varied but were germane to school safety and improvement.

Cawu noted that: School leaders should employ good and tolerant behavior toward teachers and students, School leaders should motivate staff to further education. Teachers and students should be motivated by school administrators or leaders. Teachers should be allowed for in-service training schemes. Teachers' welfare will be taken into consideration. School extra curriculum activities eg games and debates should/Improve the relationship between teachers and students and students. Improving the relationship between school and community.

Ibra explained that: managing a school in a difficult environment can be improved only when the board or government shows serious concern about the lives of the people of the affected environment by constantly meeting with leaders of the affected environment, encouraging them to see their children to school, contact the security men around for any eventuality since they are charged with the responsibility of giving protection to the affected areas. Some teachers and students also help in that regard as school vigilante groups take care of the school environment from morning to evening and some from evening to morning and it continues every day the government also should provide the necessary security e.g., the metal detector at the school gate. etc So teachers should be

paid promptly. Salaries should be reviewed. There is this special teacher's salary that should be introduced. This is corroborated by Zoneh: We only need the government to provide all the number of staff schools need. Most of the schools are understaffed and then we also lack sturdy materials like books where parents cannot buy books for their children the government has to buy. I think that is all that we need the government to do. In addition, Baroneh: advised that: stakeholders especially the government should wake up and do the right things commensurate with the atmospheric situation of that time. and, for school administrators, one must wake up.

Conclusions and recommendations

The findings from the research show that managing schools by school leaders in a volatile environment has a lot of implications for the smooth running of schools in teaching and learning in schools and in the ways school leaders interpret their roles, duties, and responsibilities. There is consensus among the participants that there is no policy in place to protect school leaders and students from harm perpetrated by the BH insurgents. The study also reveals that Principals spend most of their time in schools as patrol agents with some prefects and locals which made them not to fulfill some of their prescribed duties. Thus, migration from one place to the other to be free from attacks became commonplace and created Internally Displaced People in the region. In addition, there was a decline in school enrolment as lives and properties were not safe and survival was crucial for families. The study concludes that putting in place appropriate measures by stakeholders to safeguard life and properties will enhance realisation of educational goals.

The study suggests that the Ministry of Education should formulate a functional guideline policy for all school principals that will guide them in the management of school during an emergency. Also, there should be a bottom-up approach to the security architecture in schools. Similarly, the State Government and the Local Government should from time to time synergize with the local vigilante groups and security agencies in public secondary schools in order to ensure the safety of lives and properties in schools. Stakeholders must put in place a sustainable financial management strategy to address the issue of inadequate funding and not rely only on government but must explore alternative sources of funding from Parents Teachers Association, Alumni, multilateral agencies, and companies. As a priority, income realized should be used for teacher professional development, provision of basic amenities, and the resources needed in the school to enhance teaching and learning. This study adds to the existing knowledge of insecurity in schools and its attendant effects on school goals and objectives. The study highlights the various challenges of inadequate security in schools without a clear-cut policy of engagement against insurgency and its effects on teaching and learning outcomes in public secondary schools. Similarly, it shows other factors like fear, migration, and a collapsed economy which have led to dropping out of school. It is believed that this study would enlighten parents, educators, and school administrators about securing lives and properties and school leaders. By doing this, they can put in place an appropriate policy on school policing, and intelligence gathering which might end the incursion of insurgents in schools.

Also, this study, which was carried out in the Northeast of the country has common features with other parts of the country where kidnapping for ransom in schools is still unabating. As a result, this study offers stakeholders a useful resource on how to combat insurgency and protect school leaders, students, and facilities.

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NIGERIA PUBLIC PROCUREMENT ACT AND THE WAR AGAINST CORRUPTION: IDENTIFYING THE MISSING LINK

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Abstract: Developing countries such as Nigeria have a common enemy of economic, social and political development – corruption. The need to end corruption was one of the major reasons the military gave for forcefully taking over the seat of government in Nigeria. Even when the country returned to civil rule, opposition parties have accused the government in power of mismanagement of public funds and often promised to end corruption if elected into power. It is an incontrovertible truth that one area where corruption exists in Nigeria is Public Procurement. However, in 2007 the Nigerian government enacted the Public Procurement Act (PPA) to battle corruption in its procurement process. Despite this, the nation's procurement process is still characterized by irregularities as evident from the many cases of infractions of the procurement guidelines in some government quarters. This paper undertakes a review of the PPA (2007) vis-à-vis its provisions on anti-corruption in comparison with international best practices to identify any missing link. The study reveals that though the PPA has improved the procurement process in Nigeria, it cannot sufficiently eliminate fraud and corrupt practices because it has some loopholes. These loopholes include, amongst others: non-provision for an automated tendering system, passive roles played by the civil society organizations/ professional bodies in procurement implementation and the absence of an independent administrative review body. The study, therefore, recommends the reform of the PPA which will incorporate the identified missing links to battle corruption in public procurement effectively.

Keywords: Public Procurement Act, Nigeria, Corruption, e-Procurement, Public Finance.

Introduction

The objective of public procurement amongst other things is to ensure that maximum value is achieved for the money spent when acquiring an item. However, achieving this objective will be impossible where the procurement process is not transparent. The World Bank (1995) described public procurement as the purchase of goods, works and services by a procuring entity using public funds through a contractor. These procured items are needed for the effective and smooth running of an organization. An effective and transparent procurement process engenders economic growth (i.e efficiency in government spending thereby reducing wastes of public funds; innovation and SMEs development); reduce social inequality and can serve as a tool for achieving environmental protection in the best possible ways. As one of the main activities of government, public procurement can project the extent of efficiency and prudence of government spending particularly in this period of fiscal austerity occasioned by the outbreak of the covid-19 pandemic. Globally, public procurement takes a very huge percentage of the government's expenditure. It has been argued that after payment of salary, public procurement is the next aspect of government's expenditure where so much of tax payer's money is spent. Ali (2020) averred that global government expenses on procurement are worth as much as US\$ 11 trillion which is about 13% of the global Gross Domestic Product. In the Organization for Economic Co-operation and Development (OECD) Countries, approximately 12% of its

GDP is spent on the acquisition of goods and services. Meanwhile, World Bank (2021) estimates reveals that globally, about US\$9.5 trillion is spent annually on government contracts which is almost 15-22% GDP of some developing nations (para. 1).

Despite the enormous fund government spend on procurement as well as the significant role efficient public procurement play in national development; government purchasing has come under criticism in the media and literature for being a fertile ground for various corrupt practices in both developed and developing countries but more visible in the latter. Nigeria has a long history of corruption particularly in the area of public finance. (Eweremandu, 2020). The Open Contracting Scoping Study: Nigeria Country Report by Development Gateway, Inc. (2017) revealed that:

The anti-corruption rhetoric in Nigeria dates back to the 1960s and was used to justify back-to-back military coups. Since returning to democracy, the fight against corruption has topped the agenda of every administration. However, in reality, systemic corruption continues to have a devastating effect on all facets of Nigerian society, most notably in the inefficient delivery of public services. Nigeria's public sector, including awards of public contracts, is deeply rooted in cronyism rather than based on merit (p.10).

Some scholars have argued that the long reign of military rule in Nigeria is partly responsible for corruption which has become endemic in the nation (Agha- Ibe, 2020; Ogbeidi, 2012). To corroborate this avowal, Agha-Ibe (2020) noted that "during the military era in Nigeria, corruption permeated every sphere of the society eroding acceptable national, cultural, religious and moral belief" (p.47). Of course, corruption in public procurement was not only pronounced during the military era, even after the country returned to a democratic system, corruption has also continued to become a recurring phenomenon in the country's procurement process.

Consequently, Nigeria has in recent times performed abysmally in the area of corruption rating. According to the Transparency International (T.I) rating in 2018 Nigeria scored 27 out of 100, 26 in 2019 and 25 in 2020 declining every year to become of the most corrupt nations in the world. T.I in its submission concluded that if the spate of bribery and corruption is not checked in Nigeria and other countries in sub-Saharan Africa, achieving the Social Development Goals by 2030 will be a mirage. Nevertheless, incessant cases of corrupt practices in the public sector have necessitated consistent efforts to battle it by various governmental organizations and multilateral banks particularly through the instrumentality of law and regulation. Nigeria is one of the countries of the world that have promulgated national law with the sole aim of entrenching transparency in the country's public spending. Despite the enactment of the Public Procurement law (2007), not very much achievement has been made in terms of eradicating corruption as public procurement in Nigeria is still besieged with corrupt and unethical practices as evident in the alarming reported cases of infractions of the public procurement Act in the country.

This present study, therefore, seeks to unravel the mystery behind the inability of the PPA as a tool to effectively eliminate or at best reduce the menace of corrupt practices which have bedevilled the procurement process in Nigeria. The paper begins by explaining the concept of corruption and how it manifests in public procurement. Thereafter, it looks at the various efforts of the government directed towards preventing corrupt practices. The next section of the paper succinctly undertakes an overview of the PPA concentrating efforts on the specific provisions of the Act that address corruption juxtaposing it with best practices as contained in the UNCITRAL Model Law on Public Procurement to identify

the differences/ similarities. The last section of the paper gives useful suggestions on what the government should do to ensure that the PPA, 2007 effectively achieved the desired aim of battling corruption in the Nigeria Procurement process.

Defining corruption and its relationship with public procurement in Nigeria

More than ever before, there is an increasing interest and discussion on corruption particularly as it relates to Public Procurement. The plethora of literature on corruption, debates and calls for reforms of the procurement process at the local, national and international level are all testaments that indeed corrupt practices abound in public procurement and needs to be eradicated.

The term corruption has been defined in various ways. For instance, the Nigeria Public Procurement Regulations for Consultancy Services (2011) defined Corruption or corrupt practices as " the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or contract execution" (p.524). However, for convenience, this study would adopt the definition by Transparency International (2006) which described corruption as the "abuse of entrusted power for private gain" (p.14). Albeit, Klitgaard, Abaroa and Parris, (1996) maintained that in a situation where a public official enjoys the monopoly or power as well as the freedom to exercise his/her judgment without being held accountable for his action, there is bound to be corruption practices. Corruption happens when government officials or private individuals disobey laid down rules for self-interest.

Existing literature has affirmed the nexus between government procurement and corrupt/fraudulent practices. (see Basheka, 2009; Olken, 2007; Olusegun & Ikenwa 2020). It has been argued in different quarters that no other activities of government are more disposed to corruption than public procurement. Several reasons have been adduced for the vulnerability of government procurement to fraudulent and or corrupt practices. In the opinion of the Organisation for Economic Co-operation and Development (OECD, 2016) corruption in public procurement is aggravated by "the volume of transactions and the financial interests at stake" as well as "the complexity of the process, the close interaction between public officials and businesses, and the multitude of stakeholders" (p.6).

It is a well-known fact that Corruption in public procurement comes with attendant costs and consequences. Its implications on the economic, social and environmental progress of a nation are enormous and damaging. Corruption in construction contracts increases the price of the contract due to cost or time overrun as well as leads to loss of lives and properties when there is building collapse due to engagement of incompetent contractors or use of inferior building materials. When corrupt practices influence the choice of a supplier or service provider the result is a waste of public funds. Corruption in public procurement is witnessed both in developed and developing nations. However, while those in the developed are strategically addressing the scourge of corruption, public procurement corruption is growing in leaps and bounds in the developing nation as they are seen to be fighting corruption with kid gloves.

Nigeria has consistently performed abysmally in the area of corruption rating. The poor ranking of the Nigeria Corruption index by Transparency International is partly due to the cases of corruption in the country's procurement process. Vanguard Newspaper (2016) quoting Dr Anthony Onyilimba of ICPC, revealed that in recent times, much of the cases handled by the Economic and Financial Crime Commission (EFCC) against public

officials are connected to procurement. As such, the country's procurement process is notable for corruption which has not only led to a waste of public funds; it has also prevented active participation of SMEs in tendering for public contracts. Achua, (2009) asserted that, despite the enormous government expenditure in the acquisition of public goods, there has been a noticeably wide expectation gap as the country is still categorised among the poorest nations of the world.

Corrupt practices in public procurement manifest in various ways in Nigeria. Among the various manifestations of corrupt practices in the Nigeria Procurement Process are:

Bribery:

This is the most frequent type of public procurement corruption. It involves the act of offering, giving, receiving or soliciting any item of valuables probably to influence procuring entity's decision or get classified information about a bidding process which may give the bidder an advantage over others. In 2017 United Nations Office on Drugs and Crime (UNODC) in conjunction with the Nigeria Bureau of Statistics carried out a study on Corruption in Nigeria on Bribery: public experience and response. Among the findings from the study are that approximately One- third of Nigerian adults give bribes to public officials and that almost N 400 billion Naira equivalent of \$ 977 million is paid on bribes annually. Every contractor wants to win and of course, if bribing their way through would make this possible then they would gladly do even when they are not being asked to do so.

Contract Splitting

This involves the process of dividing a major piece of procurement into several smaller contracts to evade monetary threshold and rules governing big tenders which prevent efficiency and economic advantage. This is a common practice in some MDAs in Nigeria. The extant circular on the Approval threshold dated 11th March 2009, issued by the Secretary to the Government of the Federation gives guidelines on the approval threshold. Some contracts within a certain threshold must go through prior review by the Bureau. For instance, for works contract such as road construction with a contract sum of 500 Million naira and above, the procuring entity must obtain a certificate of "no objection" to the award from the Bureau. In granting this request, the Bureau will take a critical look at the process from the pre-bidding to the bidding stage. The essence is to ensure that the provisions of the law are followed strictly and, that the principles guiding procurement such as competition, transparency and fairness are observed, particularly where huge government fund is involved. It is based on a satisfactory due process report that recommendation is made to the relevant approving authority for deliberation and approval.

Though the PPA frowns at contract splitting and categorises it as a punishable offence, the practice is a common phenomenon in some MDAs in Nigeria. Some federal government agencies with corrupt intentions would unbundle a single project into smaller units just to ensure that the project cost is within the procuring entity's tender's board approval limit. Allowing the project to remain as a single project would mean that it will require a Certificate of "No objection" which may reveal their dubious act or infractions of the law. Ifejika (2018) averred that, despite the PPA, 2007, contract splitting, one of the major problems that led to the promulgation of the PPA, persist even under the new procurement regime. Cases of government ministries not obtaining a certificate of no objection where necessary are common national newspaper headlines in recent times. For instance, Adanikin (2021) referenced the audit report written by the International Centre for Investigative Reporting which revealed that the Ministry of Works and Housing led by

Babatunde Fashola on September 5, 2017, engaged in contract splitting by unbundling a single contract (Supply of Furniture) into 51 separate contracts where each was valued between N 4.5 Million and between N 9.4 Million all amounting to N 216, 633,322 awarded to different companies. However, further evidence revealed that though the contracts were awarded to different companies, the invoices submitted were signed by one person.

Frequent adoption of selective/ restricted tendering procedure:

By Section 16 of the PPA, 2007, the default method of effecting procurement is Open Competitive Bidding where it is expected that the contract is advertised. However, the law allows the use of selective/restricted tendering methods subject to the Bureau's prior approval. Some conditions guide the use of selective or restricted tendering. The conditions include factors economy, emergencies or where there are few contractors or suppliers that can carry out the procurement and advertisement would be a waste of funds. However, the waiver has created a sort of leeway for some MDAs to perpetrate an act of corruption. Some MDAs often time exhibit dilatory that is they deliberately delay the process to create an atmosphere of the need to carry out the procurement through restricted tendering for wants of time and avoid mopping up of the allocated funds. Adopting restricted tendering would avoid them the opportunity of selecting contractors by themselves most of whom are their family friends and cronies.

Collusion is a fraudulent agreement or secret cooperation between two or more parties to limit open competition by deceiving, misleading or defrauding others of their legal right. This could take place between two or more contractors or between contractors and public officials in this case, the procurement officials. The most common collusive practice in Nigeria public procurement is bid-rigging, in which competing companies organize their tenders on procurement or project contracts. Sometimes the firms may agree within themselves to submit a common proposal to remove price competition. On the other hand, participating companies may agree within themselves the firm that will submit the lowest bid price and as well as decide to rotate winning of the contract in succession. Those who do not win as a result of the mutually agreed plan may be compensated with the other aspect of the contract through a sub-contracting system.

Collusion between public officials and bidders is also a common feature in Public Procurement. Here, the public official abuses his offices for private gain by releasing information within his disposal to the advantage of the preferred bidder(s). He may then be rewarded in kind or cash. Though the law frowns vehemently at this, however, proving this act is very difficult except the perpetrators are caught red-handed with substantial evidence. Williams- Elegbe (2018) observed that another method of bid-rigging among Nigerian bidders is a situation where one bidder would submit more than a bid for the same lot in an attempt to increase his chances of winning a contract. According to her, this practice takes place with or without the knowledge of the procuring entity. Sometimes, it is hard to detect this act when bids are carefully packaged differently with distinctive features that make them different from each other.

Conflict of interest

Section 57 (12) of the PPA, explained behaviour that is considered a conflict of interest. For instance, Section 57 subsection 12(b) provides that:

conflict of interest occurs where a public official possesses a direct or indirect interest in or relationship with a bidder, supplier, contractor or service provider that is inherently

unethical or that may be implied or constructed to be, or make possible personal gain due to the person's ability to influence dealings or where a public official discloses confidential information being either the property of his procuring entity, the Government or to a supplier, contractor or service provider to an unauthorized person. (See Section 57(12b) of the PPA.

Conflict of interest is a common feature in Nigeria procurement dealings. It is not unusual to see public officials involving their privately held business interests in the contract where they are working as public officials. Another common method employed by people to perpetuate conflict of interest in Nigeria is the involvement of family members in government contracts.

Abuse of procurement rules and guidelines:

Corruption involves the breaking of set rules. Procurement rules and guidelines are set to ensure transparency, accountability, fairness and competition in a public contract. In MDAs where there are corrupt public officials, these rules are either bent, circumvent or partly obeyed to favour their preferred bidders in return for a favour in cash or kind. For instance, to guarantee the principle of competition in the procurement process, the PPA provides that all bidders are given equal access to procurement information (see Section 24(2) of the PPA, 2007. To fulfil this provision of the law, procuring entities (PE) are expected to ensure that invitation to tender i.e advertisement is done in at least two national newspapers, the website and notice board of the PE and the Federal Tenders Journal published by the Bureau. Procuring entities that have ulterior motives may decide to use local newspapers that have limited coverage around their preferred contractors. Some MDAs also deliberately create entry barriers for small firms by setting onerous prequalification criteria that can only be fulfilled by a few selected bidders. (Olusegun & Akinbode, 2016).

Another system adopted by some procuring entities is that they intentionally give insufficient information about the selection or award criteria so that those submitting bids based on the insufficient information are termed not responsive and disqualified to create a space only for preferred or anointed bidders. Furthermore, in some instances, the specification may be tailored to favour the chosen bidder. During the bidding stage, privileged information may be given to a few contractors who are ready to pay for it. At the project execution stage, work not done may be recommended for payment as a result of collusive action between a representative of the procuring entity and the contractors.

Institutional structure for fighting corruption in Nigeria before the advent of PPA (2007)

It will be incorrect to say that no system was put in place to fight corruption in Nigeria financial system before the advent of the Public Procurement Act. Being one of the countries which have perennially faced with allegations of corrupt practices in financial management, each successive government has put in place a mechanism to make sure the government process of acquiring goods, works and services is corruption-free. Among the earliest efforts of the government directed towards fighting corruption in government expenditure is the introduction of the Financial Regulations (FR) in 1958. During these periods, the Country's Federal Procurement process and financial management were been controlled by this Regulation which is published by the Federal Ministry of Finance. Essentially, the FR is an internal rule that contains specific information on the composition

of the Tenders Board, procurement guidelines of contract execution and management in Nigeria. However, much could not be achieved in terms of curbing corrupt practices because the Financial Regulation was merely administrative guidelines and not a law which is often-time amended at will due to political interferences and subject to the discretion of the Finance Minister without respect for bidders right such as the right to participate in public bidding through the placement of advertisement and the need to know the selection or award criteria beforehand. Furthermore, there was no provision for an aggrieved bidder to make complaints as well as no separate institution was set up to hear complaints arising from poor procurement proceedings.

Worthy of mention is the clause 1999 constitutions of the Federal Republic of Nigeria which abolishes all kinds of corrupt practices in government spending. Specifically, Section 15(5) of the Constitution 1999 (as amended) provides that "The state shall abolish all corrupt practices and abuse of power." Besides from the Constitution there were also Criminal, Penal and Codes of Conduct for Public Officials which give guidelines on how to handle corruption in financial and procurement matters.

Another deliberate effort of the government in ensuring financial probity in Nigeria is the creation of bodies like the Independent Corrupt Practices Commission (ICPC) in 2000. The ICPC was set up to prohibit and punish bribery, corruption and related offences. Agha – Ibe (2020) observed that all past efforts geared towards eradicating corruption in Nigeria only scratched the surface of the problem. She argued that the introduction of the ICPC Act, 2000 gave a boost to the fight against the dreaded scourge known as corruption. Similarly, in 2004, the government set up the Economic and Financial Crimes Commission (EFCC) with the sole aim of battling economic and financial misdemeanours. Agha- Ibe (2020) further stressed that unlike in the past, so much have been achieved through the activities of ICPC and EFCC in terms of saving public funds which could have been lost through fraudulent government purchase. It is important to note that for each of the institutions set up to fight corruption before the introduction of the PPA in 2007; procurement was just one of the many areas they covered.

Overview of the PPA (2007) vis-a-vis its provision on anti-corruption

As observed by the duo of Musa and Adeniyi (2016) the Nigerian public procurement process was characterized by unprofessionalism, inefficiency and ineffectiveness before the introduction of the PPA in 2007. In an attempt to address the inadequacies in the country's procurement process, the then President Obasanjo in 1999 appointed the World Bank in 1999-2000 to carry out a Country Procurement Assessment Review (CPAR). The CPAR report revealed that 60k was lost to underhand practices out of every N1:00 spent by Government and that. Some other key issues identified by the CPAR in the country's procurement process were: no clear guidelines on how and when the advertisement should be used while some states rarely advertise their procurement opportunities; proliferation of Tenders Board (TBs) across the nation and where there are TBs, they exercise limited authority on contract award as this solely lies with the Permanent Secretary or Minister to decide, procurement activities are carried out by non-professionals, anti-competitive practices that resulted into increase in contract cost and loss of confidence in Government by the public; non-publication of contract opportunities; non-prior disclosure of rules to be used in the selection process; lack of standard bidding documents.

In a bid to implement the recommendations of the CPAR, then Nigeria President Olusegun Obasanjo established the Budget Monitoring and Price Intelligence Unit (BMPIU). BMPIU procedures were conducted by Treasury Circulars issued by the Accountant-General of the Federation. As part of its responsibilities, the BMPIU was to ensure that: Due Processes are followed in the acquisition of goods, works or services, Establish and update pricing standards and benchmarks for all supplies to Government, Monitor the implementation of projects during execution to provide information on performance, output and compliance with specifications and targets and ensure that only projects which have been budgeted for are admitted for execution. The intention is that with the setting up of the Due Process in Nigeria, government financial activities such as procurement can now be done in a manner that is open, transparent and fair to all without a show of favouritism and corrupt or fraudulent acts.

BMPIU to an extent was able to sanitise the country's procurement process and it was a complete departure from what was in existence before its formation. It helped to ensure fair play and competition in the nation's procurement process as well as saved the country from losing public funds to dubious contractors and public officials. However, the BMPIU at some points suffered setbacks such as unfamiliarity with the due process guidelines on the part of those implementing procurement proceedings, the burdensome nature of the processes failure of some public officials to follow the laid down guidelines and coupled the fact it was not the law of the Federation of Nigeria but just an administrative documents officials. Consequently, to give legal weight to BMPIU as a body of the government, the PPA was signed into law on June 4, 2007. Nigeria's Public Procurement Act is modelled after the UNCITRAL Procurement Model Law of 1994 which has been adopted by several other countries.

Following the introduction of the Public Procurement Act, 2007, the Federal Government established the Bureau of Public Procurement to take over the functions of BMPIU and implement the provisions of the Act. The Public and Private Development Centre (2011) observe that corruption in public procurement seems to be on the decline since the introduction of the Public Procurement Act, 2007. Unlike the EFCC and ICPC Acts, which address the general financial issues, the PPA addresses matters that mainly concerned public procurement. It gives guidelines on the process and procedures for effecting the acquisition of government goods, works and services. It is an act set up for the establishment of the National Council on Public Procurement and the Bureau of Public Procurement as the regulatory bodies charged with the roles and duties of monitoring procurement activities; harmonizing the existing government policies on public procurement. The law contains roles, power and responsibilities of the NCPP, Bureau and the accounting officers and approving authorities in each procuring entity. Its scope of application is limited to all federal ministries, departments and agencies. The various methods by which procurement can be carried out as well as the offences/sanctions are well stated in the Act. Since the promulgation of the PPA tremendous and appreciable progress has been made in the government contracting system. At least it is a complete departure from the old system. Nevertheless, the Open Contracting Scoping Study report on Nigeria submitted by Development Gateway Inc. (2017) revealed that "there remain challenges to rooting out corruption and ensuring efficient and effective procurement" in Nigeria" (p.3). The Act also contains anti-corruption provisions. These provisions are succinctly discussed in the next section.

Anti-corruption provisions in the PPA

Exclusion of bidder offering gift to influence procurement proceeding

Section 16(8) of the PPA, 2007 frowns at the offering of gifts or anything tangible or monetary value to government officials or the Bureau to influence the outcome of a procurement process in their favour. The law provides that whenever it is proven beyond doubt that any bidder gives or promises to give anything of value to any official of a procuring entity or the Bureau with the motive of influencing a bidding process in his/ her favour, such bidder will be excluded from the bid process. While this provision is laudable, to apply it there must be substantial verifiable evidence. Second, even where such evidence is available, exclusion of the erring bidder is under probability because the law says "may". Also, the erring bidder is "an anointed bidder" such an act may be covered. Also, the law is silent about who punishes the erring bidder? All these make the fight against corruption difficult.

Code of conduct / subscribing to the oath

The PPA made provisions to a code of conduct which is expected to be observed by all participating bidders, government officials carrying out procurement and the Bureau. Section 57(2) of the PPA, provides that anyone saddled with the responsibility of carrying out public procurement activity as well as all participating bidders must be guided by the principle of honesty, accountability, transparency, fairness and equity.

Subsection 3 of PPA, 57 provides that all officers of the Bureau, members of Tender Boards and other persons that may come in contact regarding the conduct of public procurement shall subscribe to an oath as approved by Council. However, the consequences of lying on oath are not stated.

Prohibition of collusive practices, and other sharp practices.

The PPA recognizes collusion between public officials and bidders as one of the factors depriving procuring entities of achieving value for money. It, therefore, prohibits and criminalises any form of bid-rigging and collusive practices in procurement proceedings. They are captured as "offences" under the Law with attendant punishments (See Section 58 of the PPA). Some of the anti-competitive and corrupt practices are a collusive agreement with public officials, contract splitting, altering of procurement documents, and use of fake documents amongst others.

It is important to note these offences are punishable by law as captured in Section 58(5 & 6) of the PPA. The punishment is meant to serve as deterrence to those who may be indulging themselves in these unholy acts. The punishment ranges from a term of imprisonment of not less than 5 calendar years without any option of fine to summary dismissal from government services in the case of the officer of the Bureau, or a public official of procuring entity (s) who have been found guilty by a competent court. Meanwhile, any legal person that contravenes any provision of this Act commits an offence and is liable on conviction to a cumulative penalty of (a) debarment from all public procurements for a period not less than 5 calendar years; and (b) a fine equivalent to 25% of the value of the procurement in issue

Shorting comings of the PPA in battling corrupt practices in Nigeria Public Procurement Process

This section discusses the noticeable differences in the PPA, 2007 compared with Anti-Corruption provisions in UNCITRAL Model Law 2011.

Non-provision for an automated tendering system

Unlike in the developed countries where procurement has been automated, Nigeria is still practising a paper-based procurement where bidders have to be physically present to collect and submit bids. However, studies have shown that why corruption persists in the Nigeria Procurement process is because of the face-face contact that exists between bidders and public officials. Where the procurement process is automated, the advertisement can be accessed anywhere, the chances of accepting late bids or including bids that were not originally part of the submitted will almost be impossible. The UNCITRAL Model Law on Public Procurement 1994 which form the template for the promulgation of the Nigeria Procurement Act, 2007 has been updated to allow for e-procurement where all procurement processes are automated. This is in recognition of the role technology play in limiting physical contact between public officials and prospective bidders as best as possible thereby eliminating corrupt practices.

Passive roles played by the civil society organizations/ professional bodies in procurement implementation

The roles of the Civil Society Organisations CSOs/ professional bodies in entrenching transparency and social accountability in public finance have been established both in literature and practice. Although these categories of members of the public are allowed to witness bids openings, their roles are restricted to observers and they are not allowed to make any contribution even when their prompt action could have salvaged a damaging situation. They are only allowed to make a report to the Bureau which may be or may not be looked into unlike in the countries like the Philippines and Mexico. In the Philippines, Section 13 of the Republic of Philippine Procurement Act 9183 expressly assigned roles for the CSOs to perform in procurement proceedings. Also in Mexico, as part of its procurement monitoring programme tagged "Social Witness scheme, initiated by Transparencia Mexicana, the involvement of CSOs in public procurement are statutorily required in some major capital projects. They sometimes assist the procuring entities in designing the terms and conditions of a bid. According to Peixoto, Caddy, and McNeil (2007) the Social Witness initiative has greatly helped in reducing the costs of public contracts as well as built public confidence and trust in the Mexico public procurement as evident in the high participation of both small and big firms in a public contract. The Kenya Public Procurement and Asset Act No 33 of 2015 allows a procuring entity to report any erring contractor or service providers to their respective professional body for disciplinary action and their judgment or recommendation would be taken seriously by the procuring entity as empowered by the law. In the UNCITRAL Model Laws, for instance, civil society / professional bodies play vital roles during bid processes.

Absence of independent review body

As part of the measures to ensure that aggrieved bidders can make a complaint about any irregularities noticed during a bidding process within a specified time- frame, the PPA made provisions for a complaint mechanism known as the administrative review. The procedure to follow is well stated in section 54 of the PPA It is important to note that the Nigeria law still maintains the review mechanism of the UNCITRAL Model Law of 1994 where the aggrieved bidder is compulsorily mandated to first make a complaint in writing to the accounting officer, then to the Bureau if not satisfied with the decision of the accounting officer and then to the high court if not satisfied with the decision of the Bureau. The practice where the Bureau as the regulator also act as a review body put a question on

its independence and ability to handle political interference/ conflict of interest or give an unbiased decision without fear or favour. There are cases where the Bureau is the procuring entity carrying out procurement activities. If a bidder has an issue with a procurement process involving the Bureau as a procuring entity, it thus means that the Bureau will be the accused and the judge in the same matter. Unlike in Nigeria, the Kenya Public Procurement and Asset Disposal Act No. 33 of 2015 Section 27 of the PPA provides for a central independent procurement appeals review board known as the Public Procurement Administrative Review Board. The board which is headed by a High Court judge is saddled with the responsibilities of examining and resolving all procurement disputes brought to it. Membership of the board also includes other members who are nominated by various relevant professional bodies ranging from law, arbitration to Architecture. This arrangement by Kenya Government made access to justice very quick, less burdensome, transparent and prevent conflict of interest. Under the UNCITRAL Model Law 2014, a bidder who has suffered any infringement or contravention of the law to his/her detriment can seek redress straight at the court. This saves time and resources too. Also, the independence of the review body ensures fair hearing.

Non- Constitution of the National Council on Public Procurement (NCPP)

The discussion on the corruption in Nigeria Public Procurement would be incomplete without mentioning the failure of the government to constitute the NCPP fourteen years after the promulgation of the Act. The NCPP is expected to carry out the following functions amongst other things, consider, approve and amend the monetary and prior review thresholds for the application of the provisions of the PPA; Consider and approve policies on public procurement and approve changes in the procurement process to adapt to improvements in modern technology. However, these functions are is being performed by the Federal Executive Council in contravention of the provision of the law.

One of the reasons the country has not experienced the desired changes in the procurement process is the refusal to constitute the NCPP, the non-constitution of the NCPP has contributed to public apathy towards participation in government contracts. Essentially, when NCPP is properly constituted and allowed to perform its responsibilities without undue interference, the spate of corruption will reduce in the public procurement process of Nigeria. The fight against corrupt and fraudulent practices will not be a difficult one without institutional restructurings and the setting up of organs such as the NCPP that will ensure integrity and transparency in a government contract.

Limited/selective scope of application

While corrupt practices are common in virtually every facet of human endeavour that involves procurement in Nigeria, the PPA as it were has a limited scope of application. That is, some MDAs in Nigeria can procure goods, works and services using government money without recourse to the PPA. Meanwhile, there are reported cases of procurement from those quarters. Specifically, in line with Section 15 – (1) of the PPA, the Procurement Act concerns only to goods or service contracts carried out by federal ministries, departments and agencies as well as entities that derive at least thirty five per cent of their monies appropriated or proposed to be appropriated from the Federation share of Consolidated Revenue Fund. That section of the Act excluded the purchasing of specialized goods or services having to do with national security. This means that the rules that guide military or national defence procurement is different from the national procurement law except in cases where the express permission of the President is required and allowed. Also,

the law cannot be said to be a National law because the Federating States are not obliged to follow this law. However, a few of the states have enacted their state procurement laws which are not universal. As such, what is considered a corrupt or fraudulent act in one state may be a norm in another state. All these help to ensure the continuance of corruption in Nigeria Public Procurement.

Conclusion

Public Procurement Corruption globally and in Nigeria, in particular, is a great concern as it comes with attendant consequences. The Public Procurement Act, 2007 has been a veritable legal instrument in reducing the menace of corruption which the country procurement process is known for before the promulgation of the law. However, the PPA as it were cannot effectively eliminate the dreaded scourge of corruption which has risen to the pandemic stage in our economic endeavour. Hence, this study underscores the need for reform of the existing law to meet up with best practices.

Recommendation

Reviewing of the existing PPA

This study has further revealed the fact there exist gaps in the current PPA. Undoubtedly the law is due for review now that the UNCITRAL Model Law on Public Procurement 1994 from which the Nigerian PPA was adapted has been updated as of 2014. In reviewing the law, the government should among other things: look into the administrative review procedure by setting up an independent administrative review board as obtainable in UNCITRAL Model Law on Public Procurement 2014; ensure that CSOs are given specific roles to play in the procurement process other than just observing the proceeding.

Decentralizing Bureau's office.

It is not enough to have a sound law on public procurement. There is a need for an institution that will ensure efficient and effective implementation of the law. One such institution is the BPP. The BPP has enormous responsibilities to perform as provided in the PPA, 2007 in ensuring and entrenching transparency and value for money. One of such is the prevention of corrupt and prejudiced procurement and the use of administrative sanctions on erring individuals/firms. The Bureau is also expected to carry out periodic audits of procurement processes in federal ministries, departments and agencies in Nigeria which are more than four hundred in Nigeria. The BPP has contributed immensely in building human capacity in public procurement as well as ensuring that the PPA is followed to the letter. However, with the present structure where the Bureau office is centralized and located in Abuja, performing these roles as expected will be very challenging. This study recommends that the Bureau offices should be decentralized and located in the six geo-political zones in the country while still retaining the Head Office.

Constitution of the National Council on Public Procurement

There is no gainsaying in the fact that the Non- composition of the NCPP has created a lot of gaps in the battle against public procurement corruption. Many have argued that the failure to implement this provision of the law itself is tantamount to corruption particularly where its statutory responsibilities are being carried out by unauthorised persons. Therefore, if the country is serious about changing its ugly corruption profile, it must as a matter of urgency put in place NCPP in line with Section 1 and 2 of the PPA, 2007. The inauguration of NCPP is key to addressing the issue of coordination between BPP and other

associated government bodies particularly in the area of ensuring the independence of the Bureau

Implementation of the provisions of the PPA on debarment/exclusion of corrupt bidders

There is a need for adherence to the provisions of the PPA on debarment of bidders who are corrupt or found attempting to commit fraudulent or corrupt practices. The Bureau as a regulator should periodically compile a list of these firms, make the list available to the public and direct that no procuring entity should do business with such firm(s) until they have been fully cleared. In addition, procuring entities should be empowered to subject eligibility documents submitted by bidders to the appropriate authority to confirm the veracity of the documents submitted, and where it is discovered that the document(s) is not genuine, the bidder that submitted such document(s) should be handed over to appropriate authority for legal action. This will serve as deterrence to others who may be having such intention. Once bidders know that they can be reported for using a fake document or debar for committing or attempting to commit procurement fraud be wary of such practices.

Automation of the Procurement Process

Globally, attention is shifting to information and communication technology as a useful tool for preventing corruption in public procurement. This is because e-procurement ensures equal and easy access to procurement opportunities as well as transparency of the procurement process. Primarily, e-procurement prevents collusion and guarantee open competition among competing bidders. Countries like Chile, Georgia and South Korea have benefitted immensely from the adoption of e-procurement tools in their procurement system. Therefore, the reforming of the existing PPA should consider replacing the face to face interaction between bidders and public officials in public procurement with an automated system. This will help to eliminate or reduce corruption to the barest minimum.

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TOWARDS A COLLABORATIVE GOVERNANCE STRATEGY IN SERVICE DELIVERY IN SOUTH AFRICA

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Abstract: Civil Society Organizations including Faith-based Organizations, are known to have contributed enormous resources and efforts in helping to deliver social services and improve governance in different societies. Consequently, there have been calls for some form of collaboration and or partnership between the state and CSOs, in different contexts. In some instances, the understanding of the real meaning of partnership between state and CSOs and whether this is acceptable to the two parties has not been sufficiently explored. The question is could we envisage a partnership model which can guarantee collaboration between state and CSOs towards improving service delivery and development? This qualitative empirical study utilized data from semi-structured interviews to interrogate the issue of collaboration between government and some selected FBOs, aiming at assessing how government and FBO collaborative efforts can be realized towards improving service delivery and development in the KwaZulu-Natal Province of South Africa.

Keywords: Civil society organizations, Faith-based organizations, Service delivery, Development, Partnership, Collaborative governance.

Introduction

Latest scholarship (Bradley, Mahmoud & Arlati, 2022; Douglas et al., 2020; Bianchi, 2021) on development approaches has underscored the importance of participatory development and collaborative governance approaches towards any development agenda. In this, there is apparent support for the participation of individuals, families, civil society groups, states, and the private sector in the effort to realize a clean environment, a just society, and the alleviation of poverty in society (Onwuegbuchulam, 2018). It is further noted that the complementary efforts of different stakeholders (especially non-state actors, including CSOs) can assist in building energy and synergy for actualizing the lofty development agenda needed in different contexts. It is affirmed that a collaborative governance approach could be a mechanism towards a better provision of public goods as both the state and private sector enter a form of agreement in which the private sector is coopted to provide certain services to the public. Collaborative governance here designates any type of cooperation between the state/government agents (public sector) and the private sector (Bradley, Mahmoud & Arlati, 2022; Douglas et al., 2020; Bianchi, 2021). In this, the importance of other private stakeholders in a collaborative relationship with the state/government is emphasized. Centrally, it has been recognized that years of widespread action for social justice, strengthened by the rise of civil society movements and the proliferation of information, have established the platform for the humanization of development interventions. Hence, the increasing role of civil society organizations (CSOs) in the public sphere is gradually being recognized in the discourse on the

development of state, and CSO's contribution in governance and service delivery is difficult to ignore (Onwuegbuchulam & Mtshali, 2022).

Assessing the role that CSOs can play in the public sphere has become necessary in the face of failures of the state/government conceived as controller of state resources and apparent sole role player in service delivery and governance. CSOs (for example Faith-based Organizations – FBOs) are known to have contributed enormous resources and efforts in helping to deliver social services to the wider society (Clarke & Ware, 2015; Onwuegbuchulam, 2021). However, in some cases CSO effort in improving public administration and governance is seen as adversarial, since in doing this, CSOs are seen as usurping the role of the state. Also, in some instances, the understanding of the real meaning of partnership between government and CSOs and whether this is acceptable to the two parties has not been sufficiently explored. The question then is could we envisage a partnership model which can guarantee collaboration between state and CSOs towards improving service delivery and development of society? Focusing on this main question, the current study interrogates possible collaborative partnerships between the state and some chosen FBOs in the KwaZulu-Natal province of South Africa (KZN). The KZN province of South Africa was one of the Homelands during the defunct Apartheid regime and now ranks the second largest in population size among the 9 provinces in the country according to the latest statistics (Stats SA, 2012). The province was selected for this study considering the need for service delivery and development interventions necessary to improve the levels of multidimensional poverty and underdevelopment in that province (Onwuegbuchulam, 2018). Against this backdrop, the central objective (linked to the stated main question) is to assess how government and FBO collaborative efforts can be understood and realized towards improving service delivery and development in the KZN province.

Literature Perspectives

Collaborative Governance

This study seeks to contribute to the discourse on collaborative governance approach to development. The governance concept is notably at the centre of the debate between state and non-state entities regarding the administration of society. According to Bradley, Mahmoud and Arlati (2022), governance is understood as involving decision-making that concerns the administration of society but includes a negotiation process which seeks the participation of all stakeholders including that of civil society organisations towards formulation and implementation of development policies. This definition goes to the centre of the collaborative governance framework which reflects the efforts to get all stakeholders in society involved in achieving different government and governance projects for the betterment of society at large. It is about finding a common front through which an effective governance strategy could be realised towards resolving societal problems. Hence, Douglas et al. (2020) define collaborative governance as a process of group decision-making that seeks to create a common ground for cooperative problem-solving and value generation. It is built on interactions between two or more actors that are more or less institutionalized. The collaborative governance approach has been placed in the field of public administration which has seen scholars (Osborne, Radnor & Nasi, 2013; Bianchi, 2021) advocating for increased attention on ways to implement governance mechanisms towards solving some difficult problems in public service delivery. As such, collaborative

governance refers to ‘multi-actor collaboration, usually led by a public sector organization aimed at building consensus among stakeholders on a formal set of policies designed and implemented to generate public value’ (Bianchi, Nasi & Rivenbark, 2021, p. 1582). In this, the notion of collaborative governance denotes a cooperative strategy in which the government allies with other stakeholders in society, in policy/decision-making, administration and delivery of public goods. This strategy of governance is seen as emerging, replacing the antagonistic modes of policy-making and execution. The view is that when government and private stakeholders agree to work together in policy making and implementation, cost is reduced and there is an expansion of democratic participation in public management (Ansell & Gash, 2018).

Notably, Ansell and Gash’s (2018) definition confines collaborative governance to formal government-initiated measures to include nongovernmental stakeholders in public administration affairs. Emerson, Nabatchi and Balogh (2011, p. 2) are however of the view that collaborative governance is the procedure of making and managing public policy which constructively engages people across borders including public agents, government echelons, private and civic domains, towards accomplishing a difficult public project. Remarkably, unlike Ansell and Gash’s (2018) definition Emerson, Nabatchi and Balogh’s (2011) definition of collaborative governance does not limit it to formal engagement by government and nongovernmental stakeholders. It includes multi-partner governance with collaborations between the public and the private sectors, civil society groups and the community at large, in addition to joined-up government arrangements such as public-private and private-social partnerships and co-management administrations. Consequently, the current study leans towards Emerson, Nabatchi and Balogh’s (2011) definition of collaborative governance. The definition is broader and will be relevant in the analysis and assessment of partnerships between selected government departments and FBOs operating within the study’s context. This study intends to interrogate to what extent there is both formal and informal collaborative arrangement between these two stakeholders in the development efforts within the context.

Faith-Based Organizations

Faith-based organizations have become prominent in the political and development discourse on the role of religion and faith in the public sphere (Costa, 2015; Okolo, Abalogu & Oziezi, 2020; Khafagy, 2020). Doubts exist vis-à-vis the usage of the “faith-based” concept and its actual meaning, with some scholars regarding the concept as sounding sterile (Dionne, 1999). Consequently, there is no widely acceptable definition of the FBO concept – ‘the definition of FBO itself is problematic. There is no clear definition of what it means to be a faith-based organization and therefore the term confuses and divides’ (Österinen, 2016, p. 15). However, there is a relative agreement that FBOs are organisations associated with religion and faith bodies (Khafagy, 2020). Together with this understanding, FBOs are viewed as having one or more of the features: mission statement that explicitly refers to religious ethos; funding from religious foundations; and/or structures of governance in which appointment of members of the board and staff is grounded on religious principles or association and/or policymaking procedures grounded on religious ethos (Österinen, 2016; Khafagy, 2020). FBOs are sometimes linked to charitable organisations and humanitarian missions inspired by certain spiritualities and whose works are motivated by a particular religious belief system (Okolo, Abalogu &

Oziezi, 2020; Khafagy, 2020). As such, the professed spirituality or faith system originates from the religion which the FBO is associated with, since FBOs partake in the inspirations and spiritual creeds of the humanitarian efforts of different religions, and as such they have religious foundations (Österinen, 2016; Okolo, Abalogu & Oziezi, 2020; Khafagy, 2020). According to Bielefeld and Cleveland (2013), a study conducted with some religious volunteer workers engaged in humanitarian projects revealed that the main inspiration for the participants is the need to respond to God through helping others. Reeves (2010) also avows that the religious orientation, together with the faith and moral perception of FBOs are conceived by many as making positive impacts on the lives of those who are beneficiaries. FBOs as such are understood as being administered by people who have staunch religious and moral convictions and who are open to sharing their values towards addressing the fundamental causes of societal problems. Moreover, FBOs have become relevant as agents in society's development through their efforts to increase people's moral values, address causes of poverty in society, and generally get involved in society's affairs (Koehrsen & Heuser, 2020; Österinen, 2016; Okolo, Abalogu & Oziezi, 2020; Khafagy, 2020; Haynes, 2020). The preceding views agree with the conceptualisation of FBOs as a formal organisation whose character and mission are intentionally taken from the teachings of one or more religions or spiritual mores and which functions on a voluntary, autonomous, and altruistic basis towards promoting and realizing cooperatively expressed thoughts regarding the public good at national and global levels (Koehrsen & Heuser, 2020; Haynes, 2020; Khafagy, 2020; etc.). The current study leans towards this definition as depicting the type of FBOs selected for this research.

Summarily this section has sought to present views in literature on the main concepts which guide the current study. This study seeks to build on these conceptualisations and to specifically interrogate the nexus between these two concepts as explored in this section. From the foregoing, it can be noted that emerging from the Collaborative Governance discourse is the apparent issue of confrontation and/or adversarial relationship between public (government) and private stakeholders in the administration of public affairs. Extant studies generally take it for granted that the two are important in the improvement of public administration and realising service delivery as needed in society's varied arenas of development. The explored literature portends a view which sees the government and private sector not as adversaries but as collaborators in improving public administration and realizing serviced delivery and development efforts in society. The question for the current study is: to what extent does collaboration feature in government and FBO relationships within the chosen context? Put in another way, is the view of cordial partnership between government and private stakeholders in public administration still sustainable, especially when the private partner involves FBOs? Notably, interrogating this angle is important considering that FBOs' (aligned to religion/faith) role in public affairs is limited according to some modernization theorists' view that modernization and secularization go in *pari passu*. In this, there is an understanding of the apparent diminished role of faith/religion and its affiliates in the affairs of modernizing societies (Onwuegbuchulam, 2019).

Methodology

The study is qualitative based relevant as a method appropriate for the study of variables not subject to quantitative methods (Tenny, Brannan & Brannan, 2022). Notably, a

qualitative study involves a strategy in which researchers interpret what they perceive, hear and comprehend; in this, the researchers' interpretation is not detached from their contexts, pasts and previous understandings (Creswell, 2009; Eyisi, 2016). Against this backdrop, the qualitative approach was adopted for this study.

The study area as already presented in the introduction section is the KZN province of South Africa, however, most of the respondents reside in the uMgungundlovu/Msunduzi Municipality of the Province. The study adopted the purposive sampling method which is relevant as a sampling approach dependent on the decision of the researcher in choosing the components (including individuals and organisations) to be studied (Sharma, 2017). Sampling in this study involved the selection of two FBOs within the study's context. The selected FBOs are the Islamic faith-based Gift of the Givers (GiG) and the Christian faith-based Pietermaritzburg Agency for Community Social Action (PACSA). GiG was founded in Pietermaritzburg South Africa in 1992 by Imtiaz Sooliman, a South African medical doctor, who felt a spiritual vocation to assist humanity (Desai, 2010; Morton, 2014; Onwuegbuchulam & Mtshali, 2022). The organisation since its founding has made numerous contributions to social development and humanitarian relief in KZN, South Africa, and around the world (Morton, 2014; Onwuegbuchulam & Mtshali, 2022). Similarly, Peter Kerchhoff founded PACSA in 1979 with the intention of "drawing white Christians into the struggle against apartheid" (Levine, 2002, p. 3). For over 30 years, the organization has worked in the uMgungundlovu District to promote human rights, social justice, social development, and poverty alleviation (Onwuegbuchulam & Mtshali, 2022). The organisations were firstly selected considering that they met the parameters of FBOs as conceptualised in the literature section - the mission and identity of both GiG and PACSA could summarily be understood from the preferred conceptualization of FBOs. Secondly, the FBOs were selected considering the pervasiveness of their agency in service delivery and development projects in the chosen context of this study. The KZN government Department of Social Development (KZN DSD) was also purposefully selected as it deals with non-governmental actors who operate in the area of development within the KZN Province. Lastly, the researcher selected some participants from different communities in the province who were beneficiaries of service delivery and development projects from the selected FBOs. In total 30 respondents were sought for this study, however, 28 responded they included: 15 beneficiaries of community development projects run by both PACSA and GiG; 10 key informers, 5 of each of the chosen FBOs; and 2 participants from KZN DSD.

Semi-structured interviews were used for data collection which is a data generation approach combining both closed and open-ended questions (Adams, 2015). The questions were based on the central question of this study which is: could we envisage a partnership model which can guarantee collaboration between state and CSOs (in this case the selected FBOs) towards improving service delivery and development in the chosen context of the study? The questions were also guided by the main objective of ascertaining how government and FBO collaborative efforts can be understood and realized towards improving service delivery and development in the KZN province of South Africa.

Data collected from semi-structured interviews were analysed using a thematic analysis method suitable for assessing people's perceptions and construction of phenomena within their milieu (Clarke & Braun, 2013). The method was also relevant as it helps in the identification, analysis and reporting of themes in generated data (Braun & Clarke, 2006;

Dawadi, 2020). Using the thematic approach, the researcher sought to address and interpret several aspects of the research. The tactic was to interpret and discuss points from generated data and connect participants' perceptions to conclusions in available studies and the conceptual frameworks towards addressing the study's main questions.

Trustworthiness is an issue that needs to be considered in this study. Trustworthiness focuses on ascertaining the degree of confidence in a study's data quality and the quality of data interpretation (Stahl & King, 2020). Ensuring trustworthiness is important, especially for a qualitative study such as this, which is open to bias. Consequently, to guarantee trustworthiness, the researcher utilized the triangulation approach which aims at increasing confidence in findings by confirming conclusions utilizing two or more autonomous measures (Heale & Forbes, 2017). The effort was to compare perceptions from interview data with data in extant literature to corroborate and/or refute before making conclusions. Furthermore, as regards ethics, gatekeepers' letters from the selected organizations and government departments were sought and obtained by the researcher. Also, informed consent letters were given to respondents and community beneficiaries, which explained the purpose of the study. Respondents were kindly requested to participate with a promise of anonymity in the reporting of data. Consequently, data reporting was done using aliases to shield the identity of the respondents. A further aspect that concerns ethics in this study

Findings And Discussions

Government and FBOs: Question of Partnership

In this section, there is a presentation and analysis of data from interview questions that sought to ascertain the possibility of a partnership between the selected FBOs and the KZN provincial government. Notably, the inquiry became relevant considering some views in literature (Ansell & Gash, 2018; Costa, 2015; Okolo, Abalogu & Oziezi, 2020; Khafagy, 2020) alluding to the reality that possible collaboration between government and FBOs could be important towards assisting government to address some of the issues with developmental intervention in society. As such, the presented findings in this section looked at the roles that FBOs perform in assisting the government in service delivery and development in the KZN context.

Government's view on Partnership with FBOs

Concerning the question of a probable partnership between the KZN government and the selected FBOs replies from participants in government DSD offices indicate that the state is conscious of the importance of non-state actors like FBOs in the government's effort to provide services and development interventions to the people. According to the responses, based on this awareness, the government has endeavoured to formalize the registration of different CBOs and NGOs including FBOs, aiming at capacitating these organizations and utilizing their expertise to realize the government's effort at delivering services and development projects in the study's context. Also, from the responses, it can be garnered that the state department has existing formal partnerships with some FBOs with both international and local statuses. These FBOs and faith-based networks are viewed by the participants as having the resources to contribute to the government's development projects, and their ability to be closer to the communities is an advantage that the government also sought to capitalize on;

[Our] component called nonprofit institutions, aim at capacity building of nonprofit institutions. That unit ensures the registration of FBOs, and any other NGO. It is a custodian of any organization registered as a nonprofit organization (Mfana, KZN DSD). We've worked with FBOs that are not only based here in South Africa. Some FBOs or churches have a lot of power and financial muscle in contributing to poverty eradication. They have the expertise and all we need to assist communities (Mfana, KZN DSD).

We must ensure that there is social cohesion in the community. And we feel that FBOs, because they are designated in communities, if they are provided with resources to run advocacy, awareness, and capacity building...it actually supports the government (Mbali, KZN DSD).

Conclusively, responses indicate that the government is conscious of the importance of engaging in collaboration/partnership with non-state organizations like FBOs, towards improving service delivery and development in the province. However, responses to further questions under this theme, reveal that despite the government's awareness of the pervasive efforts of GiG and PACSA in the area of service delivery in KZN, there are no existing formal partnerships between the government and the selected FBOs. This understandably could be interpreted as meaning that the government within the chosen context, despite acknowledging the positive role the FBOs can play in collaborative governance, still operate within the liberal democratic ethos, which looks at the practical role that religion and faith-based networks (including FBOs) can play in society's development with scepticism (Onwuegbuchulam, 2019; Okolo, Abalogu & Oziezi, 2020).

FBOs and Probable Collaborative Partnership with Government

Replies to questions about possible collaborative partnerships between the government and the selected FBOs affirm that there are indeed no formal collaborative partnership agreements between the selected FBOs and the government within the context of the study. However, FBO participants were of the perception that there have been some unofficial collaborative instances in which the government assists the FBOs (logistically and administratively) to access and help communities in the KZN province experiencing service delivery issues and disasters;

GiG is not affiliated to the government. Our funding is solely from other donors. We have done projects in which one would think government is part of...but this project was done solely by us (Aaisha, GiG). We have good relationship with government, but we do not have a partnership as such with them. They get involved especially when it is an international project in which we have to liaise with government of other governments (Nqobile, GiG).

Responses also indicate that the FBOs are open to possible collaborative partnerships with government agents in service delivery and development efforts in the study's context. However, according to the participants, the probable collaborative partnership should be genuine and not a strategy by the state to use the FBOs for their political agenda. Furthermore, for the participants, a probable partnership should involve the government providing financial sponsorship and the FBOs having the role of providing logistics and using their competent structures to ensure service delivery and development interventions reach the communities;

If there is a kind of partnership, the role we would expect from the government is to help with funding. Delivering aids requires money, we have to buy the goods and deliver to the people. So, their role to provide finance will be appreciated (Aaisha, GiG).

Additionally, responses reveal participants' perceptions that probable collaborative partnership would assist in addressing some notable issues that have hampered government service delivery plans. Participants are mostly optimistic that the involvement of FBOs in a kind of collaborative governance strategy will result in a sustainable service delivery and development of the communities;

Our role is to help to create a better sustainable strategy that goes beyond that of government. Our role in this is justified, it is geared towards helping people to realize their dignity in the community. So definitely our role is a good role and we are working hard in realizing this (Aadam, GiG). On the part of PACSA, respondents' views also indicate that there exists no official collaborative partnership arrangement between the organisation and government within the KZN province. However, according to the participants from the FBO, there is some level of cooperation and dialogue with government offices like the DSD when it comes to some issues pertaining to service delivery in some communities;

We do not have a policy as regards partnership with the state, it all depends on the situation and the work we do in a particular time determines how we approach the state in that situation (Stephanie, PACSA).

We work with government in certain areas in which we offer to assist government to make informed policies on the issues of poverty alleviation and service delivery (Dlomo, PACSA).

We interact, in some places...in some places it is like don't look at me, I don't look at you kind of thing... (Marceline, PACSA).

The participants from PACSA are also of the perception that collaborative partnership with government agents is possible and can be helpful to the communities, but dependent on the real meaning of such collaborative effort and what it involves. The participants envisage that in such a collaborative partnership, the FBO could use its strength of being closer to the communities to assist the government in service delivery and realising development projects;

[According to] our position in PACSA, it depends on the strategy; people are asking me do you want to collaborate with politicians? My answer has always been: It depends on "what" (Trevor, PACSA).

Government should work with organizations like PACSA who are closer to the people and ask them what exactly is happening with the people down there. They should consult with PACSA who have done research with the people on the ground and who understands the problem (Thokozani, PACSA).

The perceptions of FBO participants in this section reveal implicit and explicit confirmation of the views of government agents that there exists no formal collaboration between the provincial government agents and the chosen FBOs. It can be however garnered from the responses that the participants agree that there is something meaningful to be gained in any possible collaborative plan towards the delivery of services to the communities within the context. The perceptions of participants on this theme corroborate views in literature (Bradley, Mahmoud & Arlati, 2022; Bianchi, Nasi & Rivenbark 2021; Ansell & Gash, 2018; Emerson, Nabatchi & Balogh, 2011) on collaborative governance. In this, it is understood that both the government and the private sector (in this case FBOs)

understood their different roles in any form of collaboration. They understand they have different crucial roles to play in improving service delivery and governance to the people through a proper collaborative partnership strategy. However, it can also be garnered from the responses that the FBOs bear a negative presentiment with regards to the real motive behind a probable government's call for partnership with NGOs and FBOs.

FBOs Premonition Regarding Probable Partnership with Government

Views expressed by FBO participants show that FBO agents are cautious about the real motive behind probable collaboration with state agents in any service delivery and development project. The overall feeling of the participants shows that they are sceptical regarding the real motivation for such a collaborative partnership plan. From their responses, it could be inferred that they are wary of becoming a part of the government's political agenda achieved through using NGOs and FBOs as "rubber stamps". The responses indicate that the FBOs are unwilling to become partners with the government if such is geared towards achieving a politically motivated agenda;

Politically we are not affiliated, and if we partner with government people will think that now we are partisan. We want to be independent...without being encumbered by political interference even from donors. We do not want partnership that will allow government to tell us what to do and calling the shots and that is very important (Aadam, GiG).

What we avoid is being an extension of the government. You know that government and politicians are quite clever. They can use you to say even PACSA is supporting this, only to find that this is not the case. So as PACSA we say, where the government is doing well we say so...and when they are not doing well we say no (Dlomo, PACSA).

Participants also question prevalent views in available literature (Bianchi, Nasi & Rivenbark 2021; Ansell & Gash, 2018; Emerson, Nabatchi & Balogh, 2011) regarding the real importance of probable collaboration between government and private sectors. For some of the respondents it is important to interrogate the real meaning of such proposed partnership and to find out the usefulness and need for any proposed collaboration;

Partnership for the sake of partnership, I think is a waste of good money and time. We don't enter into partnership just to be partners for the sake of it. Partnership means you can actually, shift basic thinking and approaches of doing things...The whole question of partnership has to be based on a strategic value to that partnership... (Trevor, PACSA).

In partnership two people or organization come together, 50-50 percent or 40-60 percent; whatever arrangement you reach. This is partnership. Government should be able to look at the organizations in the province and see which organization works. They should consider these organization and give them a budget to help them in those important projects...this is proper partnership (Pamir, GiG).

The above perceptions show that the FBO participants are uneasy concerning the issue of collaboration between the organisations and government. The issue as can be garnered from their responses borders on what is the real meaning of partnership for government entering such probable collaborative plan. Further from the responses, it will seem that the participants are open to an understanding of collaboration which sees the FBOs and government standing on equal grounds while negotiating at the table on the issue of service delivery and development projects in the communities within the study's context. Notably, the presentiments expressed here highlight the propensity of government agents and politicians to use CSOs as rubber stamps and not offer them real power to contribute

meaningfully towards service delivery and development of the communities. Consequently, the question of the real meaning and motivation behind any probable plan for collaborative governance could be said to be a genuine one. It is then important that government agents assure FBOs through a well-drafted contract that any proposed plan is geared towards proper collaborative governance.

The Community on Partnership between FBOs and Government

Responses of community participants show diverse perceptions on the topic of probable partnership between FBOs and government agents in the study's context. According to some of the participants, collaboration between the FBOs and government agents will hinder the good work the former is already doing in the communities. They agree with the views already expressed by FBO participants that such a collaborative plan could make the organisations susceptible to political interference and succumbing to partisan politics and compromising their neutrality and integrity;

As I see it the organization is doing well on its own.... They should continue like that as government is not helping...let government come in if they can as the way we see it government is not interested in our well-being (Xolo, Sweetwaters KZN). You know government does not partner...there are individuals in the government who have got their own agendas, and they got certain instructions from certain political party (Sphe, Mkhabhatini KZN). However, there is also a perception that a collaborative governance plan between FBOs and government agents could be beneficial towards realizing proper service delivery in the province. According to this view, a collaborative partnership is needed since the FBOs need funding and other logistical assistance, which the government can provide, to facilitate the work they do in the communities;

Government should work with the organization and provide the basics to kick off the projects in the community. The finer parts they must arrange with the organization in order to help the community (Sam, Northdale KZN). Partnership between government and the organization will be a very good idea...a garden like this will need pumps to get water from the source of water, GiG may not be able to afford this, and it is here that the government funding can play a good role (Aziz, Bombay Heights KZN).

The above responses from community participants help in elucidating the variegated views in literature (Ansell & Gash, 2017; Emerson, Nabatchi & Balogh, 2011; Bianchi, Nasi & Rivenbark 2021) on the issue of collaborative governance between state organs and private organizations like the FBOs. Just as views are divided in the extant literature on the utility of possible partnership and collaboration between state and FBOs, community participants are also divided on the issue. It is easy to understand that the negative premonition of community members against partnership, could stem from their mistrust of government agenda and the numerous failed efforts of government at service delivery in the communities. This premonition could also be linked to the views of FBOs in the previous section concerning the possible negative effect that an effort at partnership and collaboration could yield. However, it is also important to acknowledge the community participants who are of the view that partnership and an understanding of collaboration between government and FBOs can be very productive. Their views agree with the various perspectives in literature (Onwuegbuchulam, 2019; Clarke & Ware, 2015) and from both government and FBOs in previous sections on the importance of partnership. It is then central to probe how to overcome some of these negative premonitions that can constitute

a hiatus to a proper collaborative initiative between the organisations and state agents in the KZN province. This is the focus of the next section.

How State and FBO Collaborative Initiatives can be realized

Views expressed by government participants reveal their implicit and explicit understanding of the strengths and utility of FBOs in providing social services and development projects in the communities. According to the government representatives, FBOs do have the capability to play a significant role in addressing issues of social services in the study's context.

We have a belief that one organization might not have the financial muscle, but they will have the ability to change the mindset of an individual, to a positive one. One set of organizations can have a lot of financial support so the government can be very much dependent on that... (Mfana, KZN DSD).

Responses also indicate that the government is conscious of certain CSOs and NGOs in the province who need government financing to effectively deliver social services and development projects they are engaged in the communities. This in the view of the present researcher raises the question of how to determine which organisations have the resources and which have not. It is argued that the response to this question may make the difference between success or failure in any probable FBO and government collaborative initiative in service delivery in the study's context.

From previous responses, it is noted that the FBOs are open to a collaborative initiative with the government which is not intended to exploit the FBOs for political ends. Responses to further questions centring on this point reveal that the organisations are willing to avail their knowhow to assist the state in realizing proper and sustainable social services and development in the communities;

Does a strategic opportunity exist? Now sometimes it does, in which case we would then partner...The role that we see ourselves playing is the role of making available the expertise that we have. We've got research capacity, we've got other kinds of capacities, and we would put that at your disposal (Trevor, from PACSA).

Consequently, it can be posited that to realize an effective collaborative initiative between the state and the FBOs in the study's context, there should be an openness to proper negotiation between the two stakeholders. It can be garnered from the foregoing responses in this presentation that there is indeed much to gain by the stakeholders in a collaborative initiative. It is envisaged that the FBOs can bring their expertise towards ameliorating the weaknesses in government service delivery and development strategies in the communities. Notably, also, the point made by government participants that FBOs have the financial wherewithal to carry out service delivery and development projects is arguable. This may not be the case for most of such organisations working in the public sphere in the study's KZN context. On this, it must be further noted that the FBOs selected in this study depend on private donors for financial assistance. This is not sustainable considering the real issue of donor fatigue (Elongué & VanDyck, 2021; Awadari, 2020), hence financial support from the government could go a long way to assist these FBOs in delivering social services and development projects in the communities.

Concluding remarks and recommendations

This study has aimed to contribute to the debate on collaborative governance as a theme in political science and public administration. The question is: could we understand a partnership model which can guarantee collaborative governance towards better public administration—improving service delivery and development of society? Focusing on two purposefully selected FBOs, this study has concerned itself with this question, with the main objective of assessing how state/government and FBO collaborative efforts within the study's chosen context can be understood and realized towards improving service delivery and development. Summarily, findings in this study reveal that FBO's role in providing service delivery and development within the context should not be ignored. There is an affirmation that partnership and collaborative efforts between state agents and the FBOs are desirable towards improving service delivery and development. Nevertheless, answers also indicate that there is no formal collaborative initiative between the government and the selected FBOs in this study. There seems to be some negative premonition with regard to a probable collaborative initiative between the two stakeholders. The FBOs are mainly cautious about being used as rubber stamps for political ends by the government. This presentiment could constitute an obstacle to any proactive collaborative initiative with the government, even though the FBOs do need financial assistance to realise service delivery and development in the KZN province.

The findings in this study have policy implications for the government and FBOs (and by extension other organisations involved in providing social services and development) in the KZN province. It can be inferred that the two stakeholders do have a lot to benefit from any collaborative initiative. However, it is also the finding of this study that the organisations are wary of the government's ulterior political motivation in any probable collaborative partnership initiative, and this is a hurdle that needs to be addressed. It is then the position of this study that for a proper collaborative initiative to be realized, there should be a proper dialogue between the government and the organisations. Consequently, it is recommended that any probable collaborative initiative should be anchored on getting the two stakeholders to change any suspicious perceptions among them, with a willingness on the part of the organisations to show good faith towards state agents and vice versa. A probable solution should focus on proper collaborative governance, this should be thoroughly conceptualized and planned with a clear delineation of the different roles for the two stakeholders. It is granted that politicking has become a central practice among public officers, which may result in the exploitation of CSOs and certainly FBOs by government agents towards their political whims. However, it is the view of the present researcher that this should not impede FBOs' acceptance of the state's gesture towards collaboration in the provision of social services and development in the KZN context. It is envisaged that a well-prepared collaborative governance contract will go a long way to help obviate any future politically motivated aberration in a collaboration between the two parties. Establishing an official channel of engagement between the two parties will also ensure that the route to mutual dialogue towards addressing concerns in such an initiative is always open. Finally, sociopolitical phenomena are ever-changing and cannot be assumed to be static. The circumstances in the socio-political environment of the study's backdrop may have changed by the time this report is published or a reader examines it, rendering the results, arguments, and recommendations somewhat archaic. Hence it is recommended that future research be conducted to update this study and investigate the

current government state of collaborative governance between government and FBOs in the study's context.

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SOCIAL MEDIA COMMUNICATION OF MUNICIPALITIES IN ROMANIA – FOSTERING GOVERNMENT PUBLIC RELATIONS

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Abstract: *This paper investigates the use of social media in public administration by applying a public relations approach. Public relations (PR) offer an integrative theoretical and practical strategic framework in the analysis and implementation of communication in public administration, which brings essential contributions to the functioning of democracy. Changes imposed by social media generated new communication practices for governance and public administration services, offering interesting research topics. The present study is substantiated by the conceptual coordinates of modern PR, excellence theory, and its measurement principles. It discusses government PR as a particular area in the field. It reviews the methodology and findings of studies conducted in Romania on the subject of government PR and the use of recent technology in central and local government communication.—The research is based on a content analysis investigating the social media PR on three online platforms, Facebook, Instagram, and YouTube, for five municipalities in Romania, Bucharest, Cluj-Napoca, Constanța, Iași, and Timișoara. The study offers a descriptive picture of the current Romanian realities and fosters government social media strategic communication analysis, by exemplifying the use of a methodological investigation framework, based on modern concepts of the field of PR.*

Keywords: *public relations, social media, municipalities, communication, measurement, government public relations, Romania*

Introduction

Communication is essential to governance and public administration. Considering the public participation spectrum (IAP2, n.d.), policy communication can take many forms (Răceanu, 2013). The positive approach towards dialogic models of communication offer valuable and necessary tools (Schnell, 2018), especially given the uncertainty that characterizes present times. Recent data show that the democracy index is constantly decreasing. The trust barometer report indicates problematic results, dispersion of authority, with a decreasing level of trust, the government being distrusted in 17 of 28 countries, the European Union being distrusted in 12 of 28 countries, (Edelman, 2024). The use of public relations (PR) in governance and public administration plays a key role in fostering democracy, by enhancing *reputation* (Carpenter, 2012) and building *relations* (Waymer, 2013). PR is a strategic form of communication, which offers a valuable and integrative perspective that could help researchers and practitioners to better examine, understand, and apply efficient offline and online communication for public authorities and public administration. PR activities are not only used for promoting (ideas, services, or entities) but also for building mutual understanding and cooperation, based on trust. Concerning governance and public administration, these are essential coordinates, supporting the efficient functioning of public institutions, and the design and implementation of public policies, for the benefit of the citizens.

Digitalization and the emergence of modern technologies drove changes in governance and in the public sector, potentiating communication, facilitating interactions, and advancing e-governance. The increasing relevancy of social media added to the innovation potential in governmental and administrative activity (Săvulescu and Antonovici, 2017). At the same time, it brought extended pressure on public authorities and civil servants to adopt new practices and adapt to a highly dynamic and less controllable communication public sphere. These new communicational tools offer extended power to their user (Ahva and Heikkila, 2016), translated into both more accessible communication media (Macnamara et al., 2016; Dietrich, 2021), and more pressure to be active (not only respond but also initiate relevant conversation, especially in the case of important public actors, expected to prove managerial profiles and leadership). Government representatives and public administration actors are no exception (Bryer and Zavattaro, 2011). On the contrary, this is an area in which communication is not an optional alternative, but a mandatory one. Data regarding online communication usage at the level of the general public highlights the need for extended online and social media presence, considering the use of this communication environment. According to recent statistics (WeAreSocial and MeltWater, 2024), as of January 2024, there are 5.35 billion internet users (counting a global penetration rate of 66.2% of the world population), 5.04 social media user identities (62.3% of the world population), and almost 70% of the world population is using a mobile device. In Romania, data for 2023 indicated nearly 17.82 million internet users, out of which more than 15.13 million social network users, meaning a penetration rate for social media of 67.3% out of the total population (WeAreSocial and MeltWater, 2023).

Analysis regarding government digital communication, the coordinates of message construction or message dissemination and their results, either at the level of public administration and the final beneficiary (citizens), use constructs and indicators that are the core of PR area (trust, reputation, mutual understanding) and are substantiated in its theoretical framework. However, the PR approach in academic scholarship regarding online communication at the level of public administration is still emerging, internationally and in Romania. This is observable in both quantitative terms (numbers of academic publications on the explicit subject of *government public relations (GPR)*) and qualitative, conceptual ones (PR-focused theoretical and methodological dimensions, and orientation towards the PR-specific instruments and coordinates). Almost three decades ago, Liu and Horsley (2007) argued that GPR is an understudied field in the area of PR, as compared to that of corporate or even nonprofit sectors. Almost two decades later, this goes for GPR focused on social media (GSMPR). The author of this paper argues that this is related to the fact that studies on government communication on social media scarcely use the complex potential of the conceptual corpus provided by PR and do not highlight its value. This paper aims to contribute to filling the gaps by exemplifying the use of PR framework to investigate the practice for five Romanian municipalities.

The research questions are:

- RQ1: How do the municipalities use social media platforms (Facebook, Instagram, and YouTube)?
- RQ2: Which is the magnitude of the relations between the municipalities and citizens on social media?
- RQ3: Are there any correlations between the results?

The findings are useful with respect to public administration communication practices in Romania. In academic scholarship, this is the first published paper in Romania discussing an integrated PR approach for government communication in a comparative investigation of municipalities communication on social media. By focusing on the use of PR framework in analyzing social media communication, it advances its relevancy and value, fostering the field of GPR.

Theoretical framework

Government public relations

Over the last four decades, the reputation of PR practice itself confronted the challenging impact generated by its multiple practices over the years, especially those implying *manipulation* and *spin*. These led to PR gaining a “negative, even sinister meaning, (...) of appearance over substance, misleading information over truth, manipulation over openness” (Grunig, 2007, p.xvi). However, these are outdated coordinates for modern PR which is “an efficient management tool that can be used in public administration to advance the substantive mission of the agency in ways that save money, staff, time, and effort” (Grunig, 2007, p.xvi). As stated by Lee (2021) PR has a very important value in the functioning of public administration of the modern state.

The term *government public relations* (GPR) refers to “both top-level executives and the institutions at the national, regional and local levels, (...) including the presidential, prime ministerial, mayoral or local and regional communication” (Canel and Sanders, 2012). Governmental PR, is an emerging area for practice and research (Lee, 2007; Canel and Sanders, 2012; Lee, Neeley and Stewart, 2021) and offers a fruitful fresh and conceptual approach (Canel and Sanders, 2012). A recent study (Dong, Zheng and Morehouse, 2023) highlights that GPR is a fast-growing field which still lacks a clear definition and theoretical framework but has strong roots in relationship management and a high potential as a subfield of PR research. Based on the main subjects covered in the specialized literature dedicate to GPR, its traditionally established practice translates into (a) media relations, (b) public reporting, (c) responsiveness to the public (by stimulating dialog, engaging citizens, and potentiating accountability), (c) promoting and building outreach (to increase the utilization of public services and products, to foster public services, such as education, to seek voluntary public compliance with laws and regulations), and increase public support (Grunig, 2007).

Latest advances in technology call for an updated approach in the practice and theoretical framework of GPR, including social media activity. A more recently published book explicitly dedicated to the GPR activity (Lee, Neeley and Stewart, 2021) refers to reputation management, media relations, social media management, public relationships through public engagement, monitoring and evaluation of government media and social media engagement, crisis communication in the public sector, strategic communication planning (including the digital dimension), branding in the public sector, ethics.

Modern public relations conceptual coordinates and theory

PR, in its modern form, represents a strategic communication process based on ethics (Grunig, 2013b; Theaker, 2020; Jackson et al., 2022). It combines art and science (Hutton, 1999) and it is meant to build reputation, mutual understanding, and cooperation (Grunig,

2013a; Gregory, 2020). One of the main theories in PR is the *excellence model* (Grunig, 1992; 2013a; Grunig and Dozier, 2003), which brought the most relevant contribution in the field for the last 30 years (Botan and Hazleton, 2010). This emphasizes dialogic, responsible communication, the managerial function of PR, proactive approach, mutual interest and engagement from both the organization and the public, and ethics. Its conceptual framework highlights the role and implementation models of PR. It differentiates between *craft PR* (based on tactical communication) and *professional PR* (based on dialogic interaction, partnership, and strategy) (Grunig and Grunig, 2013).

According to the classical initial theory proposed by Grunig and Hunt (1984) and long discussed by scholars in the field over the last decades (Grunig and Grunig, 2013), there is one-way and two-way communication, each manifested into two possible versions, thus resulting four models of PR (Grunig, 2007). One-way communication (asymmetrical) can take the form of either (a) manipulation and propaganda (*press agency* or *spin*), or (b) *transparent public information*. Both are always considered asymmetrical since the sender of the message has most of the control over the communication. Two-way communication can be either (c) asymmetrical, referred to as *scientific persuasion* (based on using the feedback collected from the public to better articulate the message and advance the interests of the sender), or (d) symmetrical (*partnership*), seen as an interaction between two interpreters who share a common interest, respect each other and mutually participate to obtain a satisfying result. Excellence theory (Grunig, 2013a) emphasizes the role of two-way symmetrical communication, meant to contribute to sustainable outcomes, substantiated by mutual interest and responsibility at the level of all the actors involved in the communication. For specific contexts and areas, two-way symmetrical communication and its forms based on partnership were considered to be only partially possible and its implementation rather limited, as in the case of public administration activity (Grunig, 2007).

Studies in the last decades referred to slight advancements of the governmental communication towards the symmetrical model, though emphasizing there are difficulties are faced (Grunig and Dozier, 2003). When referring to public policies, these imply a complex communication process, which sometimes goes through more than one of the phases of the public participation spectrum, including informing, consulting, involving, collaborating with the public, and empowering it (Creighton, 2005; IAP2, n.d.). To obtain positive outcomes, one must properly understand and potentiate PR, to be used at its real value at the level of the public administration. When referring to GPR, there is both the need to deliver results and the pressure to efficiently use the public resources, which makes PR even more difficult to implement than in the private sector (Liu and Horsley, 2007; Canel and Sanders, 2012). Excellence PR imply a *management function* (Grunig, 2013b) for this form of strategic communication. This has two main criteria. First, it points to the expected high-level of competency and professionalism for the PR specialist. Second, it depends on the role of the PR specialist in decision-making (Laskin, 2012; Bussy, 2013), which should be considerable. As stated by Grunig (2007), it is likely that in government entities the PR people held a technician or media role and a medium managerial one which emphasizes the expected association of public administration with the second or third model of communication, thus translating it into a technical rather than strategic role of communication and its process.

Evaluating public relations and communication – beyond identifying communication and public relations models

Considering the dialogic communication theoretical framework, relational paradigm is an important one in the field of PR, portraying the public as a central and active actor rather than a passive one (Botan and Taylor, 2004). It presents an extended *co-creational* role of the PR activity, meant to bring positive outcomes for both the organization and the public, beyond the tactical (instrumental) one, which focuses on attaining the goals of the organization. The relational paradigm implies investigating communication and PR by focusing not only on the organizational behavior and its reflected reputation, but also on the interests and behavior of the public (including his openness toward the communication and interaction), and the type of relational outcome (Hon and Grunig, 1999; Ki and Shin, 2006; Ledingham and Bruning, 2014; Ki, Ertem-Eray and Hayden, 2023).

Researchers investigated positive dimensions of the organization-public relations (OPR), trust, commitment, openness, investment, and involvement (Ledingham and Bruning, 1998), and negative ones, dissatisfaction, distrust, control dominance, and dissolution (Moon and Rhee, 2013). *Government-citizens relations* were particularly explored and the results indicate that they contribute to community building, and that citizens tend to remain in the community when they perceive a positive input from the public authorities. (Ledingham, 2001).

Considering their long-term result rather than immediate impact faced difficulties in arguing the value of their work. Pressed to overcome the measurements based on *advertising value equivalent* (AVE), inappropriate due to the essential distinction from advertising as a communication service meant to build awareness and eventually increase sales, PR professionals established the *Barcelona Principles* which evolved from their first form of 2009 (AMEC, 2010; Burke, 2020). These offer a set of guidelines for measuring the results of PR activity, especially in the present context characterized by modern technology instruments and social media communication environment. The main coordinates for measuring communication and PR are the following: (1) evaluation is necessary and its starting point is the set of SMART objectives that must be set and translated into a clear plan; (2) the assessment needs to consider three dimensions, *outputs* (e.g. press conferences, events, produced content), *outtakes* (effects of the communication, at the level of the audience), and *outcomes* (directly evaluated against the SMART objectives, and necessarily measured at the level of the organization, stakeholders, and society); (3) the evaluation should include both qualitative and quantitative analysis; (4) the evaluation must be conducted for all relevant online and offline channels (AMEC, 2020).

PR measurement is an essential and evolving area of PR, fostering its strategic role. It is substantiated by dedicated specialized literature and a clear terminology (Stacks and Michaelson, 2010; Michaelson and Stacks, 2011; Stacks and Bowen, 2013). The author of the present paper argues that, alongside with valuing the modern PR framework and the strategic approach, these measurement coordinates can potentiate the advancements in GPR as a relevant and complex theoretical and practical area in strategic communication. It can help address and analyze social media communication of public authorities. Even more important, it can support the necessary strategic understanding and potential adjustments towards a more effective communication associated to governance and the administration of public resources, by using a strategic PR planning.

State of the art

Public relations, social media, and government public relations

The new media transformed the premises and practices of PR (Duhé, 2007; 2007), turning the media landscape into a more complex and less controllable one. The *PESO model* (Dietrich, 2014; Macnamara et al., 2016) differentiates between the different coordinates of *paid, earned, shared, and owned media*, stressing upon the importance of ethical communication and main criteria in modern PR activity to distance itself from spin and manipulation. This is essential, considering the challenges and opportunities brought by technology, which organically shift the communication toward a two-way (or multi-way) symmetrical process (Duhé and Wright, 2013). According to a systematic review of 445 articles published in 14 journals from 2006 to 2020 (Wang, Cheng and Sun, 2021), since 2006, social media grew as a research topic in PR. The most frequent research methods were content analysis (33,5%) surveys (23,6%), interviews (9,7%), and mixed methods (9,9%). The most studied social media platforms were Twitter (29,4%) and Facebook (25,6%). The examined topics varied, from organization-PR to fake news, social media influencers, and crisis communication. The highest interest was shown to the impact of the use of social media on PR outcomes, as compared to other research areas on the topic, such as its implementation, the attitude towards its usage, features and functions, specific issues (cultural, health, social and political etc.). Regarding GPR, a recently published article (Dong, Zheng and Morehouse, 2023) offered a systematic review of 155 articles published in essential journals dedicated to PR between 1976 and 2021, aiming to investigate main research trends, key theoretical modes used in research, relationship between theoretical and conceptual frameworks, definition of GPR, and methodological approaches. Most of the articles were published starting 2006. The conceptual network most frequently implied terms related to government, government communication, crisis communication, social media, public diplomacy, and public sector. The most used theoretical PR frameworks, directly influencing the research, there were *relationship management* (23%) and *dialogic theory* (9%), which also have the highest degree of centrality within the analyzed studies. Also, without being directly translated into the research methodology, 50% of the investigated articles mentioned theories such as relationship management, excellence theory and others. However, as Dong emphasizes, 78 of the 155 articles did not refer to any theoretical framework. The most frequently methods used in the analyzed studies are surveys (18%), interviews (33%), quantitative content analysis (27), historical and case studies (24% each), and qualitative or textual analysis (18%). Regarding social media, Dong argues that this is an understudied area within the GPR related research.

Nevertheless, international scholarship provides examples of studies conducted on the GPR topic over the last decade. The mostly focus on the United States realities. The topics are various, such as the use of social media in promoting transparency and participatory government and enhancing democracy (Avery and Graham, 2013; Graham, 2014), its role in crisis communication (Graham, Avery and Park, 2015), or the use and effects of specific platforms (Graham and Avery, 2013; Kim, Park and Im, 2015). Regarding municipality officials, a study conducted in 2013 (Graham and Avery, 2013) investigated 463 American local officials' perceptions and use of social media. It showed that the municipal officials consider it important and it highlighted Facebook and Twitter to be the most used platforms for the analyzed period. Regarding the European realities and research, a study conducted

in the same period (Bonsón et al., 2012) emphasized the advantage of gaining a large audience reach for the local authorities at considerable reduced costs, by using social media.

There are more recent studies, such as the article investigating the use of Facebook by the public authorities of 13 Czech regions (Špaček, 2018), among 112 Slovene state administration organizations (Jukić and Merlak, 2017), or the Lithuanian Municipalities (Sinkiene and Bryer, 2016). However, none of these studies apply a PR framework. There are also examples regarding the Romanian realities (Urs, 2016; Zeru, 2021a; Zeru, Balaban and Bârgăoanu, 2023) that will be referred to in the next section.

Romanian government public relations and government social media communication

Two decades after the fall of the communism regime and more than ten years after the establishment of the PR practices in Romania, researchers started to investigate the value and applicability of PR in the area of public administration and governance (Rogojinaru, 2008; Balaban and Iancu, 2009; Coman, 2009). Rogojinaru (2008) explored the structures, roles and communication strategies of PR in Romanian public institutions. The professionalization of PR at the local level was studied by Balaban and Iancu (2009). Coman (2009) investigated the PR strategies in implementing public private pensions system in Romania. Also, the institutionalization and professionalization of GPR in Romania during 1989–2010 was analyzed by Dolea (2012). Furthermore, the importance of using digital tools at the level of Romanian of local municipalities started to take shape as a research topic in Romania, mostly linked to public administration reforms and the subject of e-governance. The studies were focused on investigating websites as modern forms of communication (Vrabie, 2011; Urs, 2018) and, more recently, their usability, accessibility and automation and the influence of COVID-19 pandemic (Urs and Spoaller, 2022). However, none of these implied a PR framework.

The use of social media in Romanian government communication draw researchers' attention starting 2016. A comparative study (Balaban et al., 2016) on 48 administrative institutions in the Romanian historical region of Transylvania comparatively analyzed the use of new media tools (websites, Facebook pages, Twitter accounts, and YouTube pages), for the years of 2011 and 2015. The results showed a change in the usage of social media platforms. In 2011 they were used as a follow-up for website-based communication but in 2015 they started to gain more importance. The results of the interviews conducted with communication representatives from analyzed public institutions indicated that the advantages of using social media are seen and accepted. However, the study highlighted the lack of a strategic approach in generating social media traffic and some partially critical positions towards communicating on these platforms, portraying them as less appropriate for the institution they represent, since they do not properly inspire the expected sobriety and seriousness for a public institution.

The particular use of Facebook platform was investigated for 48 Romanian city halls (including the 6 districts in the Romanian capital) for a period of 454 days (2014-2015) (Urs, 2016), to compare the results with the e-government development index, developed and presented in the same study. The research did not use a PR approach, but it has relevant conclusions for the present paper. In the case of Timișoara, Deva, Bucharest, Giurgiu, and Iași, the e-governance development index was corelated with the public's engagement ranking on social media. The study showed that, considering the investigated period (ten

years ago), on average, the Romanian local authorities did not prioritize their online presence and did not integrate social media activities and e-government as important interconnected components of qualitative governance.

A descriptive image of the presence and type of communication on social media of Romanian central government actors was offered by another study (Gherheș, 2017), focusing on 11 ministries, between January and March 2017. It concluded that Facebook is the main platform used by the ministries, but the content is not adapted to the two-way communication, which makes it rather an alternative to the traditional website. The number of followers was identified as low. The other alternative platforms (YouTube, Twitter, Instagram, Google+, Pinterest, and Flickr) are used sporadic and inconsistent, only by some of the ministries, mostly by duplicating the content posted on Facebook.

More recently, systematic analysis regarding the use of Facebook were conducted for the period of November 2019-February 2020 (Zeru, 2021a; 2021b), investigating the activity of specific central government actors (The Government of Romania, Ministry of Internal Affairs, Ministry of National Defense, Ministry of Education and Research, and Ministry of Health). These examined the characteristics of the content posted by the authorities and the factors influencing the citizens' interactions with these posts. Bonsón Ratkai matrix (Bonsón and Ratkai, 2013) was used to analyze engagement of the public, as a sum of the scores for reactions (likes), comments, and shares. The results highlighted that the public is rather oriented toward a low interaction (mostly likes, and shares over comments). Regarding the activity of the authorities, the number of posts does not necessarily influence the engagement rate (e.g. the Government has the highest number of posts but the lowest rates for interactions; the opposite, the Ministry of Internal Affairs has the lowest number of posts but it registered higher engagement rates than other institutions with a higher number of posts). The study revealed associations between the type of content posted on social media and engagement of the public. The use of images, videos, and storytelling are indicated to stimulate public interaction. On the contrary, the presence of the political factor negatively influences the engagement of the public (19 times less engagement in the cases mentioning the name of the dignitary, as compared to those that do mention it, and 5 times in the cases of naming the party).

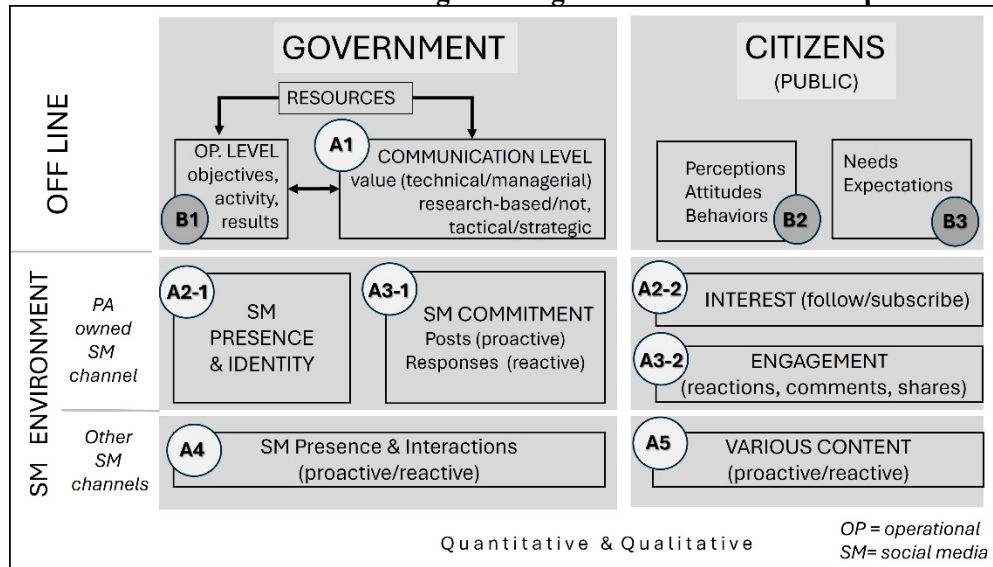
The latest published article (Zeru, Balaban and Bârgăoanu, 2023) presented the result of a research referring to the period of April 1st-July 31st 2021, analyzing the communication on Facebook of The Government of Romania and five ministries (adding the Ministry of Transportation as compared to previous studies). The study uses a taxonomy from governmental studies (DePaula and Dincelli, 2016; DePaula, Dincelli and Harrison, 2018), differentiating between four types of communication, namely impression management, push, pull, and collaboration. These have a correspondence to the classical four models introduced by Gunig and Hunt (1984). The findings show that most of the investigated content lay in the area of public information and transparency and less in the area of collaboration. There is a lack of engagement from citizens with respect to the posts published by the central government actors on their official Facebook pages. As shown by previously published studies, the number of posts is not a necessary criterion for gaining more engagement. However, professionalization is important. Two of the analyzed entities have an internal framework for the implementation of their social media activity and the study shows that they have more diverse messages and a higher rate of interactions with the audience.

As a conclusion, based on the previously presented extensive review of the studies published on the topic, the author of this study emphasizes that the emergent GPR area has a high potential to rapidly develop, both at the level of its implementation by the public administration actors, and its research, especially fostered by the social media realities. However, at least in Romania, the topic of government communication on social media does not use the full potential offered by the PR framework. Only two (Balaban et al., 2016; Zeru, Balaban and Bârgăoanu, 2023) of the cited papers published in Romania use concepts associated to the theoretical background of PR, and only one is namely addressing the practice of PR (Balaban et al., 2016). The present study aims to fill this gap, advancing the PR-substantiated research on the social media activity of the government authorities.

Methodology

Conceptual framework

The aim of the study was to investigate social media activity and effects as a component of the PR process, for five local government entities, to illustrate the quantitative dimension of PR measurement on social media. To clearly state the framework of the research and the realism of the objectives, the author of the present paper emphasizes the role of such research, which is not meant to give an evaluation of the entire PR activity for the analyzed entities. To illustrate the research options on the topic of government social media PR, Figure 1 was designed to capture the integrated framework of modern PR. According to dialogic approach, both the level of the communicator and the one of the publics must be considered and analyzed. According to Barcelona Principles, a complete measurement must include qualitative and quantitative approach and must refer to all types of results: *outputs*, *outtakes*, and *outcomes*. According to Barcelona Principles and the excellence model and its associated measurements, communication characteristics are not limited to the visible content on social media, thus a complete research must investigate its foundations (by analyzing the existence, structure and role of the PR department (management function or just technical status), and if the activity is based on research and planning). All these constitute the core research dimensions for evaluating PR social media activity. Additionally, to offer an integrated picture regarding the PR premises and impact, other topics could bring valuable insights, such as the public institution operational objectives and results, the public needs, expectations, perceptions, attitudes, and behaviors, including (and more importantly) in the offline environment. All these complete the integrated framework, indicating the evaluation of reputation and PR of the analyzed entity. Overall, considering its desired management function, the final outcome of public relations is measured at the level of the quality and impact of governmental benchmarks. Such a complex study was not yet conducted, and its possibility depends on both the research design and available data, which must be collected online and offline (for A1) (Fig.1).

Figure 1. Research areas for the investigation of government social media public relations

The present study is a pilot one, addressing points A2-1, A2-2, A3-1, and A3-2 and it is mostly aimed at investigating the quantitative dimension. The role of the analysis is not the give a complete evaluation of PR, but to explore the activity on social media for the municipalities included in the study, and to draw conclusions regarding the extent of the interactions, based on the exposure and commitment of the public authorities, and the interest and engagement of the public. *Table 1* summarizes the operationalization of the concepts and the scheme of indicators used in the study.

Table 1. Research dimensions and indicators

| | GOVERNMENT (SENDER) | PUBLIC (RECEIVER) |
|--|---|---|
| Premises | EXPOSURE | AUDIENCE |
| <i>General coordinates</i> | Existence of SM profile Interconnected profiles (link on website & between the 3 platforms) SM identity – name and image (accessibility, recognizability, representativity, relevancy, coherence & unity) | Number of followers/ subscribers |
| <i>Specific period***</i> | Hashtags | Reach * (estimated) |
| Interaction | COMMITMENT (S) | ENGAGEMENT |
| <i>General coordinates</i> | Total number of posts (since created) Frequency of posts | Total interactions since created ** |
| <i>Specific period***</i> | Total number of posts in the analyzed period Frequency of posts (D) Type of posts | Engagement rate/day Eng/post (Avg. engagement) Engagement/reach (D) Type of engagement (reactions, comments, shares) |
| <p>* Reach is an estimated value.</p> <p>** From the analyzed three platforms only YouTube offers data regarding the total number of views since the profile was created</p> <p>*** The analyzed period was March 15th – April 28th, 2024, based on data availability through the use of SocialInsider</p> | | |

(D) = descriptive data; are not considered when calculating the general dimensions, but only referred to within the microlevel analysis.

The investigated population

The study analyzes the social media activity for five municipalities in Romania. These were selected considering the number of inhabitants, based on recent data provided by the latest Romanian census (2021): Bucharest (1,716 mil), Cluj-Napoca (286.000), Iași (271.700), Constanța (263.800), and Timișoara (251.000). Besides the population criteria, these are important Romanian cities, considering other characteristics, such as their administrative, cultural, and historical importance. Among the five analyzed municipalities, Timișoara has the lowest number of inhabitants. However, it was designated with the title of European Capital of Culture for 2023. Also, in the latest years, media coverage highlighted the digital dimension regarding Timișoara community, referring to its intense IT activities, and the city digital platform, created in 2021.

Data collection and steps of analysis

The social media analyzed platforms are Facebook, Instagram, and YouTube since these are used by all the investigated municipalities. The collection of data implied both manual and automatic process, and the quantitative analysis was statistically processed. The steps involved in the process were the following:

- i. First, the profiles of the analyzed municipalities were identified, by searching on the investigated platforms, on Google, and on the official websites of the municipalities. The general data was manually extracted (links, identity elements – name, photo, date when the profile was created, number of posts – for Instagram and YouTube, number of followers, and total views – YouTube, the interlinked dimension among profiles of the same municipality and their presence on the official webpage).
- ii. For a more detailed analysis, the content for a determined period was investigated. The collection of this specific data for the analyzed period was performed with the use of *SocialInsider*, a platform for social media data analysis, previously used in scholarly academic research. The retrieved data included posts, their characteristics (type and, for YouTube, duration), comments, shares, reactions, engagement metrics, reach, and impressions. However, the free version offered by the platform only allowed a limited time frame for the investigated data, which is a limitation of the present study. The data collected with the use of *SocialInsider* was further validated, by comparing it with the original online social media content. A total of 660 posts were collected from all three platforms, Facebook, Instagram, and YouTube, for the five municipalities for the investigated 30 days period.
- iii. After checking, clearing, and organizing the data, they were prepared for coding.
- iv. For the general data, a thematic analysis was performed to identify the relevant coordinates.
- v. Frequency analyzes were applied to the coded data to generate descriptive results and the correlation between certain results was analyzed.
- vi. The final results were processed to be integrated into the general analysis scheme (see Table 1).

Results and discussion

The data analysis results for the general presence and activity on social media and for the particularly analyzed period are summarized in *Table 2*, organized by platform.

Table 2. Activity for the 15 social media profiles since when they were created and during the analyzed period (March 15th – April 18th, 2024*)

| *2024 (15.03-18.04) | Bucharest | Cluj-Napoca | Constanța | Iași | Timișoara |
|--------------------------------|------------|-------------|------------|------------|------------|
| Posts on Instagram and YouTube | 972 | 1733 | 1882 | 1091 | 49 |
| Total Fans | 47452 | 45231 | 124649 | 75029 | 14836 |
| Total posts * | 181 | 115 | 155 | 146 | 63 |
| Overall Eng./Day* | 735 | 426 | 438 | 274 | 269 |
| Overall Eng./Post * | 261 | 241 | 91 | 64 | 128 |
| FACEBOOK | | | | | |
| FB profile created | 16.08.2016 | 28.05.2017 | 28.11.2014 | 11.11.2013 | 27.06.2016 |
| Total months | 91,5 | 82 | 113 | 126 | 93 |
| Facebook Fans | 44813 | 39560 | 117625 | 70428 | 13925 |
| FP posts * | 103 | 68 | 145 | 130 | 63 |
| FB Avg Posts/Day * | 3,4 | 2,3 | 4,8 | 4,3 | 2,1 |
| FB Engagement * | 18426 | 9431 | 13140 | 8214 | 8082 |
| FB Eng./Post * | 178,9 | 138,7 | 90,6 | 63,2 | 128,3 |
| FB Eng./Day * | 614,2 | 314,4 | 438 | 273,8 | 269,4 |
| FB Eng./Page * | 41,118 | 23,84 | 11,171 | 11,663 | 58,03 |
| FB Avg. Eng./post * | 0,401 | 0,355 | 0,078 | 0,09 | 0,913 |
| FB Comments * | 3157 | 765 | 2442 | 941 | 807 |
| FB Avg Comm./Post * | 30,65 | 11,25 | 16,84 | 7,24 | 12,81 |
| FB Shares * | 1097 | 1037 | 895 | 511 | 528 |
| FB Avg reach/post * | 3028 | 3676 | 1609 | 1031 | 2836 |
| FB Post Reach (k) * | 194 | 156 | 145 | 84 | 111 |
| INSTAGRAM | | | | | |
| Insta profile created | Feb. 2022 | May 2020 | July. 2017 | June 2018 | Jan. 2023 |
| Insta total months | 26 | 47 | 81 | 70 | 15 |
| Instagram followers | 1869 | 4241 | 6185 | 2391 | 883 |
| Instagram total posts | 801 | 1271 | 733 | 165 | 40 |
| Average /month | 31 | 27 | 9 | 2 | 3 |
| Insta total posts* | 59 | 35 | | | |
| Insta Avg Posts/Day* | 2 | 1,2 | | | |
| Avg Hashtags/Post* | 0,983 | 0,486 | | | |

| | | | | | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| Hashtags (nr.) * | 41 | 17 | | | |
| Instagram Eng* | 2889 | 3030 | | | |
| Insta Eng./Post* | 49 | 86,6 | | | |
| Avg Eng./ Day* | 99,6 | 104,5 | | | |
| Engagement /Profile* | 154,57 | 71,496 | | | |
| Insta Avg Eng./Post* | 2,62 | 2,043 | | | |
| Insta Comments* | 16 | 23 | | | |
| Insta Av.Comm./Post* | 0,3 | 0,7 | | | |
| Likes (nr)* | 2873 | 3007 | | | |
| Avg Likes/Post* | 48,7 | 85,9 | | | |
| Total posts reach* | 110955 | 79127 | | | |
| YOUTUBE | | | | | |
| YT profile created | 09.02. 2023 | 04.07. 2016 | 29.08. 2016 | 18.07. 2016 | 19.10. 2021 |
| Months since created | 14 | 5 | 91 | 93 | 30 |
| YouTube Subscr. | 770 | 1430 | 839 | 2210 | 28 |
| Total posts | 171 | 462 | 1149 | 926 | 9 |
| Average posts/month | 12 | 92 | 13 | 10 | <1 |
| YT Video Views | 83425 | 270482 | 152937 | 438815 | 1367 |
| Total posts in per.* | 19 | 12 | 10 | 16 | |
| Video Length (sec.) * | 35393 | 17953 | 43873 | 30203 | |
| Avg Video seconds* | 1863 | 1496 | 4387 | 1887 | |
| YT Avg.Videos /Day* | 0,7 | 0,4 | 0,3 | 0,6 | |
| YT Video Views* | 11534 | 9323 | 701 | 3022 | |
| YouTube Eng.* | 627 | 193 | 2 | 15 | |
| YT Eng./Post* | 33 | 16,1 | 0,2 | 0,9 | |
| YT Avg Eng./Day* | 21,6 | 6,7 | 0,1 | 0,5 | |
| Eng. Rate/Channel* | 81,641 | 13,497 | 0,238 | 0,679 | |
| YTAvg.Engt. /Video* | 4,297 | 1,125 | 0,024 | 0,042 | |
| YT Comments* | 123 | 5 | 0 | 15 | |
| YTAvg.Comm./Post* | 6,47 | 0,42 | 0,00 | 0,94 | |
| YT Likes* | 504 | 188 | 2 | 0 | |
| YT Video Views | 11534 | 9323 | 701 | 3022 | |

Exposure

Among the 15 analyzed social media profile, the first created was in 2013 (Iași, Facebook) and the last in 2023 (Timișoara, Instagram). The first that appeared were the Facebook profiles and the last the ones on Instagram, following the general trend, and the interests of the target audience. In the case of the Municipality of Iași, the Instagram profile was not

updated to a business profile, implying that, if using platforms for social media reporting and benchmarking, this cannot be analyzed, thus it was not included in the study.

The **interconnection** of the social media profiles of each municipality is a relevant element with respect to their accessibility and ease of recognition. It is an indicator for having an official power voice in the public sphere. Social media increases confusion risks, which are undesired especially for public authorities, either if they are created as fake identities, due to malintent, or generated by various users, without a clear agenda. There is a medium to low rate of interest for this aspect, as the SM profiles of some municipalities are not indicated on their website, and interconnectivity between their three social media profiles is only partial. Facebook is the only platform partially interconnected (indicated on the websites of the municipalities and including a link to the website or the other profiles). Timișoara is the only example with low to very low interconnectivity between profiles (no social media platform is indicated on the website, there is a link on Facebook to the website and on YouTube to the website and Facebook). Also, in the case of Timișoara, some other unofficial profiles, generated by users, exist, which makes it more difficult for the potential additional public to rapidly identify the account.

Regarding **online identity**, firstly, the social media profile names are easily identifiable, as all the municipalities use a simple format (primaria X, Municipiul X, or Primaria Municipiului X). Secondly, the **visual identity** was analyzed considering profile photo (on all 3 platforms) and cover photo (for Facebook and YouTube). Along with the significant role in the recognition of the public actor, these are branding components, and are relevant for reputation. Both in terms of **image representativity** and **visual unity**, all municipalities have superior results. For profile photos, 14 of the 15 profiles use a graphical designed image, representing the city coat of arms or a modern minimalist logo (Bucharest – all 3 profiles, Iași – YouTube). The coat of arms could score higher rates for city reputation on a scale of personal attachment at the level of the public, especially for its inhabitants. The logo could be perceived more as an indicator of modern and more professionalized communication. However, this is correlated with the perceptions of the public (Fig.1- B2), and since the present study did not include any data, based on interview or questionnaires, exploring these hypotheses, such factors were not considered in the analysis. Iași Instagram profile uses a photo of the city hall building, which is less appropriate for the official institutional identity, since it is not particularly created to serve this purpose. It could generate risks since anyone could take a photo of the place and use it in the same way and might be less easily recognizable for non-inhabitants or less frequent visitors to the city.

Regarding the **cover photo**, 14 of the profiles use photos with relevancy in relation to the city specificity, its community life or history. Timișoara YouTube profile is the only exception, using a graphically designed image with the name of the city in its identity blue color scheme. Although it scores high in terms of clarity and relevancy, it is less personal, as compared to the others. For some of the profiles the photo cover is not only a representative image but has also an additional communication role, targeting promotion of the city and of municipality administrative activity and results (Cluj-Napoca, Facebook – promoting the event organized for celebrating the National Day in Romania, Iași, Facebook– promoting the newsletter – and YouTube – promoting the new logo, and the invitation to subscribe, Timișoara, Facebook – promoting one of the music concerts organized in 2023 when the city had the title of European Capital of Culture).

Coherence, the next indicator for visual image indicates above average scores for all five municipalities. However, there are some differences between their logos on their three platforms. Bucharest uses the same logo but on YouTube it is uncolored. Timișoara has a different color for its logo background on each platform. Iași has the lowest score, considering the various visual representations it uses.

Overall audience

Considering, for each of the five municipalities, the total number of fans, followers, and subscribers since the social media profiles were created, the values are usually correlated to the municipality history on the platform, with few exceptions (*Table 2* and *Figure 2*). Facebook is the most popular platform. Overall, Constanța has the largest total audience, followed by Iași, Bucharest, and Cluj. Timișoara has the lowest audience (*Figure 3*).

Figure 2. Total audience for each of the 15 social media channels since created

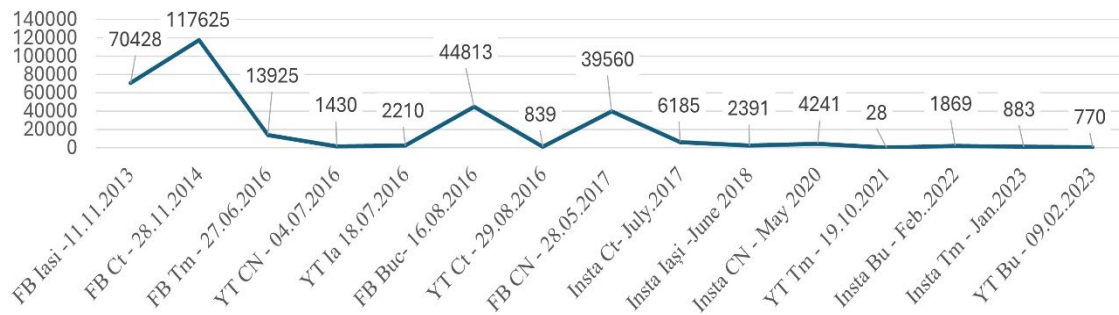
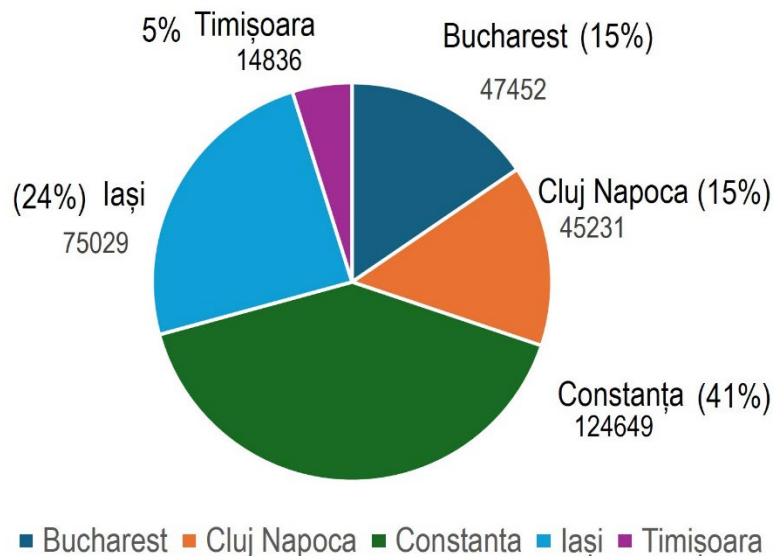


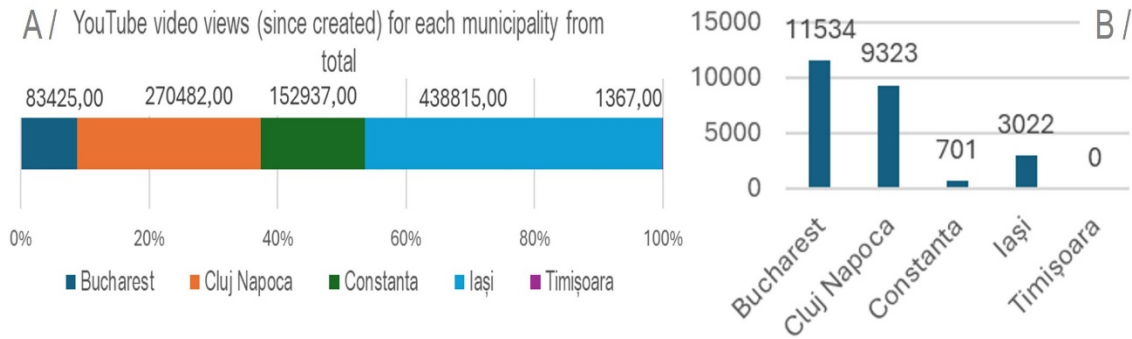
Figure 3. Aggregated total audience for the social media profiles of the five municipalities



For YouTube there is available data regarding the number of views of the published videos. Unlike the reach metric, this is not an estimation, but a real number. As indicated in *Figure 4* and *Table 2*, Iași has the highest total YouTube video views rate, followed by Cluj-

Napoca, Constanța, and Bucharest. Timișoara occupies the lowest position. For the analyzed period, the results are different, except for Timișoara (Fig.4)

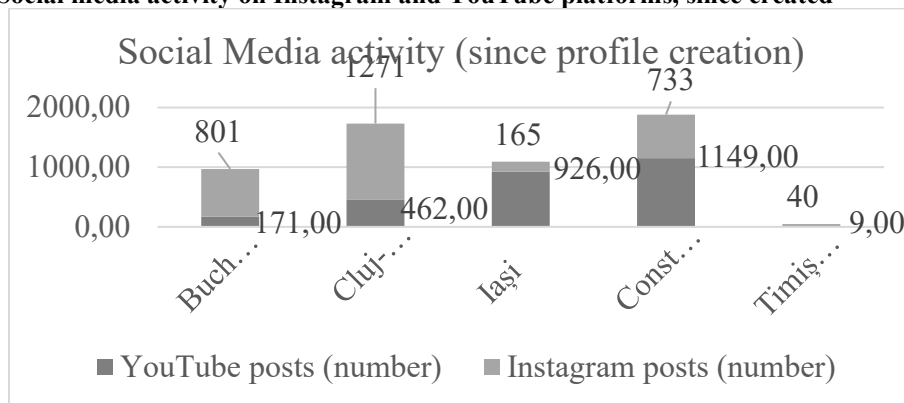
Figure 4. YouTube video views for each municipality
(a) from total, since profile was created & (b) during the analyzed period



Overall commitment of the municipalities on Instagram and YouTube

Considering the available data from Instagram and YouTube, the quantitative analysis regarding the total number of posts since the moment the profiles were created indicate that these are not correlated to the history of their on the investigated channel (Figure 5 and Table 2). Constanța and Bucharest have the highest total number of posts, which is inverted as compared to the date the profile was created. The Instagram channel of Constanța municipality was created a long time ago (2013) but it is used less than its YouTube channel, which was created three years later (2016). Also, considering Instagram platform, in the case of Iași, the profile was the second one created among all 5 municipalities in the study, but it counts extremely rare posts, and none for the last month.

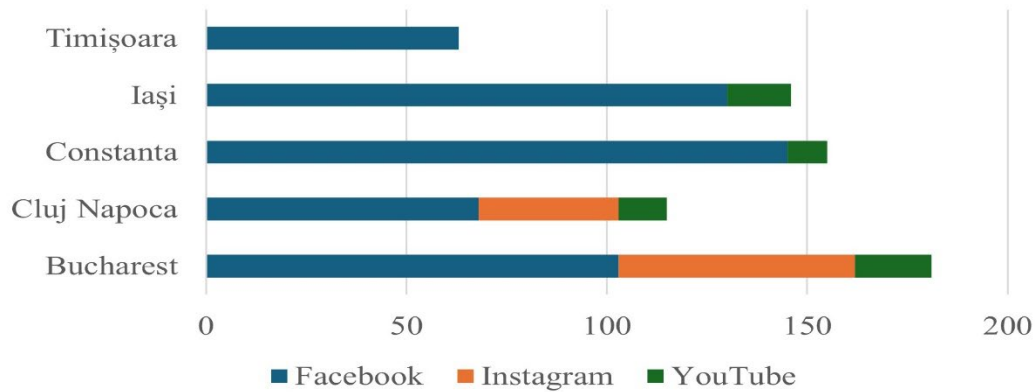
Figure 5. Social media activity on Instagram and YouTube platforms, since created



Commitment during March 15th -April 18th, 2024

For the specific analyzed period, the total activity on social media for all five municipalities on all three analyzed platforms counted 660 posts (Facebook 77,2%, Instagram 14,24%, and YouTube 8,64%).

Figure 6. SM activity of the 5 municipalities during Mar. 15th - Apr. 18th, 2024



Bucharest Municipality had the highest overall posts rate (34% out of all for the 5 municipalities), followed by Constanța and Iași (20% of all 5), Iași (20% of all 5), Cluj and Timișoara (13% of all 5).

As regards the type of content, on Facebook, where most of it was distributed by the municipalities, albums were dominant (60%), followed by photos (22%) and videos (16%), and an insignificant percentage was represented by reels and status (1% each). For YouTube, the average length of the videos was 40 minutes.

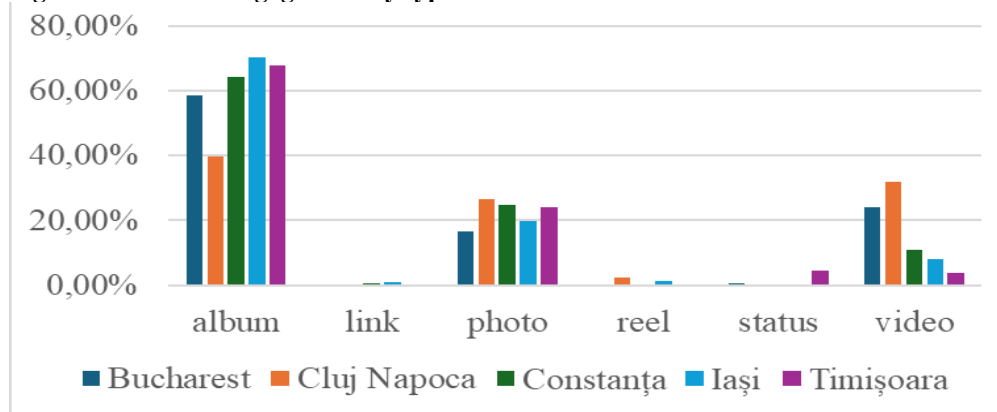
Hashtags are valuable potentiators for promoting the posted content and they are correlated to the image and reputation of the municipality using them. They are also connected (positively or negatively) by the organic online linkages of the tagged posts with other discussions in the online environment, which use the same hashtag. Considering the analyzed period, based on the data collected from Instagram, Bucharest municipality used 20 hashtags, among which the most frequent also receiving the highest rates of public online average engagement. These were related to its identity (*#pmb*, *#bucuresti*) and core responsibilities (administration of the public space - lakes, parks, leisure, consolidation of buildings), followed by investments, environment, biodiversity. In the case of Cluj municipality, for the analyzed period, among the 14 hashtags used, the three most frequent were also the ones with the highest average engagement rate. These were related to identity coordinates (*#cluj*, *#clujnapoca*, *#romania*), followed by those related to the community, live within the community, and EU (e.g., *#comunitateunita*, *#comunitate*, *#urbanconnect*, *#eu*, *#fondurieuropene*). However, since there were not enough data for all municipalities, this indicator was not included when calculating the final results.

Engagement during March 15th -April 18th, 2024

Overall, Bucharest had the highest engagement rate, followed by Constanța, Cluj-Napoca, Iași, and Timișoara. However, considering the commitment of the municipalities on social media, the engagement by post still indicates Bucharest in the first position, followed by Timișoara, Cluj-Napoca, Iași, and places Constanța last. A higher number of posts does not necessarily translate into a proportional engagement. Considering the overall analysis for the three platforms, Facebook has the highest total engagement rate by day (614) and average engagement (engagement by post) (120), followed by Instagram (102 /68), and YouTube (7,23/12,55). Regarding the types of engagement, the results highlight likes, followed by comments on Facebook. Cluj-Napoca is an outlier, with an average of 86 likes by post on Instagram, followed by Bucharest with a rate of 31 comments by post on

Facebook. Regarding average shares for the content posted on Facebook, the first position is occupied by Cluj-Napoca (15), followed by Bucharest (11), Timișoara (8), Constanța (6), and Iași (4). These offer an evaluation of the efficiency of the municipalities' activity on social media. In the case of Cluj-Napoca and especially Timișoara, the high average does not necessarily indicate better results, in the same way as in the case of Iași and Constanța, do not indicate low results, but rather more (or less) efficiency.

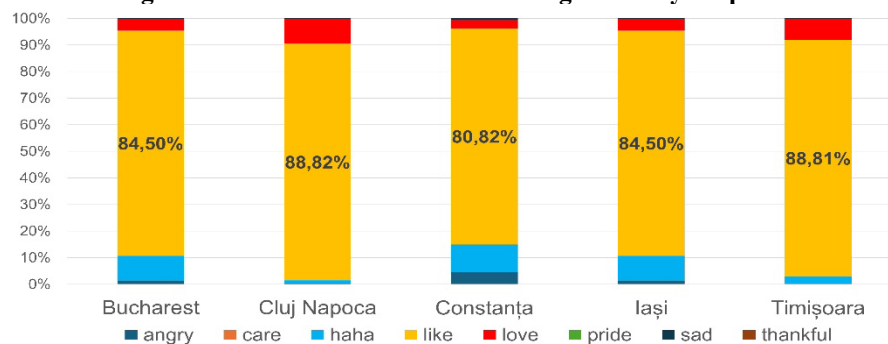
Figure 7 Facebook engagement by type of content



Considering Facebook posts, most of the engagement/post is received for albums, followed by videos and photos (Figure 7), correlated to the number of disseminated content, thus indicating an efficient approach and alignment to public interests online.

Regarding the type of reactions used by the public on Facebook when interacting with the posted content, most of them were „like” (85%), with only a little rate for “ha-ha” (6,7%) and “love” (overall 5,9%). Out of the total “ha-ha” reactions, there is a distinctive manifestation for Constanța, Bucharest and Iași (near 10% each, out of their total reactions.). During the analyzed period there were no reactions of “care”, “pride” or “thankful”. However, “sad” and “angry” had a low but existent percentage (1,41% and 0,22%).

Figure 8. Reactions on Facebook during the analyzed period

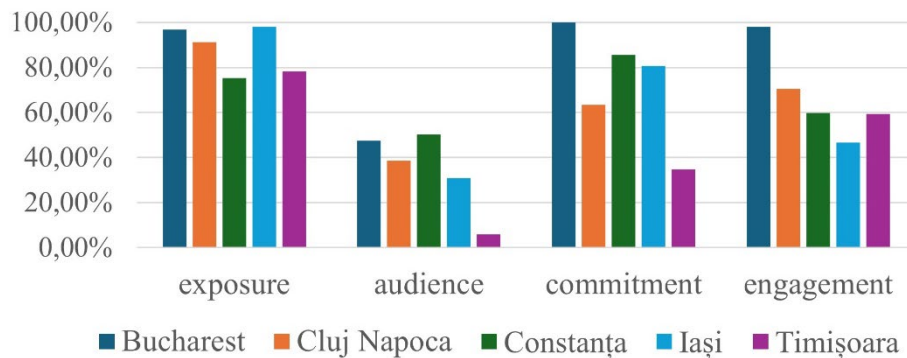


Overall social media activity in the analyzed period

As a final step of the research, data were aggregated to generate an integrated score for each of the four analyzed dimensions, taking into consideration the overall numbers for all three platforms, for each of the municipalities. First, to make it comparable and possible to

aggregate, all data was transformed into percentage, by referring to the highest value among all five municipalities as the maximum 100% for each of the analyzed indicators. Secondly, the score for each of the four dimensions was calculated. Exposure was resulted as an average of its indicators. Audience was calculated as an average between the percentage corresponding to the number of total fans (subscribers or followers) and the percentage for the total reach associated for the analyzed period. The final results may be influenced by the fact that reach is an estimated value. For YouTube, the corresponding percentage for the available number of total views was considered. Commitment resulted on the basis of the percentage for the number of posts during the analyzed period. Engagement was calculated as an average of the percentage corresponding to three engagement metrics, total engagement rate (to capture the general value), average engagement (to relate it to the number of posts), and engagement by reach (to include the value of the estimated total audience). The results are presented below. However, at this point they only illustrate a proposed model, which needs advanced testing to investigate its validity. The author of this study stresses once more that these results do not indicate the quality of relationships between the investigated municipalities and their public, but their extent or degree.

Figure 9. Aggregated results on the four investigated dimensions



Conclusions

Social media communication activity is an important coordinate in government PR but is still emerging as a practice and research topic. The present study was aimed to advance the discussion regarding the relevancy and usability of a PR approach in the investigation of social media communication for entities in local government. Following an extensive review of the relevant theories and published articles, it emphasizes the role of an integrated approach, identifying the particular areas for researching the topic. Regarding the published online content, it proposes a methodological framework including the investigation of *exposure*, *interest*, *commitment*, and *engagement* as four complementary areas associated to the dialogic approach, relational paradigm, measurement principles, and strategic dimension of public relations. The conducted study, using content analysis for investigating the Facebook, Instagram, and YouTube profiles of five municipalities illustrate the use of quantitative coordinates of social media PR research, as a component of the extended framework of GPR measurement. The results highlight the degree of the social media relations between the analyzed municipalities and their public. The conclusions are in line

with previously published research, showing that public authorities mostly use Facebook. However, especially YouTube and, to some extent, Instagram are potentially growing valuable channels for government communication, generating relevant engagement in some of the cases. The rate of social media content (commitment) is not necessarily influenced by the history on social media (exposure) for the analyzed municipalities, and neither is the overall audience or the engagement of the public.

The limitations of the present research are derived from its research design. As a pilot study investigating GPR by using a conceptual framework substantiated by the theoretical and conceptual coordinates of public relations, it was mostly meant to illustrate the approach. There are four main limitations and necessary future developments proposed. First, the investigated period should be wider, to lead to more relevant and valuable conclusions and to allow extensive comparisons between the analyzed actors. For the same purpose, a larger number of public authorities should be investigated. Third, a qualitative dimension of the research is mandatory, to access more insightful conclusions regarding the posted content and the generated engagement. Fourth, the validity of the proposed model needs to be further tested, by using more numerous data. Additionally, a new study investigating the strategic dimension and planning of the social media activity at the level of the internal PR departments' teams within the government, is necessary to depict a clearer picture regarding the practice in Romania. The paper offers a descriptive image of the local realities for the investigated period, and it highlights the value of the PR approach in government communication, thus contributing to the field of government public relations.

Abbreviations

PR - public relations

GPR – government public relations

M - municipality

CH – city hall

PA – public authority/public authorities

OPR – organization-public relations (specific to public relations theory)

PO – profit-based organizations / NPO – nonprofit organizations

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AN INVESTIGATION INTO THE CAUSES AND IMPACT OF SERVICE DELIVERY PROTESTS ON POLITICAL STABILITY IN SOUTH AFRICA

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Abstract: Service delivery protests in South African municipalities are common due to governance issues. The ongoing discussions around service delivery protests in South Africa are an indication of a much-needed holistic approach to addressing the needs of the people. The objective of this study is to explore the reasons behind and effects of service delivery protests on political stability with perspectives gained from the ideas of the social contract and relative deprivation. This study explored the individualized experiences, attitudes, and motives of persons engaging in service delivery protests using a qualitative research methodology based on interpretivism. A detailed knowledge of the complex dynamics underpinning these protests was revealed using in-depth interviews, content analysis, and participant observation. The research found that when promises of basic services and socioeconomic growth are not kept, there is a perceived breakdown of the social contract between residents and the government. Additionally, relative deprivation appeared as a major element influencing protest mobilization as people and communities perceived injustice and discontent when they contrasted their socioeconomic situation to others. Protests in the delivery of services have been found to have a variety of effects on political stability. Although they can spur government responsiveness and policy change, they also present stability hazards and the possibility of bloodshed. To reduce the likelihood of protests and support political stability. The study suggests a Cooperative government model to reduce protests and promote stability. This model focuses on protection, participation, and provision to ensure effective decision-making and service delivery that meets the people's needs.

Keywords: Service delivery protests, relative deprivation, social contract, service delivery, political stability

Introduction

Service delivery is important as it satisfies different human needs. In contrast, the South African government has been experiencing an increase in service delivery protests across local communities. These protests in the public service context have become synonymous with a variety of challenges such as a lack of basic services, poor infrastructure, lack of housing, corruption, inadequate job opportunities, allegations of nepotism, fraud against municipal officials, lack of accountability of local councillors, inequality, and a general feeling of alienation from the structures of democracy (Alexander 2010; Jobo 2014; Abraham 2017; Walbrugh 2021). In South Africa, local government is the closest sphere

to the people in which it is provisioned to meet the needs of the citizens. To achieve this the government committed to transforming public services. The White Paper on Local Government (Batho Pele) of 1998 outlines the necessary framework for the local government to sustain primary services to meet the communities' economic, social, and material needs, making it imperative for the local government to deliver on their set of objectives (Carrim 2010). This transformation involves ensuring that the local government provides a “democratic and accountable government to all communities, warranting the sustainable provision of services to communities while encouraging the involvement of communities in the matters of local government” (Akinboade, Mokoena, and Kinfack 2013). Given the history of the South African government which was plagued with divisions amongst the people (i.e., segregation), building on a democratic developmental government was imperative to eradicate past imbalances. In a study by Matebesi and Botes (2017) on service delivery protests between 2005 and 2015 in Port Elizabeth, they found that the most common reasons for service delivery protests are poor quality of basic services such as water and electricity provision and the shortage of housing and the City of Johannesburg Metropolitan Municipality is no exception. This is to note the development of the Reconstruction and Development Programme (RDP) developed around five key programme areas, which included satisfying basic needs; development of human resources; democratization of the state and society; and the expansion of the economy and implementation of the RDP (Republic of South Africa, 1994). Despite this development, the government still faced shortcomings in providing all with housing (Dunn 2017). In essence, change in most communities was slow, highlighting that the local government has been moving slowly to deliver services to communities. The current public service delivery protests indicate that the local government has only achieved moderate success in promoting the well-being of all citizens of the country. In South Africa, service delivery guides the state-society relationship in all aspects of democracy like responsiveness, participation, accountability, and transparency. This for scholars is what makes an iconic democratic model (Levy, Hirsch, Naidoo, and Nxele, 2021). The ongoing debate surrounding service delivery protests and political stability has attracted significant attention in recent years. Acar (2019) argues that effective governance in developing countries needs political stability. Jankielsohn (2012) suggests managing limited resources to ensure political order. Ndubai, Mbeche, and Pokhariyal (2017) argue that better governance leads to better service delivery, customer satisfaction, and performance, which in turn affects stability. This article adds to the existing literature by analyzing the psychology and sociology of service delivery protests, which are often driven by poverty, unemployment, and exclusion. Citizens' expectations of municipal managers are often not met, creating a gap between what they expect and what they receive. This study was conducted during a period of service delivery issues, causing citizens to doubt political leaders, municipal administration, and elections. This article explored the effect of service delivery protests on political stability. The government's failure to meet community needs has caused more protests.

Research Aim and Questions

The research aimed to investigate the causes and impact of Service delivery protests on political stability with a perspective from the Social Contract and Relative Deprivation. To achieve this, the following questions were addressed:

What are the effects of service delivery protests on political stability?

What are the factors influencing service delivery protests in local government and how can municipalities achieve it?

Materials and Materials

This exploratory study focused on the City of Johannesburg Metropolitan Municipality and its community in the Gauteng Province. Reiter (2017) argued that this design allows for further investigation of new questions or issues that arise during the study of service delivery protests in the CoJ. This design also allowed the researcher to actively participate in the process of exploring new explanations of a given reality from a different perspective. This study employed qualitative research, which is suitable for the empirical context. Dawson (2002) states that qualitative research explores experiences, attitudes, and behaviour, and uses interviews to collect data. Kothari (2004) states that qualitative research investigates why people like or dislike something. This paper sought to comprehend how people experience and perceive a phenomenon in their lives. This method attempted to gain a deeper understanding of the participants. This method enabled a thorough understanding of the participant's behaviour, particularly when facing grassroots issues. Thus, their behaviour was well-understood by using this method. To comprehend why residents act as they do (e.g., service delivery protests/ violent protests), this study sampled residents of the City of Johannesburg Metropolitan Municipality. The sampling frame was comprised of people at the Metro Centre in Braamfontein and around the City of Johannesburg. These locations were chosen as they are key to the community's interaction with the municipality, and where demonstrations and memorandums are held. The study included a population of 25–60-year-olds, male and female, of various races, all full-time CoJ residents for accurate data. To ensure accuracy, the researcher recruited participants from the CoJ. Sources such as diaries, books, articles, speeches, archives, and media releases were consulted in addition to scientific papers such as published articles, conference papers and dissertations focusing on service delivery protests, challenges, and residents' satisfaction and perception. Semi-structured interviews were conducted with six CoJ senior officials and four councillors to gain insight into service delivery protests from dissatisfied residents. Three JMPD officials and fourteen CoJ residents discussed service delivery protests and the challenges they face. Participant observations were used to collect data as no other method was available. To make sense of the emerging themes, a thematic analysis process was used to analyze the large amount of data. Additionally, the transcription of the interview audio was done by converting it into text for analysis.

Theoretical framework

Relative Deprivation and the Social Contract

Relative Deprivation (RD) and Social Contract (SC) theories are central to this article as RD explains why social demonstrations occur, which are often due to unstable local administrations. Smith and Pettigrew (2015) define RD as "a judgement that one or one's ingroup is disadvantaged compared to a relevant referent, which triggers feelings of anger, resentment, and entitlement." Townsend (1987) cited in Fu, Exeter, and Anderson (2015) defines RD as an "observable and demonstrable disadvantage relative to the local community or wider society/nation". This definition captures the variables of marginalization, inequality, and oppression. It also questions the government's role in

decision-making to influence deprivation, as RD is used to monitor and compare inequalities among small communities and individuals and allocate resources (Fu et al. 2015). The definition of Social Contract (SC) has changed over time, with "rights" as the common factor. Merriam-Webster defines SC as "an agreement between members of a society or between a community and its ruler that defines and limits the rights and duties of each". The OECD (2009, as quoted by Cloutier et al., 2021) defines a Social Contract (SC) as a "dynamic agreement between state and society on their mutual roles and responsibilities". Cloutier et al. (2021) state that this concept includes citizen-state negotiation, social outcomes, and contract resilience. The definition implies that both sides bargain over negotiating positions and powers. Secondly, the definition outlines the agreement's duties and responsibilities. This includes a country's policies, programmes, and laws, which reflect the SC and how resources are distributed in society. Thirdly, the definition acknowledges that the agreement is not fixed and can be renegotiated (Cloutier et al. 2021). Masiya, Davids, and Mangai (2019) argue that RD is seen in communities with inadequate service delivery, leading to protests. Unequal service distribution causes dissatisfaction, while SC is implemented by municipal authorities to protect people's rights and resources (OECD 2008). In South Africa, SC is based on the government's democratic duty to provide citizens with services and citizens' participation in decision-making. The NDP (2012) states that SC was created to address the unequal state-society relationship in service provision and promote government accountability and transparency. SC aims to restore the state-society relationship, yet RD persists. Service delivery protests in the CoJ have increased since the 2000s, despite policies and rebuilding to address past inequalities. Service delivery is still inadequate, and protesters have given various reasons for their protests. Abraham (2017) noted that public involvement in government decision-making is necessary, as well as "poor communication, weak governance, corruption, nepotism, dissatisfaction with municipal services, poor infrastructure, and unfulfilled political promises". Thus, political stability is linked to proper service delivery governance, as demonstrations will not take place in the opposite setting. In urban areas like the CoJ, inequality, and RD are key to understanding why protests occur more than in rural, poorer areas. People will wait for services, but not if it appears others are getting them first. Marginalization and alienation in informal settlements, coupled with the desperate need for services, further fuel protests. Allan and Heese (2011) found that rumours of incompetence, corruption, or nepotism can spark violent protests.

The role of Local Government in the delivery of services; A Legislative Frameworks Perspective

The 1996 Constitution provides that local government bears the responsibility of providing essential services to its citizens, including but not limited to electricity, water, housing, and social security. Upholding principles of democratic and responsible governance, sustainable service provision, social and economic development, a secure environment, and community inclusion are paramount. Officials must be held accountable for delivering services equitably across all communities as service delivery is of utmost importance. as accentuated in section 152 of the Constitution. It is given that the local government: a) Provide a democratic and responsible local government to local communities b) Provide services sustainably c) Promote social economic development d) Promote a safe and healthy environment, and e) Encourage communities and organizational inclusion in

matters concerning the local government. The WTPPS, or "People First" in Sesotho, was introduced in 1997 to improve government service delivery and prevent social and economic failure. By adhering to its eight principles, local government can put communities first, consult with customers, set service standards, ensure equal access, provide courteous service, offer accurate information, increase transparency, provide redress, and deliver value for money. It was made clear in March 1998 that the government expects local government to provide basic services to citizens, as noted in the White Paper on Local Government. According to Kwangware (2008), the White Paper acknowledges the challenges faced by local government and highlights the need for rectification. Rabothata (2014) states that the Municipal Structures Act followed the White Paper, to regulate internal systems, structures, and office bearers of municipalities. The Act mandates municipalities to establish ward committees to enhance participation in local government democracy. Section 19(3) requires the municipal council to establish mechanisms for consultation with community members and organizations in performing their functions and powers. However, the local government faces challenges in fulfilling this mandate in cases where ward committees are unreliable and fail to fulfill their role. As a result, deliberations on inefficient and ineffective service delivery often lead to protests. The Municipal Systems Act (MSA) outlines how municipalities should provide services to their communities. This means that municipalities must ensure that specific levels of service are provided to the people in a particular community as stipulated in the MSA. To meet these needs, the municipality must work with external organizations to deliver said services. This involves entering into a Service Delivery Agreement (SDA) with relevant agencies (Ntliziywana 2017). This agreement must reflect the municipality's responsibility for providing proper service delivery to the community. External providers, such as utilities, agencies, and corporate entities, are engaged to provide services such as water, electricity, sanitation, and waste management.

Service delivery in local government municipalities

The status of service delivery in local government municipalities

Despite the essential role of local government municipalities in providing citizens with basic services and enacting legislation, communities in South Africa are often disappointed with the state of service delivery. This is largely due to persistent socio-economic issues that continue to plague grassroots populations. To meet the pressing need for services, local government must prioritize efficient and effective service delivery. Unfortunately, the legacy of past struggles has cast a shadow over service delivery in South Africa, resulting in what is now referred to as historical burdens for public service organizations. This is evidenced by the numerous service delivery protests and complaints that have occurred in municipalities throughout the country. According to Naidoo (2017), it is concerning that the local government responsible for providing municipal services has witnessed such protests in recent years. The Public Servants Association (PSA) (2015) has found that service delivery protests are particularly common in metropolitan municipalities like Johannesburg, Ekurhuleni, and Cape Town. Even though the provincial and national governments are well-resourced, vulnerable locations continue to struggle due to issues related to the effective delivery of services, administrative capacity, institutional performance, and successful execution of programs and policies (Koma 2010, cited by Dikotla, Mahlatji, and Makgahlela, 2014). Additionally, there are concerns that the

impending loss of managerial and financial control could lead to the collapse of service delivery mechanisms and structures in the future (Molinyane, 2012).

The state of basic services in the city of Johannesburg municipality

Access to essential services is vital for the well-being of communities. Housing, infrastructure, water and sanitation, electricity, and waste management are all crucial factors that impact the quality of life for individuals. The CoJ's Cogta Metro One Plan (2021) notes that the city's water infrastructure is responsible for supplying 1.6 billion liters of potable water daily through a network of 12,288km of water networks. Unfortunately, this infrastructure has deteriorated by nine percent between 2012 and 2019, leading to increased water leakages and blockages. Johannesburg Water is responsible for providing water, sewage, and sanitation services to communities to ensure cleanliness and health. However, residents have expressed concerns about insufficient water availability and high costs, as well as poor sanitation services that lead to illness and death. It's important to note that the Constitution affirms everyone's right to adequate food and water, and municipalities must fulfill these requirements. The CoJ has managed to increase services in the form of water tanks and chemical toilets and provide electricity to approximately 1.6 million households. However, around 133,540 households still lack electricity, with informal settlements and backyard shacks disproportionately impacted (Cogta 2020). Illegal connections, cable theft, and vandalism pose challenges to the city's energy infrastructure, making constant maintenance and upgrading necessary. Waste management also faces financial constraints that lead to transportation challenges, resulting in illegal dumping in rural and informal settlement areas. The city's housing crisis has resulted in informal settlements, overcrowded hostels, unregulated backyard leasing, inner-city overpopulation, and homelessness. Poor road conditions are another pressing issue, with almost 4,000km of roads requiring rehabilitation (CoJ IDP 2020/2021). Housing is one of the most significant problems for communities, with long waiting periods and poor-quality designs and materials leading to small and congested houses. Overall, these infrastructural challenges pose significant obstacles to improving the quality of life for residents.

Effective service delivery and political stability in local government

The relationship between service delivery and political stability

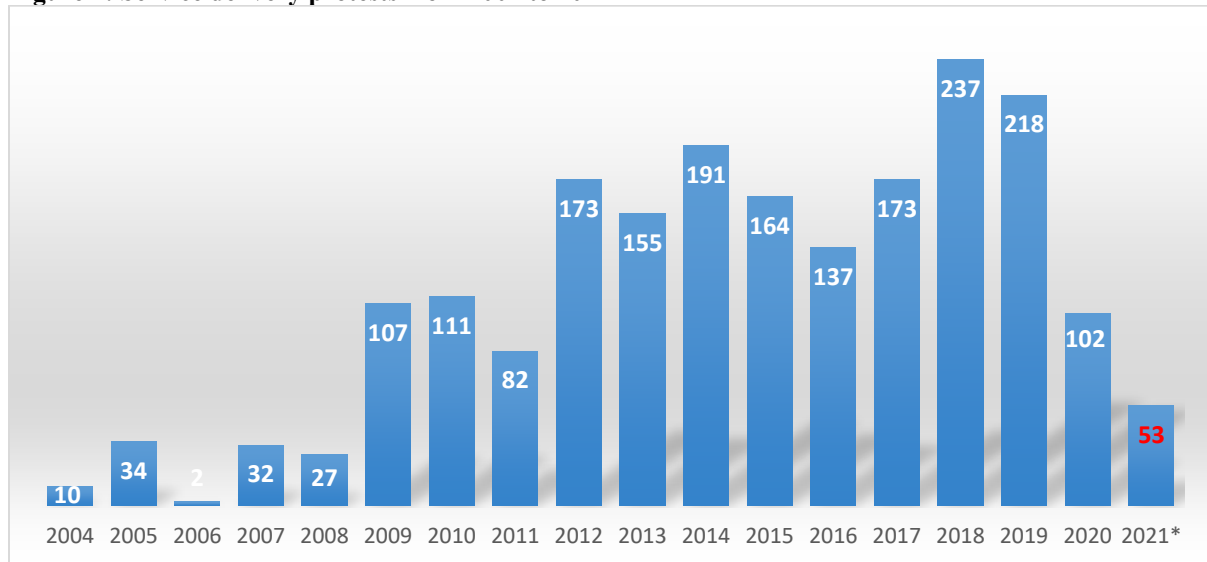
Political stability plays a crucial role in good governance, and leaders of developing countries should prioritize it to motivate the private sector and benefit their citizens. Creating job opportunities, reducing poverty, and improving welfare, and education can ensure stability while reducing the probability of violence. Azeng and Yogo (2013) found that youth unemployment causes instability, which is a growing concern in South Africa. Providing necessary services to poor communities is crucial to their standard of living, as they tend to participate in service delivery protests. When municipalities provide satisfactory services to the communities, they are less likely to participate in protests, reducing political tensions. Service delivery is challenging in difficult situations, but it is crucial for stabilization (DFID 2019). The legitimacy and trust of the government depend on the relationship between service delivery and the state. McLoughlin (2015) analyzed factors that affect this relationship, such as shifts in expectations, perceived impartiality and distributive justice, relational aspects of delivery, attribution, and sector characteristics.

According to DFID (2019), it is the government's responsibility to understand the various forms of service provision, the political economy of service provision, the nature of violence, and the expectations of beneficiaries. Afrobarometer public opinion survey contends that citizens' satisfaction with services depends on the quality of experiences, such as availability of resources, waiting time, and capacity to access them, rather than the mere presence of state infrastructure. Quick upgrades of services in cities or communities can improve trust and support for the government, aligning people's expectations with the state's ability to provide stability. Equality in distributing services is crucial to building trust and belief in the state without creating tensions or inequalities. Policies should address social exclusion, inequality, and challenges that undermine other groups in society through proper service delivery. When it comes to providing services, the government needs to have a reciprocal relationship with its citizens. This means that the process of delivering services should involve a network between the government and its citizens, facilitated by dense social networks in municipalities (Pasquini and Shearing, 2014). Protesters have pointed out that they're not involved enough in decision-making processes, but if services are delivered effectively, they can help bring citizens and the government together in a productive way (McLoughlin, 2015).

Service delivery protests in local government municipalities

Service delivery protests in the South African local government

Mass protests, demonstrations, and petitions are common characteristics of service delivery protests in South Africa, according to Sebugwawo (2011) as cited by Akinboade et al. (2013). These protests serve as a collective voice for ordinary citizens when the government fails to address community challenges (Akinboade, Mokwena, and Kinfack, 2013). However, these protests have the potential to turn into a revolution or a third force, leading to instability according to scholars such as Hough (2008) and Burger (2009). The people of South Africa had higher expectations from the government, especially after the 1994 campaign manifesto of the ANC, which promised policies and procedures to improve people's living standards and close the gap between the haves and have-nots in society (Jobo, 2014). Despite the implementation of GEAR and RDP, the government faced a great challenge in rectifying socio-economic imbalances and delivering services to historically excluded populations. While former President Thabo Mbeki claimed in 2007 that service delivery was ongoing, scholars such as Alexander (2010) found that service delivery protests began to grow across the country in 2004. According to Kotze and Taylor (2010), the ANC faced protest action due to a lack of service delivery and systematic corruption in local government. Since 2004, many communities have participated in protests, violent riots, and the destruction of underperforming local government councillors' schools, libraries, and houses (Kotze and Taylor, 2010). Service delivery protests emerged after the third democratic election in April 2004 due to the realization that the benefits of decentralization, developmental local government, and IDP had not been forthcoming as expected since their introduction to the Constitution (Mubangizi, 2022).

Figure 1: Service delivery protests from 2004 to 2021*

Source: Municipal IQ “Municipal Hotspots Monitor” 2021 (*Jan and May for 2021)

Based on the information presented, service delivery protests have been a problem in local government since the mid-2000s. This is due to poor service delivery and governance in local government. These protests have spread to various provinces and municipalities. According to Cilliers and Aucoin (2016), service delivery protests in local government coincided with Thabo Mbeki's presidency in 1999. According to Lolwana (2016), the number of service delivery protests increases during election years, as the government fails to provide necessary services to the communities. Communities feel excluded from government processes due to corruption, nepotism, and an unresponsive government, leading to violent protests. Although South Africans have achieved political freedom after decades of apartheid, equal allocation of resources is still far away, as the apartheid regime left a legacy of inequality and lack of access to resources and services (Nnadozie, 2013). Wasserman, Chuma, and Bosch (2018) argue that protests underpin service delivery and should be seen as an expression of disenchantment with the existing democracy.

In essence, marginalized communities protest to have their voices heard, as they feel that the institutions have not assured them that they can influence policymaking (Wasserman et al. 2018). Affluent urban municipalities, which are considered progressive, have the highest rates of protests, accounting for half of the protests in the country (Lolwana, 2016). The high protest action in urban areas highlights the connection between poverty and wealth inequalities (Lolwana, 2016). Allan and Heese (2011) argue that urban areas have different demographics than those where poverty, inequality, and resource distribution are issues that propel communities to protest for services. Protests are more likely to increase during an election year, as was the case in 2021, especially in metro municipalities. This was exacerbated by the COVID-19 lockdown, which intensified the issues of inequality in communities (Municipal IQ, 2021). Municipal IQ (2021) predicts that service delivery protests will continue or even increase in the future.

While Covid-19 accentuated inequality, the real issue is that communities still experience service delivery failures and political tensions. The violence that comes with these protests is harmful to municipalities and their communities. Local government is expected to

provide services to communities to combat the challenges they face. Gauteng is still the province most affected by service delivery protests, with Johannesburg experiencing the most protests in the province. In 2017, the province recorded more than a third of all protests in the country (Ndenz Babalo Eyewitness News, 3 April 2019).

Service delivery protests in the city of Johannesburg Metropolitan Municipality

Gauteng has historically been the center of service delivery protests, with the highest number of recorded protests between 2004 and 2018. In Johannesburg, service delivery protests have increased, and there are debates about communities' willingness to pay for services. A study by Maggot et al. (2022) titled "Energy Racism: The Electricity Crisis in South Africa" reveals that black communities are neglected by Eskom and the government in terms of service complaints, maintenance, and response to blackouts. This neglect has led to continued increases in electricity bills, load-shedding, load reduction, inequality, and exclusion in communities like Soweto. The study argues that the occurrence of service delivery protests is exacerbated by racial discrimination, as black communities do not receive the same attention as other communities. People in Soweto owe Eskom R20 billion, and some refuse to pay, claiming they cannot afford it due to unemployment. Many residents feel impoverished due to paying for electricity and dealing with load shedding. The culture of non-payment is not viable in the democratic era, and loss of public confidence in the government has contributed to non-payment. To address the issue, it is necessary to focus on the various aspects that contribute to the problem in communities and government. Lastly, service delivery demonstrations in the CoJ have been on the rise, particularly for energy, water, housing, and decent roads. Social cohesion and participation in these communities are critical, given the inequities and imbalances caused by apartheid spatial design.

Causes and impact of service delivery protests in local government

Relative deprivation reasons and factors influencing service delivery protests.

According to scholars, various factors contribute to frustration and drive individuals to protest. While issues with service delivery are a primary driver of protests, other factors also play a role in shaping the mental state of protesters and the protests themselves. Poverty, inequality, unemployment, and the violent relationship between the state and citizens are considered root causes of collective violence (Banderia and Higson-Smith 2011, cited in Mchunu 2012). However, these factors are structural and cannot be eliminated quickly. Medium-term solutions are necessary to address poor service delivery, political conflict, political entrepreneurship, and poor local governance. These factors are perceived by communities as examples of failing municipalities and can also fuel protests. The role of the youth, police, criminals, and political opportunists may not be direct influences but can act as accelerators of protests. Decelerators such as the police and politicians are responsible for maintaining order and law and preventing protests from turning violent. Kruidenier (2015 cited in Tsako 2020) suggests that prolonged periods of unemployment, income inequality, weak law enforcement, gender inequality, alcohol abuse, patriarchal factors of masculinity, and poor parenting are among the factors that contribute to violence. Municipalities must understand their role in solving these

underlying issues and adopt the right procedures to prevent future protests. Temporary measures are not enough, and addressing the root cause is crucial.

Social contract theory reasons and factors influencing service delivery protests.

In an ideal society, the government is expected to provide essential services based on the core values established by the SC, which follow the Batho Pele principles. When these services are not provided evenly, protests and conflicts arise in society, especially in predominantly black communities, where the relationship between the government and its citizens is crucial for transformation and overcoming past experiences of colonialism. During the 1994 elections, the South African government promised citizens guaranteed freedoms, including access to housing, education, health, water, sanitation, and land through the RDP. However, the lack of access to these essential services has caused citizens to question the government's commitment to delivering on its promises. Service delivery protests have increased in municipalities and have turned violent, holding the government accountable for its failures. The post-apartheid government has faced challenges in providing access to quality education, water, sanitation, and land. Spatial inequality has also led to historically advantaged white communities receiving better services than poorer communities (Ndinga-Kang, Van der Merwe and Hartford 2020). The SC aims to fulfill the promises made in the agreement and ensure that citizens' rights are realized. However, when citizens feel sidelined due to unfulfilled promises, protests arise, questioning the government's legitimacy and authority. The pressures placed on the SC have resulted in more problems. The #FeesMustFall protest is an example of young people's reaction to financial exclusion and inequality in job opportunities. Protests highlight the government's capacity and willingness to deliver on its citizens' expectations and question the "tacit and common agreements" based on the legitimacy and authority of the government.

Main findings

The cause and impact of service delivery protests

The study revealed that the slow pace of service delivery in communities is the primary cause of service delivery protests. As Kotze and Taylor (2010) noted, service delivery protests have been a challenge for the ANC since the democratic dispensation due to the lack of services in communities. The slow pace of service delivery by the municipality causes frustration and anger in communities, leading to violent protests to voice their needs and dissatisfaction. As Allen et al. (2011) pointed out, the influx of migration in urban areas, such as CoJ, creates spaces for frustration because the increasing numbers of informal settlements, poverty, and marginalization contribute to a lack of access to services and an increase in collective action. Research indicates that the violent unrest in CoJ is due to frustration with the government's failure to deliver free basic services as promised, which has led to inequality between rich and poor communities, with the latter suffering from high unemployment rates and limited access to services. The Davies J-Curve and Gurr's value expectations and value capabilities theories suggest that citizens have long been waiting for promised services from the government, and the failure to deliver has led to violent protests in CoJ and other communities since 2004. Respondents have cited the political environment in CoJ as a major contributor to protests, due to power struggles, infighting, and coalitions. The study also found that intergovernmental relations in the

municipality are low, leading to a backlog of petitions and grievances not being addressed, and increasing the number of dissatisfied communities. Observations indicate that the backlog of petitions in the municipality dates to 2009 and that the communities have registered them, but they have not been attended to through inter-departmental coordination. According to the study, communities' resort to violent protests as a means of expressing their grievances due to the lack of response from the municipality and councillors. Organizations like the Soweto Parliament and other CBOs in the CoJ have emerged to address the needs of communities. However, the CoJ's failure to build relationships with such organizations and understand the needs and expectations of communities often leads to collective violence in the city. The lack of participatory democracy in the municipality prevents residents from engaging with politicians, leading to violent protests initiated by the police. To promote political stability, the CoJ needs to empower community members to be agents of change in their communities. Failing to address these issues undermines the rights of residents and exacerbates unemployment, poverty, and inequality. According to Hough (2008), there are two perspectives on violent unrest. The first sees it as a problem that could potentially lead to a revolution, while the second relates it to immediate issues such as unfulfilled promises, growing inequality, deteriorating public services, and crime. Research indicates that the violent unrest in CoJ is due to frustration with the government's failure to deliver free basic services as promised, which has led to inequality between rich and poor communities, with the latter suffering from high unemployment rates and limited access to services. The Davies J-Curve and Gurr's value expectations and value capabilities theories suggest that citizens have long been waiting for promised services from the government, and the failure to deliver has led to violent protests in CoJ and other communities since 2004. According to Hough (2008), there are two perspectives on violent unrest. The first sees it as a problem that could potentially lead to a revolution, while the second relates it to immediate issues such as unfulfilled promises, growing inequality, deteriorating public services, and crime. Research indicates that the violent unrest in CoJ is due to frustration with the government's failure to deliver free basic services as promised, which has led to inequality between rich and poor communities, with the latter suffering from high unemployment rates and limited access to services. The Davies J-Curve and Gurr's value expectations and value capabilities theories suggest that citizens have long been waiting for promised services from the government, and the failure to deliver has led to violent protests in CoJ and other communities since 2004.

The state of service delivery in the municipality

The quality-of-service delivery in the City of Johannesburg is closely tied to the effective functioning of municipal institutions, with good governance and clean audits being essential. According to one respondent, who sounded frustrated, service delivery is below par. They highlighted issues with water, potholes, electricity, and other services that residents require from the municipality but are not receiving. Another respondent suggested that corruption and theft are responsible for delayed service delivery. The authorities maintain that they are committed to meeting people's needs and providing them with proper services. However, they acknowledge that there is dissatisfaction among the people, and they need to improve the quality of services they deliver. According to the Constitution, municipalities are obligated to provide essential services, which include

sanitation, water, electricity, and infrastructure. The city has also managed to deliver water to most households, but they plan to invest around R2.8 billion in upgrading water services infrastructure in the coming years. The city has recognized the electricity crisis and is working to stabilize the situation through the Members of the Mayoral Committee's sustainable energy plan. The plan involves key stakeholders and partners with independent power producers to reduce the city's dependence on Eskom. One major challenge has been road maintenance, with over 20,000 potholes reported to the JRA in 2022. The CoJ has launched initiatives to restore and preserve the city's infrastructure, bringing together multiple agencies and groups to fix potholes, storm drains, road markings, and other issues. However, overall, the city's service delivery remains inadequate, with issues such as illegal land occupation, illegal connections, population growth, and a backlog of housing and services, including water, sanitation, electricity, and refuse removal. The CoJ needs to continue to work towards providing quality services to meet the needs of all its residents.

The social contract and relative deprivation

The study revealed that the SC has been weakened due to the increasing number of protests, particularly in the CoJ. These protests demonstrate the imbalance in the relationship between the state and society. All participants agreed that the SC in the municipality is weak, as evidenced by the statistics on service delivery protests. According to the participants, violent protests indicate a breakdown in the relationship between the municipality and the community. Most participants felt that the SC had been broken before the ANC political settlement could be reached. They argue that while the ANC has had successes in South Africa, the challenges that the SC settlement was designed to address have not produced the desired results. The OECD (2008) states that the SC protects human rights through met expectations, government capacity to provide services, political will to allocate state resources to the people, and political processes to ensure effective service delivery. In South Africa, the incompetence of the public service and the lack of provision of services to disadvantaged residents have weakened the SC. As a result, service delivery protests in the municipality have exposed the loss of trust and relationships that lead to protests, leaving the government vulnerable. The findings of this article align with Nleya's (2011) findings that RD exists in underdeveloped areas of CoJ with informal settlements, high poverty levels, unemployment, inequality, and limited access to economic opportunities, especially in communities like Soweto where the spatial planning of apartheid continues to affect the state of communities today.

Service delivery (protests) and political stability

The impact of service delivery protests on political stability has been revealed through various factors. Firstly, politicians have used the protests to gain support for their parties during elections, which often leads to unfulfilled promises and loss of trust in the government. Secondly, the violence and destruction caused by these protests hurt economic activities and political alignment. Thirdly, the lack of service delivery has resulted in a loss of legitimacy of the current political regime and a decrease in trust in the democratic process. Overall, the causes of political instability include the government's incompetency, corruption, mismanagement, unemployment, poverty, and lack of transparency. The study found that the effectiveness of service delivery is crucial to maintaining political stability. The relationship between service delivery and political stability is dependent on political,

administrative, and legal accountability. Political accountability requires elected officials to fulfill their promises and be accountable to their voters, the rule of law, and the Constitution. Administrative accountability involves adhering to duties and functions in municipalities and passing relevant information to stakeholders. Legal accountability refers to the actions and decisions of the state. When the government fails to fulfill its mandate of service delivery, it must be held accountable and provide answers to the people.

In summary, the study concluded that service delivery and political stability are interconnected, and this connection is based on accountability in government. A strong political authority that reassures its environment will eliminate uncertainties for the future, and the promise and adherence to service provision stand out as key factors in the relationship between the people and government.

Conclusion and recommendations

It is crucial to offer affordable housing and electricity to residents to elevate their living standards and lessen social exclusion. According to Alexander (2010), the protests occurring in South African local governments have been referred to as "the rebellion of the poor". To prevent these protests from escalating, the municipality and relevant authorities need to understand their causes and address the underlying issues beforehand. It is essential to have policies that focus on the needs of the poor and enable their participation. The SC should be based on the expectations of both society and the government to avoid collective protests and ensure promises such as job creation, education, and improved living standards are met. The problem of corruption and nepotism in public service is affecting the competence of municipalities. It is important to practice good governance in local government, including the deployment policy, which has resulted in incompetent, unskilled, and self-serving officials. To address these challenges, organizations such as the Department of Public Service and Administration and SALGA should assess the tendering systems in municipalities to detect corruption and nepotism. The issues found in informal settlements should be addressed during the election period and taken into consideration to reduce disparities in communities. To address the limited knowledge of consumer public service provision, it is recommended that WCs, CBOs, and other stakeholders facilitate civic education. With regards to question a) What are the effects of service delivery protests on political stability, Protests in the delivery of services have been found to have a variety of effects on political stability. Although they can bring government responsiveness and policy change, they also present stability problems and the possibility of bloodshed. To reduce the likelihood of protests and support political stability b) What are the factors influencing service delivery protests in local government and how can municipalities achieve it?, when promises of basic services and socioeconomic growth are not kept, there is a perceived breakdown of the social contract between residents and the government. Additionally, relative deprivation appeared as a major element influencing protest mobilization as people and communities perceived injustice and discontent when they contrasted their socioeconomic situation to others. This study conducted within the context of RD and SC aimed to analyze the reasons behind protests and their impact. The research unveiled two major challenges faced by the CoJ - lack of responsiveness and sociopolitical instability due to unstable administrations and unrecognized relationships among stakeholders. The occurrence of service delivery protests, if not addressed promptly, can lead to more political conflicts and instability. The study suggests a holistic approach where

various units and sectors of the government operate with mutual trust, transparency, and institutional harmony to solve this issue. The study also highlights the importance of state-society relationships, which involve participation, provision of services, and protection of people's rights. CoJ, as a case study, is crucial in understanding the state-society relationship in South Africa. Based on the findings, the study recommends a model to address the issues identified.

Figure: Social Contract Relationship Model



Source: Author (2023)

This study proposes a model of Cooperative government that prioritizes protection, participation, and provision. The aim is to ensure effective decision-making and service delivery across all government levels, focusing on meeting the people's needs. The model involves the government, the political landscape, and civil society working together to manage the municipality's performance. Conflict can be avoided when there is collaboration and participation, which address people's needs. Intergovernmental relations facilitate discussions and identify needs to meet requirements. The political environment allows for involvement, inclusion, and awareness-raising, particularly in marginalized populations. Civil society is responsible for mobilizing and resolving common concerns. The local administration, in collaboration with IGRs, must ensure clear responsibilities and functions in the municipality to maintain stability and expand state capacity. Co-operative government represents the values of the government and requires a partnership among the three spheres of government. The lack of recognition of people's needs results in instability, incompetence, and substandard public services. This has led to increased service delivery protests, conflict, and a loss of faith in the government's ability to deliver services. The danger to political stability and legitimacy in local government is based on the failure to realize people's needs. Establishing a social compact based on trust and compliance

requires a link between the political landscape, administration, and civil society. Councillors, WCs, municipal authorities, and communities are all part of this cycle.

Study Limitations

The ongoing service delivery protests in local government have made it impossible to be engaged through the cycle of events in the municipality in which they turn violent. Due to the qualitative sampling methodology and geographical area of the CoJ, the study chose a small sample of participants at the CoJ and at the events of protests from various regions. To obtain the views and opinions of residents on the effects of service delivery protests on political stability in the CoJ, a sample frame of 14 community members was consulted. Then, the sampling does not generalize to all parts of the CoJ but as a case study, it provides a reference to the CoJ's critical issues of service delivery and protests. The results of this study are distinctive to the CoJ, in any case, the recommendations can be connected for other municipalities as service delivery challenges are experienced by the larger part of local government municipalities.

Prospects for further research

This study could further be advanced and extended to provide a detailed exploration and investigation in which the following area can be explored: The importance of IGRs in facilitating an SC for improved service delivery in local government. The nature of the research advance would provide a better assessment of the SC in government to address service delivery challenges that result in protests in local municipalities through a lens of Co-operative government.

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MENTORING PRACTICE IN THE FOURTH INDUSTRY REVOLUTION: A SOUTH AFRICAN EXPERIENCE

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Abstract: In the absence of face-to-face mentoring, the study investigates the difficulties newly hired academics have assimilating into a Higher Education Institution (HEI), a university in Johannesburg, and how electronic mentoring strategies promote these newcomers' social learning. The study used an interpretivist paradigm with discourse-oriented interviews as the main data collection instrument to collect data from 20 recently hired academic staff members who were in their first two years of their academic careers at a South African university. The study found that by utilizing resources from the fourth industrial revolution (4IR), such as YouTube, Ted Talks, and WhatsApp, to improve their social learning, novices were able to smoothly make the move into academia. The study suggests that educational institutions investigate conceptual issues related to electronic mentoring and its advantages for and its benefits for both the institution and the newly appointed lecturers. In addition to promoting decolonisation and creating a more inclusive and equitable learning environment in the context of higher education in Africa, social media mentoring offers strategic 4IR tools that have the potential to expand and enhance mentoring practices at institutions. Because social learning could close the digital gap and facilitate newcomers' integration into academia, it holds significant implications for higher education in Africa.

Keywords: Mentoring, Novice Lecturers, Social Media, Electronic Mentoring, Social Learning

Introduction

This research examines novice lecturers' experiences integrating into university life amid a backdrop of difficult conditions. Recent advancements in South Africa's HE sectors have posed a plethora of obstacles for new instructors, which has been exacerbated by the expanding higher education landscape, as well as free and instant access to knowledge. As a result, the emphasis has shifted to the Internet's broad collaborative learning approaches (Krishnannair, Krishnannair & Krishnannair, 2021). Electronic mentoring has transformed mentoring methods in higher education in the Digital Age. Social media platforms like WhatsApp, Facebook, and Twitter have changed how mentors and mentees communicate, making it simpler to connect and collaborate in real time. In Africa, decoloniality is a pressing issue that requires a new system of knowledge production that is grounded in local perspectives and experiences. This paper explores how social media mentoring, particularly WhatsApp, can advance decoloniality in African higher education and the implications of social learning for higher education in Africa.

Adding impetus to the higher education landscape, the Coronavirus pandemic and (in some quarters) "...the strain to embrace 4IR have consolidated to create new and remarkable issues for the scholarly community, influencing both workforce and understudies" (Hedding, Greve, Breetzke, Nel & Van Vuuren, 2020, p.1). Furthermore, power shifts and traditional mentoring techniques have been challenged, and novel solutions, such as e-

mentoring, appear to have substituted traditional dyadic mentoring interactions. Thus, research energy has turned its focus by shifting the emphasis from how individuals learn on their own to social learning. Indeed, faculty members must learn from one another in order to put their knowledge into practice (Knight et al., 2006). However, due to unforeseen circumstances and, more recently, the COVID-19 epidemic, colleagues are not readily available. Indeed, in the current COVID-19 milieu, "...the boundary between educator preparation and ongoing professional development of educators has been increasingly blurred" (Darling-Hammond & Hyler, 2020, p.460).

Problem statement and purpose

Extant research claims that informal learning practices are an essential, but underused, route that considerably aids in the social learning of beginning lecturers (Hodkinson & Hodkinson, 2004; Coffield, 2000, in McNally, Blake & Reid, 2009). Indeed, there is a paucity of research on informal mentorship practices, mediated by social media platforms (SMP) and how they contribute to the social learning of novice lecturers as academics in South African university landscape. It is within this knowledge gap, that this paper locates itself, guided by an overarching research question: How do mentoring practices mediated by social media platforms advance the social learning of novice lecturers in a university setting?

Literature Review

Social learning has been identified as a critical aspect that has the potential to improve higher education in Africa. Olabisi and Tella (2020) define social learning as the process through which individuals learn from one another through interaction and collaboration. Social media platforms have considerably aided social learning by allowing students and professors to communicate with one another, share ideas, and cooperate on projects. Furthermore, social media technologies like blogs, wikis, and discussion forums have been utilized to facilitate online collaborative learning. Indeed, the utility and ubiquitous nature of social media platforms for social learning has significant implications for higher education in Africa since it provides a practical means of bridging the digital divide and increasing access to education.

The repercussions of social learning for higher education in Africa are far-reaching. One of the primary advantages is that it offers a chance to increase student engagement and superior educational results. Overall, social learning has the potential to transform higher education in Africa by providing students and neophytes with access to new learning opportunities and enabling them to acquire those skills they require for success in a rapidly changing world. Olabisi and Tella (2020) define social learning as the process by which individuals learn from each other through interaction and collaboration. Social media platforms have facilitated social learning by providing students and faculty with an opportunity to connect with peers, share ideas, and collaborate on projects. Indeed, higher education in Africa will be significantly impacted by the use of social media for social learning since it offers affordable and sustainable solutions to close the digital gap. In addition, social media platforms such as blogs, wikis, and discussion forums have been used to support online collaborative learning. Decolonisation and decoloniality are pressing issues in African higher education, and social learning may offer a way to advance these movements. Nangia and Ford (2021) define decolonisation as the dismantling of

systems and structures of colonialism that perpetuate inequality and marginalisation in African higher education. Traditionally, "early-career faculty members engage multiple "mentoring partners" in non-hierarchical, collaborative, cross-cultural partnerships (and informal relationships) to build strong networks to address specific areas of faculty activity, such as research, teaching, working toward tenure, and striking a work-life balance" (Sorcinelli & Yun, 2007, p.1). This lends credence to the idea that associating with more experienced and successful colleagues who may guide and ease new lecturers into academic life might help prevent isolation and adverse outcomes.

The argument that appropriates casual or accidental interactions with colleagues are essential for lecturers' growth as academics is reinforced by Hodkinson and Hodkinson (2004, in Warhurst, 2008). Due to the growing popularity of social media sites like WhatsApp, YouTube, Ted Talks, and others, these encounters have in fact entered the digital era. The development of virtual communities of practice (VCoP) has also been accelerated by online 2.0 technology, which has made online platforms more dynamic (Jokisalo & Riu, 2009; Gülbahar, 2014; Susilo, 2014). But there are several issues with this technique. Despite worries that virtual arrangements may result in diminished possibilities for faculty growth, there is evidence that virtual communities of practice (VCoPs) with a distinct structure and institutional support, offer a wide range of options for faculty development (Sherer, Shea & Kristensen, 2003), allaying fears that virtual arrangements may lead to a lack of engagement (inter alia, a reluctance to share, privacy concerns, and fear of criticism) and, as a result, foster a sense of community (Ardichvili, Page & Wetling, 2003). Indeed, e-mentoring is a viable alternative to more traditional forms of mentoring, and it may be assist newcomers in their quest to assimilate into the academe. Furthermore, it reinforces Smith and Israel's (2010, p.30) argument that "the use of computer-mediated communications such as e-mail, discussion boards, chat rooms, blogs, Web conferencing, and growing Internet-based solutions are changing the way mentors and mentees interact." Indeed, the objective of virtual or e-mentoring is to replicate the best practices of traditional mentoring while mediating these trends in a digital environment, with academics flourishing and compensating for a lack of "physical co-presence" and the privacy required for "conversations about sensitive issues" (Pachler & Redondo, 2012, in Mullen, 2016, 113).

E-mentoring has now assumed primacy and may displace traditional forms of mentoring, particularly cogent considering the circumstances stipulated by COVID-19. This incarnation of mentorship practice has been drastically altered and revolutionized as a result of the coronavirus pandemic (Nocco, McGill, MacKenzie, Tonietto, Dudney, Bletz & Kuebbing, 2021). E-mentoring or virtual mentoring, which is remarkably similar to face-to-face mentoring, includes two or more people working in a mentoring relationship, but geographically separated at times (Owen, 2014). E-mentoring, on the other hand, may provide for greater flexibility in developing and sustaining ties; mentors are not confined to certain geographic locations, and more individuals may participate. Furthermore, fewer social cues may be employed in electronic media, providing women and minorities with more opportunities to contact mentors (Hamilton & Scandura, 2003). In Africa, this notion will surely gain traction amongst the previously disadvantaged academics.

Not only affording previously disadvantaged academics access to these social media platforms, but it is hoped, will add impetus to decolonialisation of higher education in South Africa. Indeed, social media has become an important platform for academics to

share their research and ideas with a wider audience, and it can help to raise awareness of the issues related to decolonialisation (De Wet & Hartell, 2020). Further, social media platforms provide an opportunity for neophytes to participate in online discussions with other academics and students about decolonialisation in higher education. It has been opined that social media can be used to foster dialogue and create a sense of community around the issue of decolonialization (Nkomo, 2017).

Novice lecturers/academics can use WhatsApp as a platform to promote decoloniality by establishing a network of peers and engaging in collaborative learning. By doing so, they can overcome the power relationships inherent in traditional mentoring dyads and create a space for critical dialogue and collective action. Novice academics can use social media to advocate for change in higher education institutions, such as calling for the diversification of curricula and the recruitment of more black academics. According to Mwesige and Ssenyonga (2018), social media can be used to create pressure for institutional change and to contribute to the development of more inclusive and equitable policies and practices.

Further, virtual mentorship also coheres for other important factors that impact on academics. Indeed, according to experts, virtual mentoring may help neophytes and experienced faculty alike to overcome time restrictions and busy work schedules, therefore preserving long-term mentorship traditions. Additionally, mentees have access to a wider range of mentors thanks to the ease of e-mentoring than they may have at work. The argument that modern technology advancements, including real-time rich multimedia communication, enable social bonding and emotional expression that are often exhibited in face-to-face encounters is supported by further data (Hamilton & Scandura, 2003).

Due to their chaotic work schedules and/or the social isolation brought on by COVID-19, mentors and mentees are now able to take the lead in the creation of virtual communities of practice (vCoP) (Stewart, 2010). These online communities of practice promote communication and knowledge exchange among newcomers as well as between experts and beginners. Opportunities exist in a vCoP for reverse mentorship, as neophytes mentor their more seasoned co-workers while simultaneously being retrained and revitalized (Murphy, 2012). In fact, VCoPs may be seen as an avant-garde approach to faculty development that fosters community building and collaborative learning (Yang, O'Reilly & Houghton, 2020). According to Malecela (2016), VCoPs promote online community involvement and collaborative learning through social media. Social media's rise has made real-time communication and community cooperation feasible (Amry, 2014).

In their research, Boyinbode, Agbonifo and Ogundare (2017) draw the conclusion that WhatsApp application can significantly enhance educational activities. This study, although conducted in Nigeria, has ramifications for the entire African continent. These researchers concluded that WhatsApp is more suitable to support educational activities in mobile learning environments due to its multimedia content (ibid, 2017). WhatsApp's popularity varies widely, including accessibility, near-natural conversational flow, a sense of community, low cost (an important standard for Africa), and user-friendliness to communicate (Church & de Oliveira, 2013). Additionally, the group sharing feature of WhatsApp, which enables the exchange of photographs, audio, video, text messages, and website links among groups, contributes to the app's adaptability (Bouhnik & Dshen, 2014; Sayan, 2016).

The usage of WhatsApp is congruent with the principles of social constructivist learning theory, which prioritizes social interactions above observation (Vygotsky, 1978). The

usage of WhatsApp adheres to the principles of social constructivist learning theory, which stresses the significance of social interactions above observation (Vygotsky, 1978). According to Ujakpa, Heukelman, Lazarus, Neiss and Rukanda (2018), WhatsApp may also be used to send photographs, attach media files, connect websites, and permit file sharing. In fact, WhatsApp permits the transmission of academic content among inexperienced faculty members (Ujakpa et al., 2018). Further, according to Ujakpa et al. (2018), WhatsApp may also be used to send photographs, attach media files, connect websites, and permit file sharing. In fact, WhatsApp permits the transmission of academic content amongst inexperienced faculty (Ujakpa, et al., 2018). Indeed, mentorship is necessary for academic performance (Darwin & Palmer, 2009). This is the ideal scenario; however, many mentors are not constantly accessible. Online advisors (also known as electronic advisors) provide a workaround in this situation. Virtual mentoring, like the conventional variation of the face-to-face mentoring strategy, attempts to support academics' professional growth largely using computer-mediated communication technologies (Cinkara et al., 2017, p.40).

E- mentoring expands on traditional forms of mentoring. Since online mentoring is time and place-independent, exposure to a large cohort of colleagues teaching similar or related fields of study can be helpful for busy newcomers. Interestingly, all of these ideas coalesce around Kram's (1996) idea of 'connectedness', but there is more to it than she could have imagined - the connectivity provided by social networking associations, especially WhatsApp. According to Kram (1996), "personal learning" is the process of acquiring information, abilities, or competences that facilitate personal growth, including social skills like "...self-reflection," "self-expression," "active listening," "empathy," and "feedback." These characteristics support the frequently cited idea of a higher sense of oneself as "as increasingly connected with others" (Kram, 1996, p.140). Instead of the typical mentorship connections, WhatsApp captures these concepts and provides a novel method of connecting academics. Additionally, according to Boyinbode et al. (2017), e-learning and mobile learning offer methods to mitigate conventional education's deficiencies. Indeed, social learning through social media platforms like WhatsApp can provide numerous opportunities for novice lecturers or academics to integrate into the academe. WhatsApp is a widely used social media platform in Africa, with over 250 million active users (Kobie, 2019). The platform offers a convenient and accessible way for individuals to connect, collaborate, and share knowledge with others in their social network. In this context, social learning through WhatsApp can be particularly effective for novice lecturers or academics who are seeking to develop their teaching practices and establish themselves in the academe.

Theoretical Framework

The study is predicated upon two different assumptions. First, social constructivism is used as a general framework to underlie Mentoring theory (Kram, 1985), especially the Lave and Wenger's (2002) learning model. Lave and Wenger (1990) embraced the concept of legitimate peripheral participation (LPP) as a method for individuals to obtain knowledge in their communities, using a constructivist approach to learning and development. This concept argues that as people integrate into a group or society, they accumulate knowledge. Once inside, individuals begin to speak and think in the manner of that group. Thus, a new

lecturer learns to be an academic by employing symbols and behaviours prevalent within academia.

This article pointedly then, discusses the appropriation of social media platforms, with a focus on WhatsApp as an e-mentoring tool for beginner teachers, framed within the theoretical framework of constructivism and Lave and Wenger's model of learning (2002). According to the latter mentioned theory, learning occurs when a person joins a community as an "insider" and begins to use the language and perspectives of that community. Situated learning theory provides an ideal context for examining the social appropriation of university learning. The article argues for a movement away from personal focus to highlighting the great value of others in one's learning process.

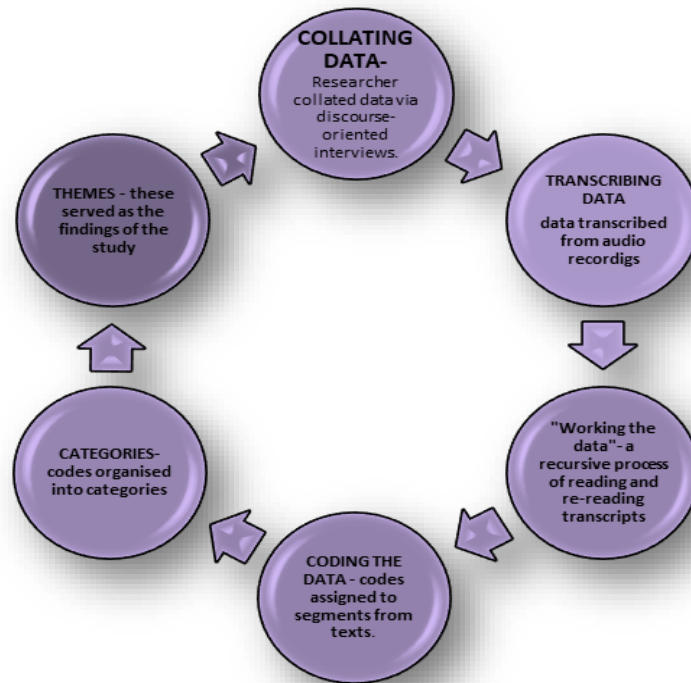
Research Methodology

The study espoused a qualitative research design, primarily because it was consistent with the objectives of this survey: a qualitative strategy buttressed by the constructivist philosophy, which views reality as a social construct that interacts on many levels (Merriam, 1998). For this study, such a strategy has facilitated an in-depth analysis of the world of social life among novice lecturers. The constructivist ideology, which perceives reality as a social construct that interacts on multiple levels (Merriam, 1998), informed the use of a qualitative research methodology since it was aligned with the study's objectives, and cogently permitted an in-depth investigation of the realm of social life among neophytes.

Data Collation

Discourse-oriented interviews were the main tool used to collate data from the participants. In line with Creswell's (2002) conceptual terms, a purposeful sampling technique was employed to choose a group of 20 inexperienced lecturers for an interview- to determine if mentoring practices (or a lack thereof) support or undermine the development of university lecturers. Their comments yielded an array of narratives, which were examined to find themes pertaining to their academic development.

Data Analysis



A Recursive process that occurred simultaneously

Figure 1: The qualitative process of data analysis (modified from Creswell 2002, 2017; Henning et al., 2004)

Discourse and Thematic analysis were chosen as the primary analytical technique because of the ease with which its guiding principles complemented the study's theoretical framework. Furthermore, it emphasises the essential function of language in the construction of social reality and underscores the perspectives and starting points from which knowledge and meanings are formulated at a given historical moment (Talja, 1999). According to advice from Creswell (2002) and Braun and Clarke (2006), 20 interviews were transcribed. The purpose of the coding process, according to Creswell (2002, p.266; 2012, p.243), is "to make sense of textual data, break it into text or image fragments, label the fragments, verify the code for duplicate and redundancy, and reduce these codes for topics" (Figure 1). As a consequence, the interview data was analysed using Thematic analysis (TA) and Discourse analysis (DA), generating three themes.

Findings and Discussion

The findings suggest that beginners can use social media to gain a sense of self-efficacy and self-determination in spaces that provide appropriate guidance for the exercise of appropriate pedagogical agency, and in doing so, they can succeed in integrating into academia.

Self-efficacy mediated by social media

The interrogation of the data revealed that novices who wanted to improve social learning for a successful integration into academia turned to social media for assistance. The most

popular social media sites mentioned by participants in their reports were WhatsApp, YouTube, Ted Talks, and online writing blogs. New professors have embraced and utilised this type of electronic mentorship extensively to support their social learning. According to the participants, social media is a useful medium for developing unofficial mentorship connections (Briones, Janoske & Paquette, 2013). In a more formal sense, communities of practice (CoP) (Lave & Wenger, 1991) should consist of individuals working in a similar field, interacting with both experts and novices, and having "a close relationship of mutual commitment organized around what they are there to do" in addition to "common business" and "common repertoire" (Wenger, 1998). These outcomes are undoubtedly in line with some of these requirements for the formation of a CoP. However, a CoP did not pre-exist, as this discussion has shown, and organizational managers did not advise newcomers to start one. Perhaps it is instructive to reflect on Gourlay's (2011, p.76) observations, in which he asserts that "a community should not be assumed to pre-exist in an academic department in a form that will allow novices with limited experience of advanced scholarship to learn new practices from more experienced colleagues..." However, the data readily demonstrates a CoP, even though in the digital arena, primarily through WhatsApp, a virtual community of practice (vCoP) has emerged through the efforts of newcomers themselves. Lenny underscores the magnitude of using social media to negotiate his social learning by contending: "I have discovered many platforms... I searched the internet...YouTube for ideas...even contacted colleagues to share ideas about writing, teaching...etc...other departments I met in a random meeting and I created a WhatsApp chat group...you know stuff like that...can be a long time sometimes...anytime I...I or a colleague need help with anything...for example me... I hit a dead wall... and was so stressed, when I was writing, I sought help from my colleagues." These observations enlighten and connect with literature such as (Shpigelman, 2014, p.260), who asserts that "...in these online environments, users can create content, share, and collaborate with other users".

In the same manner, it may be argued a WhatsApp group for like-minded individuals could serve to share ideas and resources on decolonial pedagogy and practices (Garcia, 2020). New lecturers could establish a peer group and develop a forum for critical discussion and decolonialists can agitate for action by using WhatsApp as a collaboration and collective learning tool. Indeed, power relationships associated with traditional mentoring relationships, embedded in colonial power hierarchies may, perhaps, be overcome. Similarly, Lenny's thoughts echo that of Jane's own path; positing that she navigated into the academe using social media platforms: "... by far, YouTube was my go-to teacher... my mentor of choice... I learnt so much from YouTube together with TED Talks. People from educational backgrounds share a wealth of information... aaaah for example one of the things that I learnt, and I hold onto very tightly is... ummm... Concept Mapping! So... there's a powerful presentation on Ted Talks about the value of mind mapping and how it can help anyone at almost any learning level. So, as a learner, just starting to teach, I learned about mind mapping in a different way from the textbook approach I took as a student. So... YouTube for me, WhatsApp for me, email and Ted Talks has become the best... great learning platform for me" (T/Ja:3). This would imply that Jane has cultivated a learned preference for online mentorship programs based on asynchronous communication, i.e., communication that is independent of the user's real presence (Shpigelman, 2014).

She also emphasizes the importance of other forms of social media, such as YouTube and online blogs: "... Yes! Into academia, and if I was in a stressful circumstance... I looked for a YouTube uuhmmmm similar experience OR I found blogs that lecturers had written, mostly in an international context, about how to find your way, and I followed these blogs, these teaching blogs, these lecturing blogs from big universities, and even though many of them were from Ivy-league universities, a lot of the ideas were transferable, and I was able to use those ideas, such as how to teach a large class. People's blogs with advice and ideas on how to teach are the finest approach to learn from other people's real-life experiences. Aaahhhh, I know I attempted to introduce the idea of people blogging about their experiences to share with others...because blogging is a whole new way for us to share our own experiences and it starts... start on a small scale because I feel like I want to help the next person who comes along and is in my situation" (T/Ja: 4). Jane's concept of a shared experience is akin to the notion of appropriating social media for faculty development, which may alleviate the difficulties that many participants have in attending face-to-face activities (such as induction or staff development at the university) (Mullen, 2016).

Similar meditations were proposed by other participants. Leonie reflects on WhatsApp's relevance in her social learning by mentioning the manner in which she employs the social media platform to stay in touch with her informal mentors: "Ahhhh maybe once a month, contact the establishment then informally via email, WhatsApp, and that sort of thing..."; whereas Maureen admits: "Sometimes I meet them in their office, in the hallway, or I just call... WhatsApp them, they're really helpful with advice. I must admit that utilizing my phone to contact advisers is a really easy method..." "Quick advice...mmmm." Lecturers can join in online communities at opportune times from anywhere and always feel connected (Mullen, 2016). According to the findings of this study, the WhatsApp application can significantly aid in learning activities (Boyinbode et al., 2017). Similarly, Yavuz (2016) suggests that collaborative learning groups be formed to inspire learners and increase overall accomplishment.

Several factors support WhatsApp's success, including its ability to support almost natural conversations, foster a sense of community, affordability, widespread accessibility, and user-friendly for communication (Church & de Oliveira, 2013). The use of WhatsApp seems to support Vygotsky's (1978) social constructivist theory of learning, which emphasizes the importance of social interaction rather than observation. These connections are made possible by smartphones, whose inherent functionality enables learning anywhere, anytime (Lungo & Lee, 2011). Indeed, WhatsApp enables the sharing of files and academic information through chat rooms (Ujakpa et al., 2018). To confirm its effectiveness, Boyinbode et al. (2017) suggested in their study that WhatsApp can significantly improve learning activities.

The majority of participants (18/20, or 90%) reported about the manner in which they espoused social media platforms (SMP) including blogs, WhatsApp, and YouTube to engage with peers or "mentors" in a loosely organized virtual community of practice (VCoP). In this online forum, novices offer and receive help from other novices as well as more experienced peers. Indeed, the use of new information and communication technologies (ICT) and, more recently, artificial intelligence (AI) tools, provides a wide array of services that are available for free or free of charge to the end user. Interestingly, the use of social media by neophytes appears to be compatible with the ITC vision and

precepts for higher education in the twenty-first century, with its particular emphasis on developing lifelong learning, greater equitable access, enhanced instructional techniques, the diversification of collaborative learning, autonomy, and physical environment troubleshooting (UNESCO, 1998). WhatsApp allows novices and experienced academics to engage with academic content through discussions.

Strategies to cope and the readiness to accept challenges

Self-efficacy, an integral and vital constituent of social cognitive theory (Bandura, 1977) combines self-regulatory learning (Zimmerman, 2002) with the basic concept of self-discovery and in tandem with the use of social media, is blatantly evident from the participants' data. Self-regulation has been formally defined as "self-generated thoughts, feelings, and actions to achieve learning objectives" (Schunk & Zimmerman, 1994). Self-efficacy expectations refer to "personal beliefs about a person's ability or capacity to perform a particular behaviour" (Zimmerman & Schunk (2004, p.324). Indeed, self-regulatory learners, in this case neophytes, are aware of their learning strengths and weaknesses, and they have a range of strategies that they apply appropriately that is deemed suitable to meet the daily challenges of learning tasks. In doing so, these newcomers are "self-regulating," describing the process of controlling and evaluating their own learning and behaviour as they exercise self-efficacy.

Many respondents articulated feelings of self-efficacy through a combination of nous, improvising, the internet, in particular, social media- with its multiple platforms- to their own inner strengths of character- of hard work, perseverance and determination to make a success of their lives, with the end goal of a successful assimilating into the academe. Such sentiments are evident the following responses:

Evan's (Q/E:1) attributes his successful transition into the university to a combination of factors. Whilst acknowledging the help from colleagues, he seems to give more credence to his own efforts at efficacy and the more tellingly, the appropriation of social media: "With help from staff members and by my own initiatives I think I have made a successful transition into my new job. Also, I consulted lots of books and the internet, like YouTube and online blogs by novice lecturers at foreign universities and learnt a lot to manage my situation" (Q/E:1).

These thoughts are echoed by Freddy: "With so many systems to learn like Ulink and Mams, I felt overwhelmed. I realised that I had to trust in my own abilities and actively sought help from our staff secretary. In terms of teaching, I took matters in my own hands and made use of various online platforms like YouTube to help me navigate my learning and I even looked at papers that were published to help refine my research writing skills" (Q/F:1). Esther offered similar sentiments: "Also, I took upon myself to use the internet and YouTube to help prepare for the demands of academia" (Q/Es:1).

In the same vein, Leo claims taking responsibility for his own learning with the help of social media: "One of the main challenges that I have encountered as a new academic is striking a balance between performing optimally as a teacher and researcher. Due to the fact that I love teaching, I find that it is often easier for me to gravitate towards wanting to teach instead of research. I found myself discovering things on my own; simply had to- it was the case of taking responsibility for my own learning- which I have done all my life. I spent hours preparing using the internet and social media, like YouTube and in so doing I became more confident in meeting the challenges that academia threw at me. So hard work,

being inventive and relying on your own strengths helped me a lot.”, (Q/Le:1). Patrick also attributes his learning through a combination of self-efficacy, with the help of mentoring from colleagues in an informal arrangement, to the use of social media: learning the new processes and procedures was very daunting, however, I found my way by applying myself to the demands of the job. But I am still daunted by the amount of research that is required of academics – intimidating... but I am getting there with help from my friends that I have befriended within our department. So, a combination of informal mentoring and my own strong work ethic helped me through. I cannot speak more highly of my mentors, who have helped me whenever I needed help or assistance. We created a support group using WhatsApp and it’s just such a help in helping me navigate the rough seas of academia. Time is a precious commodity and WhatsApp offers a respite from busy and sometimes chaotic lives of academics; work overload can be very demanding, especially with all the assessments and marking that is required. Advice is only a text or call away.” (Q/P:1).

Still, further, Chantal reports on her own self- efficacy initiatives with informal support structures offered by a WhatsApp chat group as the driving forces behind her integration into the university: “Being a young lecturer, the major challenge was experience, how do I relate content to the business environment, how do I bring in applicable examples that students can relate to. I soon realized it was all linked to knowledge, I need to be prepared not only for the theoretical aspect, but for the actual business environment as well. I had to do a lot of more research, reading, understanding and linking. I decided to actively keep on learning, so whenever there is a workshop, course, summit, conference- I would do my best to attend and this has been my best decision, I have gained so much more experience, knowledge and started to create my own network by hooking up with both senior and novice lecturers via a WhatsApp group chat.” (Q/Ch:1).

Jon(Q/Jo:1) also meditates similar musings by adding crucially that in the absence of any form of mentoring and left to his devices due to the isolating experience of being an academic, propelled him into taking responsibility for his own learning aided by Social media: “Being a young lecturer, the major challenge was getting over my introverted nature, but I suppose academic life, as I experienced thus far, is a lonely, isolating experience. So, this ironically suited my personality type perfectly. Left to my own devices, in the absence of any form of mentoring, I took responsibility for my own learning. I made use of the internet, scoured Blogs on best practices, listen to TED Talks and learnt a lot from YouTube. I soon realized that social media is of great help and since then, I have not looked back. Also, I had to do a lot of more research, taking the initiative to make my lessons relevant and interesting for my students. I also attended workshops whenever I could because sometimes, they are scheduled during lesson time, making it difficult to attend.” (Q/Jo:1).

These thoughts are also affirmed by Mark: “I think the main difficulty is getting used to a new system and ways of doing things. New academics are also not entirely familiar with the research process and supervision and what it entails. I have navigated my way by attending workshops, speaking with a mentor about research and co-supervising. I also had to draw on various resources like the internet, like YouTube to help in my development as an academic. Online blogs of research writing also helped in filling in the gaps especially on how to present a paper.” (Q/Mar:1).

The results presented provide new insights into how new faculty are socialised into academia. Lost, out of place, and alone, these neophytes have integrated into academia by

seeking help from their more experienced colleagues in an informal mentoring program organised by their own devices or by taking charge of their own learning through self-directed initiatives (Zimmerman, 2002) and nous; and finally, by taking advantage of various social media platforms, notably YouTube and WhatsApp messaging services. As this research shows, WhatsApp groups can be formed around specific topics or principles, and members can share resources, ask questions, interrogate praxis, and participate in conversations related to their area of interest (Chigona, Chigona & Kausa, 2018). The widespread use of the Internet, and more specifically, advancements in technology with the inception of the Age of Technology (the Fourth Industrial Revolution (4IR)), have culminated in a substantial shift in the way individuals interact with developing technologies, including mentoring practices (Single & Single, 2005).

Indeed, these newcomers were able to adapt and change, not only via the application of skills acquired in previous employment at other institutions or as temporary staff at the university but also through a combination of intuition and the assistance of various social media platforms. The data analysis indicates the fundamental role of social media in the social learning of neophytes, which is substantial and maybe all-defining. Electronic or digital mentoring, informally referred to as e-mentoring (VCops), has gained in popularity in recent times and unveils novel opportunities for investigating the complexities of modern faculty socialisation in academia (Mullen, 2016). With the current COVID-19 outbreak and its impositions and ramifications of personal distancing, vCoP delivers a viable alternative to traditional mentoring methods, echoing the thoughts of researchers who argue that mentoring during the coronavirus pandemic has been dramatically altered (Nocco et al., 2021).

Limitations of the study

While electronic mentoring and social media have the potential to be "game changers" in higher education, this is a small-scale study. Further research could investigate how social media platforms could be used by novices in changing the colonial narratives still predominant in higher education institutes (HEI's).

Conclusion

This study found that neophytes become academics primarily through informal learning experiences mediated mostly through social media platforms (SMPs)—along with a good dose of intuition and a variety of coping methods. Informal communities of practice (VCops) appear to operate on an almost invisible level, in that they are not formal arrangements, but rather a collection of new faculty and experienced colleagues working together to achieve mutual and individual goals in a mutually beneficial "arrangement." These experiences may have aided their integration into academia by permitting them to participate in a community of practice, albeit a virtual community that Lave and Wenger (1991) would define as "legitimate periphery participation" (ibid). The findings shed light on how neophytes are socialised in academia. Institutions and/or universities would benefit from encouraging such socialising strategies. Indeed, with a clear framework and institutional support, virtual communities of practice (VCoP) can give multiple opportunities for faculty advancement (Sherer, Shea & Kristensen, 2003). Arguably, neophytes' use of technology has created new groundwork in the prevailing and existing discourse about new academics' mentoring activities. Indeed, social learning through

WhatsApp, due to its adaptability and versatility is a valuable weapon in the armoury of neophytes in their efforts to assimilate into the academe by providing an alternative form of mentoring and as a repository of support services. Experienced faculty members can appropriate WhatsApp to mentor and give advice to novice colleagues, especially in the areas of pedagogy and curriculum development (Smit, 2020). This can be particularly helpful for those who are just starting out on their travails through academia and may not have access to formal mentoring programs or support structures. These digital platforms and/or spaces offer new perspectives on mentorship practices as we know them.

The widespread adoption of the Internet, the Fourth Industrial Revolution or 4IR, and a plethora of social media platforms, have all resulted in a significant shift in the way we interact with emerging technologies, including mentoring (Single & Single, 2005). Indeed, the WhatsApp application has emerged as a viable option for learning and teaching (Cansoy, 2017). Additionally, previous studies suggest that informal approaches are extensively used by faculty (Jennings & Wargnier, 2011). Pause and we miss a plethora of opportunities to embrace the future of mentoring. According to the study, when novices actively seek out peers and discover novel techniques to interact with academia, they take ownership for their own social learning and immerse themselves in the delight of self-discovery. Adding impetus to adoption of electronic mentoring, the distinction between educator preparation and ongoing educator professional growth has also become blurred in the current COVID-19 context (Darling-Hammond & Hyler, 2020). Surely electronic mentoring with its multi fold advantages could offer pathways to new and exciting opportunities for mentoring in the digital age and more so, in advancing decolonisation and advancing social learning in Africa.

The study recommends an extensive institutional discussion of the conceptual issues behind e-mentoring as well as its benefits for both institutions and novices alike. Instead, it is of the utmost importance that "...novices and department heads ought to utilise these networks in order to thrive in the face of a rapidly changing world that affects the workplace" (Darwin & Palmer, 2009, p.126). Furthermore, institutions should recognize, value, and promote the establishment of robust online communities of practice (McLoughlin et al., 2018). Indeed, social media mentoring, particularly via WhatsApp, has the capacity to advance decolonisation and build an inclusive and equitable learning environment in higher education in Africa (Brennan & Duraisingh, 2018). This collaborative approach empowers students to challenge the status quo and effect positive change in their communities. Moreover, social learning has significant implications for higher education in Africa as it can help bridge the digital divide and enhance access to education. Embracing social media mentoring and social learning can transform the way knowledge is produced and disseminated in African higher education institutions, ultimately leading to a more inclusive and equitable learning environment. It has been tacitly opined that universities are fertile grounds for effecting the emancipatory decolonial turn (Maldonado-Torres, 2011). Mentoring via Social media platforms are well positioned to achieve this end goal.

It should be noted that the first artificial intelligence teaching assistant, "Jill Watson", with an accuracy rate of 97%, has been successfully applied at a South African university to assist students to better understand engineering concepts (Pillay, Maharaj & Van Eeden, 2018). As a touchstone of the impact of the 4th industrial revolution has already had on

higher education, with such leaps in technology, the advent of an artificial intelligence (AI) mentor is surely upon us.

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LEADERSHIP AND ETHICS IN THE SOUTH AFRICAN PUBLIC SECTOR: ETHICAL AND LEADERSHIP CHALLENGES

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Abstract: This paper analysis the leadership and ethical challenges facing South African public sector including municipalities. Generally, the South African public sector is grappling with service delivery challenges. On top of the public service crisis discourse there is a huge complain about the ethical challenges facing leadership in all the three spheres of government. The South African government sector has turned into a haven for bad management. This has resulted to unmet service delivery to residents of South Africa. This paper is conceptual in approach, and it contends that despite numerous factors affecting service delivery, one major cause that has been overlooked is the failure of the public sector officials to uphold moral principles when performing public duties in their offices. The paper conclude that the current South African sector requires ethically grounded leaders in order to achieve a stable service delivery system compatible with the South African citizenry and their satisfaction.

Keywords: Corruption, Ethics, Ethical leadership, Leadership, Service delivery, Public sector

Introduction

The South African government established mechanisms for preventing unethical practices within its administrative systems. Various oversight institutions still exist to oversee the implementation and monitoring of ethical compliance and practices in the public sector. The Office of the Public Protector exists mostly to ensure a better public administration and investigate any form of unethical and maladministration of public resources. Thus far we have only witnessed the ineffectiveness of the mechanisms in use by government to combat corruption and maladministration which emanate because of unethical leadership within the government institutions. We long lamented the needs to establish efficient whistleblowing mechanisms to prevent corruption and encouraging public managers to act morally when serving the public. But all in vain, only little or no progress is achieved through the existing mechanisms. The question that needs to be addressed in this paper is: How can ethical leadership within the South African sector be improved or assured? In answering this question, the paper is structured as follows: 1) Conceptualizing leadership and Ethics, 2) The concept of Ethical Leadership, 3) South Africa and the Ethical Background, 4) Ethical Leadership in the South African Public Sector Context, 5) Impact of Unethical Leadership on Service Delivery and 6) Improving Ethical Leadership in the South African public sector.

Conceptualising leadership and ethics

The biggest challenge facing the South African local government and the public sector in general is ethical leadership (Mbandlwa, Dorosamy & Fagbadebo, 2020). Leadership itself as a concept cannot be exercised without some form of moral adherence and commitment. While many scholars are agreeing on the definition of leadership, many argue that the concept is complex (Dike, Odiwe & Ehujor, 2015). Some argues that there are as many definitions of leadership as there are persons who attempted to define the concept (bophoris & Vorria, n.d:1). It can be argued that the concept leadership itself imply ethics. Leadership entails characteristics such as integrity, vision, toughness, decisiveness, trust, commitment, selflessness, creativity, risk taking, communication and visibility (Wajdi, 2017). Of utmost important in the character of a leaders, is integrity, trust, selflessness and commitment which are highly moral characters required of a leader. Leaders are therefore naturally expected to be morally grounded individuals. Leadership cannot be effective, unless the leader displays some moral characteristics. While the concept ethics is a culturally loaded word (Sebola, 2014), the word generally refers to an individual understanding of what is morally or ethically acceptable as wrong or right. According to Nicolaides & Duho (2019), “ethics is generally a collection of principles or standards of expected human conduct that govern the behaviours and guide the decision making of all individuals as well as groupings of people”. Leadership and ethics are essentially two sides of the same coin, the same way as ethics and public service principles are essentially the body and soul of public administration (Nicolaides & Duho, 2019:1715). Leadership is an essential element to improve and uphold honesty and professionalism in the South African local government (Poter, 2009; Schneider, 2009). Therefore, leading without moral consciousness is an indictment to good governance hoped for by the South African government. It is believed that leadership is about achieving collective interests for the entire society (Fagbadebo, 2021).

What is ethical leadership?

Ethical leadership refers to a style of leadership that incorporates moral principles, integrity, and fairness in decision-making and actions (Mihelic, 2010). Ethical leaders are individuals who prioritize the well-being and interests of their followers, while also considering the broader impact on society as a whole (Sabir, 2021). The concept ethical leadership is gaining momentum in both public administration and management literature. Ethical leadership also refers to when business leaders demonstrate appropriate conduct in accordance with recognised principles and values ,both inside and outside of the office (Darby,2023:1). The scholarly interest in ethical leadership is probably influenced by the raging unethical conduct of leadership both politically and administratively within the three spheres of government, the public agencies and the public service as a whole. According to Porter, Webb, Prenzler, and Gill (2015), ethical leaders may convert organisation from a group of people with similar values into an organisation that promotes and inspires value systems, sets standards, reinforces performance, and responds to issues. Ethical leadership is likely to be characterised by elements such as accountability, transparency, honesty, integrity and selflessness. Lack or absence of ethical leadership can adversely affect the delivery of goods and services to the public.

Raga and Taylor (2005) proposed that public officials should be indoctrinated with attitudes and virtues for guiding human conduct since the public sector presented numerous

testing situations due to its diversity and that such legislation and the proliferation of ethical codes of conduct would still be unlikely to put unethical behavior to an end (Raga & Taylor, 2005). Government officials are therefore, required to uphold a high degree of professional ethics in discharging their responsibilities. Both the Mandela and the Thabo Mbeki administrations never attracted public outcry about unethical public administration (Sebola, 2014). Only the Zuma administration and the Ramaphosa administration have attracted such attention (Sebola, 2023), although Ramaphosa appears to be a man trying to clean it. In South Africa a case in point is that of President Jacob Zuma who served as the President of South Africa from 2009 to 2018. His tenure was marred by numerous allegations of corruption and mismanagement. During his presidency, there were several high-profile corruption scandals, including the controversial arms deal, the Nkandla scandal, and allegations of state capture involving the Gupta family (Shava & Mazenda, 2021). These incidents raised serious questions about ethical governance and accountability in South Africa's public administration.

President Ramaphosa assumed office with a promise to address corruption and improve governance (Shava & Mazenda, 2021). However, progress in holding individuals accountable and bringing about systemic change has been slow and challenging. Neither did he show a good character of an angel through the Phalaphala scandal, which many believe is likely to follow him after his presidential tenure. South Africa's public administration is in a state of difficulty due to prevalence of unethical and corrupt behavior among those holding public office (Dorasamy, 2013). This pandemic hinders government agencies' ability to deliver services to the public effectively and efficiently. Numerous challenges, such as a lack of accountability, openness, and efficiency, characterise the South African public administration (Dorasamy, 2013). Systems for government public procurement have developed into a haven for fraud and corruption in which those protecting government resources get fired, while those misusing it are kept in the system.

South Africa and the ethical background

When compared to the time of apartheid, the ethics and governance frameworks in South Africa's public sector underwent significant changes. During the apartheid era, which lasted from 1948 to 1994, racial segregation and inequality were enforced by a discriminatory and an oppressive system (Nowak, 2005). The government's main priorities during apartheid were to maintain power and uphold laws that encouraged racial discrimination (African Union, 2018). Instead of encouraging openness, accountability, and the interests of the entire population, ethics and governance frameworks were frequently used to advance the objectives of the apartheid regime (African Union, 2018). The government suppressed dissent and opposition, had broad powers, and few checks and balances. However, there was a dramatic change in the ethical and governance structures in the public sector following the end of apartheid and the formation of a democratic government in 1994 (Habib, 1999). The African National Congress (ANC)-led new administration acknowledged the need for a thorough transition to overcome the apartheid legacy and advance democratic ideals, openness, and accountability (Adetiba, 2018).

The stability, peace, and security of the nation are seriously threatened by unethical activity in the public sector in South Africa (Singh, 2022). It may seem the war against corruption and ethical practices within the South African public service is far from over. If allowed to continue at its rate, there will be no stable government in the future. A number of studies

done on this topic recommended that a substantial and effective action is required to get public employees to stop breaking the law and instead handle every situation with honesty and integrity (Stephen, 1999). Public authorities in South Africa have a huge responsibility of dealing and exposing unethical commercial practices within the government system (Stephen, 1999). Masiapata (2007) said that unethical behavior, corrupt practices and lack of accountability have created ethical crisis within the South African public administration. The prevalence of this unethical leadership practices in the public sector results in lack of public trust. In order to maintain public trust, the public administrators need to uphold the law, and ensure prevalence of justice within the communities (Stone, 2004). Currently there is visible lack of trust by communities to public officials and politicians, as the people they serve. Public servants' ethical conduct contributes to building and sustaining that trust.

South Africa in its efforts to strengthen national integrity and combat corruption, the country implemented a number of laws and established democratic institutions as important protective barriers (Pillay, 2004). Such include Public Protectors Office, Special Investigation Units, The Hawks and others. However, all these institutions are often vulnerable to being weaponised by ruling elite. There is limitation to the effectiveness of these institutions in guarding against democracy and the prevalence of corruption (Sebola, 2012, Kgobe, 2022).

It may be argued that the widespread of corruption, moral relativism, and moral contextualization of the apartheid regime still plagued the diverse and multicultural society of South Africa (Hilliard & Ferreira, 2001). At some corners of the discussions, South Africans are of opinion that the security system of the whites was in even better in combating crime and corruption, than the current system. Several ethics and governance measures relating to international and national frameworks were adopted to meet the needs of the nation, particularly the public sector (Malunga, 2014). But in vain, they remain ineffectively implemented. Therefore, achieving nothing in return. These measures (policies, legislative and regulatory frameworks) are made up of the important institutions, industries, laws, customs, and particular mechanisms that work together to improve good governance. And yet, they remain fancy policy documents to boast about than, being correctly implemented.

Ethical leadership in the South African public sector

The image of South African public sector and their municipalities are currently ravaged by ethical problems at the leadership level of the organisation. The municipalities were said to be failing to deliver in areas of infrastructure and the basic needs (Ngqwala & Ballard, 2020). Although scholarly literature, specifically focused on corruption and its different forms, but the major factor or a cause of it is lack of ethical leadership by those in position of authority. Senior municipal officials, public officials and politicians are mostly the one listed in unscrupulous procurement processes. Unethical leadership is responsible for a number of community protests in the country. Numerous municipality residents have taken to the streets complaints about corruption which resulted into lack of services in housing, health, infrastructure and electricity (Bonga, 2021). Although numerous studies were previously done to determine the effects of corruption and leadership on governance (Naidoo, 2012), the scourge of corruption continue, while the leadership of municipalities and the South African public sector continue under the guise of unethical leaders and managers. Even though ethics has received a lot of research, ethical leadership has received

a lot less focus. As a result, a number of African nations have seen widespread corruption and mismanagement of public resources. In this this paper, we argue that leadership is mostly responsible for such behavior. Speaking to attendees at the Serious Social Investing Conference 2016 in South Africa, Chief Justice Mogoeng Mogoeng stressed the necessity for appointment and nomination of moral leaders who are free from corruption (Nicolaides, 2016). This opinion was mostly ascribed to South Africa's resounding constitutional decision. South Africa regularly experiences leadership crisis in a number of its agencies (Nicolaides, 2016). The crisis at Eskom, Transnet, and other government agency organisations is sufficient evidence. There is currently no significant satisfactory service offered to the majority of the citizens. Corruption has had a detrimental impact on the country's economy and has hindered social development (Dorasamy, 2013), and the root cause of it remain unknown and uncontrolled as those practicing it claim to be uprooting it. African political leaders continue to display arrogance and deceptive liars who fails to implement constitutional provisions they have signed an oath for (Sebola, 2014). Ethical and moral consciousnesses by public officials, municipal officials and politicians at all levels have become a pretentious act. It can be argued that a government which is ethically conscious is highly unlikely to be captured by corrupt individuals through bribes or other unlawful favours.

Numerous cases of unethical conduct received publicity through both mass and print media. The high level of unethical behavior involves both politicians and the senior government officials (Cheteni & Shindika, 2017). Former Mineral Resources Minister Mosebenzi Zwane was charged for fraud and corruption. Charges related to the R280-million worth of a project (Corruption Watch, 2022). Ace Magashule, a Senior ANC politician was suspended as Secretary-General of the African National Congress in 2021 after he was charged with multiple counts of corruption, money laundering and fraud. Khomotso Phahlane, a Former top cop and Crime Intelligence general was nailed in R54m corruption scandal. The National Police Commissioner Khehla Sithole confirmed that Two Hundred and fifty Police officers were arrested in connection with hundred and seventy-eight (178) corruption cases as part of a "Clean-up Operation". Ironically, most corruption cases involves senior public officials who were supposed to protect, maintain and enforce law. The number of reported cases against the South African top officials including the law enforcement officers clearly indicate the level of unethical behavior of the individual entrusted with monitoring and maintenance of the law.

The impact of unethical leadership on quality of service delivery

Unethical leadership contribute negatively to the quality of services delivery. Cases of favouritism and nepotism are a major concern. According to Hanekom, Rowland and Bain (1995), nepotism includes the practice of elevating friends or family members into senior public positions without taking their qualifications into account. Nepotism disregards the principle of fairness because unqualified candidates are hired for positions just because they know the right person in the hierarchy of the organisation and that disregards the principle of fairness (Hanekom, Rowland & Bain, 1995). Due to some employed officials' inability to do their jobs well, nepotism and favoritism have an impact on the level of service delivery. (Hanekom, Rowland & Bain, 1995). Due to some employed officials' inability to do their jobs well, nepotism and favoritism have an impact on the level of service delivery.

Secondly, unethical practices led to misuse of resources and corruption. Numerous government departments as well as their Local government were seen with high level of maladministration (Matsiliza, 2013). Some funds are inappropriately allocated to projects which does not exist (Cameron, 2003). Residents of South Africa has also taken their complaints to the streets and confront both local and provincial government on the poor level of service delivery (Akinboade, Mokwena & Kinck, 2014). The reality of the public sector today is that, in contrast to the past, it is currently judged on how effectively it delivers services to the public. Today's citizens have higher expectations of service levels because they are more aware of their rights, have better access to information about public services. Powerful government officials frequently divert funds away from development initiatives which ultimately results in poverty, underdevelopment, and inequality. Unethical leadership has been widely acknowledged as a barrier to effective societal development. Lack of such control led to growth in corruption in which public officials ignore effective internal controls and create moral decay. Maladministration and poor service in public administration has reached unprecedented levels, leading to inefficiencies in the bureaucracy.

There is a greater need than ever for transparency and accountability to help citizens understand how public funds are managed and spent, how decisions are made and why they are made, and the data and information used to support those decisions (International Federation of Accountants, 2022). Accountability and transparency are the corner stone of democracy and successful government. When leaders are unethical, they often evade accountability for their actions, and they act above the constitutional supremacy. This sets a poor example for the rest of the public administration organisational structure and creates a culture where responsibility is not valued (Juarez-Garcia, 2020). Without accountability, there is little motivation to improve quality service or address issues of national importance that arise. Lack of accountability is becoming synonymous with South African public sector and their municipalities. There is too much administrative failures and regression in the supply chain management processes (Shava & Mazenda, 2021).

Improving ethical leadership in the south african public sector

For the public sector to improve, ethical leadership, which is linked to effective leadership and good governance, is typically a requirement. Controlling unethical behaviors, such as corruption and bad governance, is becoming more and more necessary (Whitton, 2001). Public sector executives must conduct themselves in a way that best benefits the public office. Citizens put their faith in those chosen to represent them, but if those chosen act dishonestly and unethically, the public begin to lose trust in them (Mhlauli, 2020).

South Africans no longer have faith or confidence in those in charge of the public sector because of the inappropriate manner that the leaders conduct themselves. This is one of the most concerning and destructive acts to good public administration system. It is not disputable that corruption is a cancerous symptom that hurts the nation's economic development (Van Wyk-Khosa & Mpani, 2023). It violates democratic principles as enshrined in our constitution and has a detrimental effect on providing services to the general public at large (Van Wyk-Khosa & Mpani, 2023). It is against the principles of good governance and economic growth and the public scarce resources are directed to specific pockets, which threatens the social, economic, and human development (Mhlauli, 2022). People lose faith in government when they do not receive what is rightfully theirs

due to corruption (Indgreen, 2004). Investors will not want to invest in a country where corruption is prevalent, and governance systems are compromised (Mhlauli, 2022). Additionally, it is important to realise that corruption affects not only the public sector but also the private sector and other industries.

The purpose of conformity to ethics in public administration is to control the irrational behavior of civil servants, to promote a sense of administrative responsibility and to develop and advance good will towards the government among the populace (Fejzullahu & Batalli, 2019). Over the last few years, South Africa has been at the top of the ladder regarding unethical behaviour which involves top public officials. Without rules and regulations that direct their moral worth, public officials cannot act as agents of their respective states. Without morals, principles and values, there will be no meaning to the purpose of public administration (Singo, 2018). Ethical behavior in the public sector is very important because the state has the authority to seek obedience from individuals and oblige them to act in certain ways (Meguid, 2011). Thus, obligations not only need to emanate from a public official's responsibility for the administration, but they must also come from legal obligations which, for all public employees, must be primary consideration (Meguid, 2011).

According to Esau (2019), "panelists should start asking applicants for jobs across the board about ethical challenges they have faced in the past and how they handled them in order to assess their ethical competence". Political consideration in the appointment of officials should not be at the expense of effective public administration. The security and ethical checks should not only be required in the security and intelligence agencies only, but the methods should also strictly be applied in the public sector appointments. This will help to determine the ethical characteristics that the candidate possess. Buyer (2021) mentioned that "ethical principles like beneficence, nonmaleficence, veracity, justice, fidelity, and equality should be used by public sector leaders". The principle of moral responsibility is embedded in acting in the best interest of others. Beneficence demonstrates the public officials 's obligation to promote the citizens' welfare (Beauchamp, 2008). Additionally, Buye (2021) described "authentic leadership as a new distinct leadership type with positive traits based on ethical standards and principles". Haq (2011), also revealed the need for a range of abilities that moral leadership should display, such as social, technical, conceptual, interpersonal and emotional intelligence. Leaders are likely to be transparent and accountable if they are becoming receptive and effective. The executive's emotional intelligence keeps them from making unethical, and emotionally biased decisions. Crews (2015) further emphasized, integrity, and role modeling as a good requirement for the public sector leadership. Brown and Trevino (2006) revealed what they called the "moral manager" dimension as significant for public sector leadership to achieve public service delivery. Although the concepts of transformational, spiritual, and authentic leadership all included a moral component, ethical leadership had a unique application to this moral dimension.

Conclusion

This paper engaged on one of the most critical areas of public administration (leadership), which though critical but is receiving less attention and creative solution. Although unethical leadership is reported by both print and mass media across the globe, a solution to it remain unresolved mainly because this problem affects both politician and senior

government officials, who are supposed to uphold the moral standards. Corrective actions are rarely taken to resolve such abnormalities, in the sector, unless meant to achieve punitive political non allegiance. While unethical leadership in the South African public sector remain a problem, a solution might not be achieved unless those in political leadership and senior positions of government are made to face the might of the law. The punitive Constitutional application cannot be to a select few, but to all who should uphold it.

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ENGAGING COMMUNITY PERSPECTIVES IN SOUTH AFRICA: EVALUATING PUBLIC PARTICIPATION IN THE EXPROPRIATION OF LAND WITHOUT COMPENSATION BILL

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Abstract: The post-1994 era in the South African public imagination was envisaged to herald widespread and transformative efforts to reverse the gross injustices and human rights violations inflicted over many decades of apartheid and colonialism. One of the key measures initiated by the democratic government to drive this nation building project was the land reform programme. The 'land question', which is a popular tagline in South Africa when reference is made to land reform, has come to define the general discourse of socioeconomic disadvantage and change in the post-apartheid and post-colonial period – similarly to other former settler colonies in the African continent and the broader Global South. For South Africa though, this specific issue has been characterised by numerous challenges and failures largely at the level of the state, wherein a significant lack of public engagement, public participation and democratic redistribution was not being done according to 'the will of the people'. On several occasions, the South African state has gone on a 'solo crusade' to implement the land reform programme under complex conditions that are largely unfavoured by ordinary people 'on the ground' – especially those who were the primary victims of land dispossession under colonialism and apartheid. As a result, over the past few years, indigenous black communities across the country especially in (semi)urban and township areas have voluntarily 'occupied' land at their own will and sometimes 'illegally', to take up settlement space and determine their lives on the land of their birth. Beyond the public discourse of 'land invasions' and 'failed land reform projects', this study was conducted to closely understand the extent to which public engagement and participation has been integral in the systematic mechanism(s) to transform the patterns of land ownership and control in the democratic South Africa. To do this, the site of KwaZakhele, Silvertown, in Port Elizabeth was selected to conduct the study. Methodologically, qualitative semi-structured interviews were utilised to conduct the study and the Marxist Concept of Citizenship was selected as a theoretical framework for the study by the researcher. The study has found that, amongst the general legislative and political shortfalls of public participation breakdown, there are other deep seated structural socioeconomic issues that are at the root of the problem – such as economic inequalities and very low prospects of social mobility – which collectively reproduce the persistent inadequacies of political instability and social unrest in the area. The study recommends an astute combination of 'bottom-up' active citizenship and major socioeconomic transformation in the area as a systematic and structural mechanism to empower the community of Silvertown to be the champion of its own liberation struggle for the freedom of its people to own land and democratically participate in their own governance, self-determination, and prosperity.

Keywords: Apartheid, Colonialism, Expropriation, Kwazakhele, Land Reform

Introduction

The purpose of this study is to closely examine the participation of the citizenry in the processes of developing Parliamentary Bills into law in South Africa with a specific

reference to the recently developed Bill that is concerned with the process of land expropriation without compensation. To be clear upfront, the study is mainly concerned about the constitutional process of public participation in the development and implementation of the land reform programme in South Africa, focusing particularly on the local community of Silvertown, KwaZakhele, in Port Elizabeth, on how it has publicly engaged and perceived the recent attempts made by the South African government to interface directly with communities in the development and envisaged implementation of this Land Bill. The ‘land question’ in post-1994 South Africa has been an ongoing subject that remains unresolved and possibly the major source of opinion disequilibrium on the social fabric and public imagination of the country (Kepe and Ntsebenza, 2012). This view could not be captured more accurately than the recent utterances by Kepe and Hall (2018) who expressed that the ‘land debate’ in South Africa is “a metaphor and symbol of economic disenfranchisement ... and the failure of the ruling African National Congress (ANC) to bring about economic freedom or even decolonisation”. Such statements and other related opinions expressed publicly about the country’s ‘land question’ have also relatively informed the dominant approach that the subject has tended to take – which is usually concentrated on the racial, gendered and finalisation outcomes of the debate that can be quantified into percentages and hectares (Hall and Kepe, 2016), at the expense of other related matters that could be as important – such as the key constitutional parameters of democratic engagement and commitment that could be as key, if not more, in driving the public legitimacy of the process.

South Africa is a constitutional democracy that operates within a rule of law that is embedded on universal basic human rights (Mandela, 1996). Part of this constitutional architecture entails a clear structuring of different arms of the state with independent Chapter Nine institutions operating around them as ‘guardianships’, the three levels of government, an independent judiciary, an independent free media, and strong citizenship rights such as the right to freedom of expression, assembly, privacy, association, and to regularly and freely choose a government (Mtshali, 2016: 12).

Research Methodology and Design

The study took on a qualitative method orientation where people’s opinions, actions, thoughts, historical memories, and contemporary aspirations had to be collectively comprehended by the researcher to make sense of the political setting at hand (Ospina, 2004: 3). Importantly, the researcher conducts this study as a young community activist who comes from Silvertown - who is also born, raised, and educated by the indigenous black people of this working-class community. These social characteristics that the researcher shares with the community of Silvertown provided an easy-going accessibility, trust, and reliability into this community to do the study (Malinowski, 1922). South Africa’s COVID-19 ‘lockdown’ strategy was thus viewed by the global community as one of the ‘strictest’ measures ever applied in light of the extent to which the virus was spreading in the country (Cameron, 2020) – recording as high as 20 000 infections per day, with over 30 000 deaths, and a low recovery rate below 80% as of 11 January 2021. As a result, the researcher was compelled to conduct individual telephonic interviews with a total of 10 participants who all participated comprehensively in the study to a point where rapport was already being established with just the 6th participant, given the commonality of the subject to the participants and the aspirations they all share as a group about it

(Opdenakker, 2006: 23). The open-ended nature of the questions and the overall conversation also allowed the researcher to ask follow-up questions to establish further clarity on an issue (Ann, 2013:15). Using the telephone device as a research tool proved to be economically efficient and accessible to every participant irrespective of their socioeconomic backgrounds (Cachia and Millward, 2011). Mobile telephones in South Africa are affordable and easily accessible to every class bracket in society and there is significant infrastructure network provision across all kinds of communities. The social characteristics of the country allowed the research study to be equitably conducted under COVID-19 conditions successfully.

Data Analysis and Interpretation

To analyse and interpret the data, the researcher utilised narrative themes which were categorised according to each research question (Mzileni, 2018:11; Roberts, 2002:116-117). Primarily, the recorded telephonic interviews were transcribed into a written script for the researcher to first consolidate and compare their accuracy with the recordings. When this item was confirmed by the researcher, the transcripts were then categorised with coloured pens into different themes namely: blue for public participation, red for land reform challenges and aspirations, and then green for systematic and structural issues identified and explained by the participants (Ngulube, 2015: 23). The personal subjectivities, activist convictions, and the Marxist orientation of the researcher and the study were disclosed and practised as guiding frameworks in doing this kind of an activity including the interpretation of their meaning and analysis whilst the authenticity of the data presented was maintained. It is from this exercise as well where the researcher established similarities and saturation points in the interview transcripts of the participants – which is a related exercise as well that conveniently allowed the researcher to triangulate the data to affirm its validity (Chenail, 2012:1)

Central Research Question

This article is directed by the following article: What are the perspectives of community members regarding the aspect of public participation in the parliamentary public hearings of the Expropriation of Land without Compensation Bill conducted in Silvertown, KwaZakhele, Port Elizabeth?

Research Aims and Objectives

To understand the extent to which public participation is understood and practiced by the community members of Silvertown, Kwazakhele, Port Elizabeth in the development and envisaged implementation of public policy, such as the Land Expropriation without Compensation Bill. To identify and comprehend some of the structural barriers that may prevent or hinder the community members of Silvertown, KwaZakhele, Port Elizabeth from participating meaningfully in the public hearings of the Land Expropriation without Compensation Bill. To understand the socioeconomic meaning and significance of land reform to the community of Silvertown, KwaZakhele, Port Elizabeth.

Theoretical Framework

This study utilises the Marxist conception of Citizenship. For Marx, the notion of citizenship is embedded in the structural parameters of the society where it is obtained

especially the dominant class orientations of such a territory (Marx and Engels, 1976). In other words, although constitutions of states can guarantee citizenship status to every human being legally registered as per the state – the benefits that are attached to citizenship do not get to be expressed and enjoyed by every human being. Beyond human beings belonging to a state with human rights, the class forces of such a nation determine who gets to practice the actuality of what the constitution promises (Marx, 1875: 531 as cited by Macfarlane, 1982: 414). In addition, Marx also argues that the state as an organ belongs to the convictions of class rule and it operates and distributes privileges and sanctions towards citizens according to the class bracket that a particular person or group belongs to (Marx, 1983).

Drawing closer to the conceptualisation of this study, the legacy of apartheid continues to define the stratified patterns of life in the present day South African (Duncan, Stevens and Canham, 2014: 282). Due to the stringent racial, gendered, and class structures of the apartheid order, the post-apartheid society remains excessively identical to the social science analysis advanced by Marx. South Africa is divided according to class – which is also interrelated to race and gender as the dominant features of collective division amongst other factors such as geographic location and sexuality (Rehbein, 2018: 4). Black people generally including women and poor people, remain trapped on the margins of society without access to opportunities and decent livelihoods (Kepe and Hall, 2019). By extension, these social features of disadvantage also mark the extent of their powerlessness to exercise their citizenship rights in a fulfilling manner.

Therefore, to comprehend the actions and practices of the community of KwaZakhele in its engagement with the state through these land reform public hearings – I underscore the powerlessness they have endured through years of apartheid and post-apartheid disempowerment and the immateriality of their public opinions towards the state as a black working-class community. The country's constitution might have guaranteed them citizenship rights such as freedom to vote, speak, assemble, protest, write, influence, control, and own – however, these have largely eluded them over the past decades (Mubangizi, 2008:139).

To conclude this point, Classic Marxist terms also emphasise this argument when they underscore the concept of citizenship by proclaiming that the working-class must therefore organise and consistently 'revolt' against the bourgeoisie state in order to usher in a revolutionary moment characterised and biased towards the interests and aspiration of workers (Davidson, 2005). This theoretical framework, therefore, including the flexibilities it provides (Marxist anti-dogma thesis) necessitates that it becomes the closet framing to utilise in conducting the study.

Public Participation: Challenges and Prospects in the Composition of Public Policy

The practice of democratic participation and engagement in post-colonial and post-dictatorship societies receives significant attention as one of the salient features to define a breakthrough with the previous regime (William, 2006). In these societies, individual and collective rights to participate get emphasised as one of the key dividends of being in a free society. In this regard, the ushering in of new democratic governments in these contexts provides hope to citizens that the new dispensation will allow them to have liberty to say what they want and choose any trade they want to explore for the betterment of their lives, unlike in the previous regime where they were oppressed (Masango, 2002; Nyalunga

2006b). Consistent with these promises and ideals, these democratic governments get to develop and formalise public participation an important step within their policy making process, drawing largely from their traditions as grassroots organisations and activism in their liberation struggle against the previous regime.

The opposite effect though of these state mechanisms of public participation is that they tend to disempower the urgency of ordinary people and their communities. For instance, because public participation is made a formal government policy – it ends up becoming part of the overall bureaucratic machinery that is measured through ‘scorecards’ and ‘financial years (Masango, 2002:123). As a result, democratic governments find themselves prioritising other matters that concern market-related issues such as economic development, investments, and technical education and training at the expense of visiting working-class communities for comprehensive consultation and engagement (Waterhouse, 2015). Consequently, the practice of public participation gets relegated to be a ‘box-ticking’ exercise that gets done purely for compliance purposes without any tangible or transformative programmes in place that would inform practical changes to policy and people’s lives.

It is these patterns of institutionalisation and formalisation that make public participation become an ineffective instrument of governance that ordinary people do not seriously consider (Masango, 2002; Sebola, 2017). By extension, these communities then get to reorganise themselves back to their horizontal, flat, informal, and free spaces of political engagement to self-determine their own structure of public participation (Greenberg, 2006; Masango, 2002:54). These alternative platforms of organising tend to take on numerous forms of structure – such as protest movements, blogs, social media #hashtag campaigns, and ‘illegal’ occupations and invasions (Coelho and Von Lieres, 2010). The recent international outbreak of protest movements such as #FeesMustFall and #OccupyWallStreet are some of the living examples where people choose to ignore formal and institutionalised platforms of engagement to rather form their own spaces to challenge the status quo.

The participation of the people of Silvertown KwaZakhele, as this study will show and contribute, entails an optimised combination of self-determined organising principles of free community activism using established and formalised platforms like public hearings to advance their own interests in their own terms.

Critique of the ‘Top-Down’ approach in Public Participation

Government officials sometimes confuse the speeches that they read out to community members as meaningful participation, however, when there are no clear efforts to allow members of the public to express their opinions that cannot be regarded as meaningful public participation. As a follow up on the political thought of Jean-Jacques Rousseau, Pateman (1970) considers other theories of democracy as favouring elite and pluralist theories and he adds that "active participation allows citizens to self-develop, as well as engendering positive psychological benefits, including feelings of political efficacy. According to Mattila (2017: 26); Urbinati 2005: 208), Representation makes political deliberation public and subject to the judgement of all. A critique of pluralist theories by Hilmer (2010: 49) reveals that they perceive citizenship and political participation in the form of voting, interest group membership and the private sector. In contending pluralist views, participatory democracy views public participation in a much broader sense. This,

therefore, means that participatory democracy has more benefits than the pluralist theories of democracy. Citizens, as this study argues, have the power to decide on policy proposals and public representatives assume the role of policy implementation (Aragones and Sanchez, 2008:67). In this case, public officials can be regarded as people that implement decisions that are proposed by the public. currently, the process of participation tends to be top-down where the government decides the proceedings and does not give power to citizens to control the event and leads to a perception that public participation is only a benefit not a right (Theron, Ceaser and Davids, 2007). This nullifies the elitist perception that once people are in government, they can act as untouchable rulers of the state. In response to this assertion, Cachalia (2018) argues that strategies that can improve "bottom-up" participation can be interpreted as reinforcing and strengthening representative government, this is done by providing representatives with information they would not have but which is paramount for effective decision. Furthermore, strategies that may assist public representatives to facilitate and promote public participation are also necessary for ensuring the participation of disadvantaged and under-resourced constituencies in decision-making.

Land Reform: The Nature of Land Challenge in Nelson Mandela Bay, Port Elizabeth

The inclusion of poor and landless people is crucial in land reform processes as this helps people understand the plans of the government better. In instances where people are left in the dark on the plans and progress of the land reform process, they tend to take matters into their own hands. The Herald (2018) reported that land invasions are on the rise in NMB and have left the municipality struggling to find a way of stopping them. People usually defend their decision for performing land invasions by stating that the challenge of poverty and inequality in their city began with the dispossession of their land by the apartheid government (Corrigan, 2018). It is important to note that Kwazakhele and other surrounding areas came into existence as a result of land dispossession. An estimated number of 60 000 black people were evicted from the Korsten area, and they settled in Kwazakkhele (Cherry, 2000:344). As one would expect, the construction of their new homes in Kwazakhele was of a low standard. To this effect, people that perform land invasion and occupations legitimise their actions by claiming that they are merely taking back their land. It appears, however, that there is a series of corruption in the land invasion processes in NMB as Nqaba Banga claimed that "We can't allow land invasions in our metro. The whole process has been hijacked by criminals who are selling land to the poor. Some of the ward committees are fleecing people of their hard-earned cash by selling land to them. We have that problem in Motherwell where land is being sold" (Chirume, 2018b).

Depoliticization of Land Reform in Port Elizabeth, Nelson Mandela Bay

The nature of land reform in Nelson Mandela is one that needs to be looked at in the lenses of humanity and not through the political lenses. The squatter problems should be looked at beyond the realm of politics instead, it should be seen as an urgent matter that needs to be resolved in the city. Since the 2016 local government elections, NMB has been benchmarked as a city of political instability (HeraldLive, 2020). The political instability mentioned here was also observed by the late Auditor-General, Kimi Makwethu during the 2018/2019 audit report where the city got its eight consecutive audit opinion. This section will show that the power struggles in the NMB council have withheld the processes of land

reform, and this has signalled a strong need to depoliticise land reform in the city for the greater good of improving the living conditions of the people. The political instability of the city council continues to play a leading role in worsening the lives of citizens and has a bearing in slowing down the pace of public hearing on the expropriation of land without compensation Bill in the city.

In this section, I argue that land reform can be viewed outside of the political realm by allowing citizens to express themselves about the way landlessness continues to have a negative bearing in their lives. The rise in service delivery protests is a resultant of the political instabilities that are currently taking place in NMB. Haynes (2001) believes that citizenship and participation are part of the fight for a fully democratic consolidated South Africa. This means that people must be allowed to express views about land reform processes in NMB and all communities should feel presented, and their views heard. The political chaos emerging from the city council should not affect the service delivery for poor citizens. People's perceptions become well-known when the public is actively involved and participates in community meetings that are organised by the government. Noting the dangers of politicising land reform, Ngcukaitobi (2019) argues that the voices of labour tenants and labour dwellers is suppressed in a way in both the African National Congress and the Economic Freedom Fighters manifestos, but they may be the most important people to help understand the dynamics of land in the country. This shows the danger of using land reform to settle political scores because crucial people in the discussion are left behind. As recommended by the presidential advisory panel on land reform (2019), the voices of the marginalised play a critical role in the expropriation of land without compensation debate and political parties should not side-line their opinions in their plans.

Community Perspectives of Land expropriation without compensation Bill in Kwazakhele Mabecua and Nojiyeza (2019) offer a diagnosis of the inception of the land expropriation without compensation debate, they argue that it is generally influenced by economic exclusion in form of poverty and unemployment, and inequality. when asked about their understanding of this policy, many participants argued that only expropriation can restore equality in South Africa. "Most people still see themselves as superior and inferior to others but if the land is expropriated [without compensation] everyone will be equal, and land will be shared equally"

This research participant perceives land expropriation without compensation as something that will further improve nation-building in South Africa. This means that, in his imagination, when the process of expropriation is done, the country will have a decreased rate of poverty and inequality as land will be shared equally among people. This shows that people have hope that once land has been expropriated, their current economic statuses will change for the better and it seems that this optimism is expected to happen overnight. A community leader in Kwazakhele took this further by stating that: "The only thing that can improve social cohesion is the expropriation of land because as community leaders we argued that the former Telkom Park stadium in Summerstrand [A suburb area in Port Elizabeth] should have been identified and people should be built houses there, where all races can stay together with any segregation".

This community leader offers an immediate solution to the conundrum of landlessness in his area by stating that they have deliberated that the land in the Summerstrand area should be expropriated so that they can be built houses there. This shows that there has not been a

thorough informative session to landless people in Port Elizabeth because the EFF, which is the party that tabled the motion to expropriate land without compensation, in its founding manifesto states that, "once the state is in control and custodianship of all land, those who are currently using the land or intend using the land in the immediate will apply for land-use licenses, which should be granted only when there is a purpose for the land being applied for" (Economic Freedom Fighters, 2014). The focus of the EFF, in this case, is agricultural land and its voice has not been heard when it comes to residential land for poor and landless people. On the other hand, Hendricks, Ntsebenza, and Helliker (2013:341) warn that the land question will never be fixed through renovations of shacks in urban slums or through the evictions of illegal land occupants from urban settings but rather there is a need for a new and different approach to resolving this conundrum. This approach of land evictions and the upgrading of shacks is currently taking place in different parts of South Africa, and it appears that it is still not the way to a successful transfer of land. "We must reimagine social cohesion to mean land reform because we can be happy [as different races] in a stadium but when we return home some return to the suburbs when some go to shacks."

This statement shows that people perceive land as something that will bring justice to them and their families, this participant states that it is unjust that people only talk about nation-building when watching sport and outside sport, the rich remain richer, and the poor remain poorer. In this case, the relationship between white and black people is hostile because of the lack of land on the part of black people. This further shows the dangers of not effectively communicating with constituents becomes a risk because people end up drawing their conclusions which may not be necessarily aligned with the intended policy.

Conclusion and Policy Recommendations

This study made the following findings and contributions of practice. Secondly, it refers to the everyday life findings that the study carried.

Firstly, the study has found that public participation as community principle has not been embraced in this area by both the local and national government. Citizenship participation in the construction of public life in this community is still limited to the general cycle of local and national elections.

Secondly, the elected leaders themselves from this area perceive their term of office in the government structures as a 'clear' mandate to implement policies and social programmes of their choosing without consulting regularly with citizens. In particular, the continuous reference to citizens as the 'electorate' reinforces the narrative that their sole duty is to solely elected leaders into government offices and then wait for service delivery. This 'top-down' approach of governance that is dominant in South Africa, which has been extensively critiqued in this study, obtains its ontological origins from this kind of framing and practice in exercising governance.

Thirdly, as a result of the existing gap between the government and the citizenry, communities have developed mistrust between themselves and the state which has led to numerous land invasions and land occupations done by members of this community in the recent past. These invasions have been attributed to a lack of development, opportunities, and land in the area which compels citizens to take matters into their own hands. This matter also reveals the diverse ways in which members of this community see the purpose of land – which is for purposes of food production, housing, and overall dignity.

Fourthly, this study has also showed that an economically disempowered community gets disabled of its citizenship rights to hold government accountable. The local government largely operates as an institution from the revenue it generates from the ratepayers in the area. In this instance, the unemployed class tends to be unable to competently settle their municipal accounts due to a lack of income. Politically, this deficit weakens their 'bargaining' power in determining how the local government operates and serves people in the area. In other words, the local government sphere tends to be held accountable by those who pay rates and reside in the developed suburbs of the city. These economic inequalities reveal the deep-seated structural issues that undermine the intentions of the Constitution and the universal frameworks of human rights and public participation.

Lastly, the low levels of education and training attainment in the area weaken the knowledge depth of some community members from understanding the Parliamentary processes of developing Bills and some etiquette required to engage in invited spaces of government. Consequently, this leaves room for some community members to be manipulated by numerous groups who have an interest in the outcomes of the land hearings such as NGOs and political parties.

This matter lies deep in the structure of the economy and the levels of disempowerment it has made people endure. As a result, people from these communities get faced with a desperate contrast between choosing an immediate meal to address their present-day hunger or to genuinely advance their aspirations to be liberated through a progressive land reform process that they would have fought for but which does not have guarantees in terms of the extent of its envisaged success by the state and the timelines required to have such resolutions truly realised in this community.

Recommendations of the Study

The study recommends three different kinds of practice suggestions and also three different kind of future research consideration.

Research – a study on a similar theme should be done using, firstly, various kind of theoretical frameworks that are both classical and recently invented – especially those that emanate from the context of Africa. It is useful to engage with African problems facing African people in their own language and concepts. Secondly, a comprehensive multidisciplinary study should be conducted in many Eastern Cape communities that are similar to Silvertown to understand more deeply the economic, cultural, social, political, religious, historical, medical, scientific, and intergenerational forces that all converge to shape the present-day structure of black life in black working-class communities that have a violent history of colonialism, apartheid, land dispossession, class exploitation, mass migrant labour systems, gender humiliation, race oppression, and the current levels of underdevelopment and poverty.

Practice – the study recommends, firstly, that the community members of Silverton, KwaZakhele, Port Elizabeth should form community organisations that will be led by themselves for purposes of advancing their common interests as a race, as a class, and as a community. These organisations should also establish collaborations with other similar organisation in Port Elizabeth, Eastern Cape, across the country and internationally. In addition, such organisations should also seek to form alliances with progressive NGOs and research institutions for purposes of anchoring their activism in factual information, basic

education and training, and legal assistance whenever a need arises to challenge the status quo in court.

Secondly, the study recommends that Parliament should explore and extend the reach of their public hearings to even more far-flung areas of working-class communities for public consultations.

including rural communities. This also entails a similar approach by local, provincial, and national government wherein they must anchor public participation as a mainstreamed practice that should be standardised for all kinds of programmes and policy initiatives between elections. In other words, the best possible government that would be suitable for South African communities is an activist government that sees citizens as informed drivers of their own lives.

Thirdly, the government in collaboration with all the relevant stakeholders mentioned in this research study must accelerate efforts to change the lives of ordinary people in Silvertown and in South Africa broadly. The levels of poverty, unemployment, and inequality need to be structurally transformed so that people can be empowered and liberated to change their own lives and their communities themselves as independent citizens who are free from all kinds of abuse, manipulation and coercion.

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HARNESSING ARTIFICIAL INTELLIGENCE FOR HUMAN RIGHTS PROTECTION: ADVANCING SUSTAINABLE PLASTIC WASTE RECYCLING IN NIGERIA

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Abstract: This paper explores the integration of artificial intelligence (AI) technologies with human rights considerations in plastic waste recycling, focusing on the context of Nigeria. Using an explanatory design and a basic review of the literature, it examines how AI can enhance human rights protection among workers in plastic waste recycling firms. The paper emphasizes the role of government policies and regulations in ensuring human rights protection, the need for ethical guidelines for AI use, and the potential of AI to improve worker safety and reduce environmental pollution in recycling facilities. Key recommendations for future research include enhancing AI capabilities for waste sorting, integrating Internet of Things (IoT) devices for real-time monitoring, and prioritizing ethics in AI development. Collaboration between stakeholders is identified as crucial, with multi-stakeholder partnerships and policy coherence essential for the effective implementation of AI technologies in plastic waste recycling. In conclusion, integrating AI with human rights considerations in plastic waste recycling is pivotal for enhancing efficiency, reducing pollution, and ensuring sustainable waste management practices. This paper contributes to the growing body of literature on AI and human rights in waste management, offering insights for policymakers, industry stakeholders, and researchers in Nigeria and beyond.

Keywords: artificial intelligence, human rights, plastic waste recycling, policy, ethics, IoT

Introduction

Plastic waste pollution is a pressing global issue, with significant environmental and human health impacts. Nigeria, like many other countries, faces challenges in managing plastic waste, exacerbated by limited resources and infrastructure. To address this challenge, there is a growing interest in leveraging artificial intelligence (AI) technologies to improve the efficiency and effectiveness of plastic waste recycling processes. However, the integration of AI in this context raises important ethical and human rights considerations that must be carefully addressed. This paper aims to explore the ethical guidelines for the use of AI in plastic waste recycling, the human rights issues associated with plastic waste recycling in Nigeria, and the integration of AI for human rights protection in waste management. Additionally, it will discuss the importance of multi-stakeholder partnerships in integrating AI with human rights considerations in waste management, the potential long-term consequences of implementing AI technologies in plastic waste recycling, and the policy and regulatory framework needed to support the ethical use of AI in this context. Through a conceptual framework, the paper will also examine how AI technologies can be used to promote human rights in Nigeria's plastic waste recycling sector. Finally, the paper will provide future directions and recommendations for research and development in this area, aiming to guide policymakers, researchers, and practitioners in leveraging AI for sustainable and ethical plastic waste management.

Plastic waste pollution is a global environmental challenge, with approximately 300 million tons of plastic waste generated annually worldwide (Jambeck et al., 2015). In Nigeria, plastic waste management is a significant issue due to the country's large population, rapid urbanization, and limited waste management infrastructure (Oduro-Appiah et al., 2018). The improper disposal of plastic waste has led to environmental degradation, health hazards, and economic losses (Nzeadibe et al., 2019). As such, there is a growing recognition of the need for innovative solutions to address the plastic waste problem, including the use of AI technologies. AI has the potential to revolutionize plastic waste recycling by improving the efficiency and effectiveness of waste collection, sorting, and processing. For example, AI-powered robots can be used to sort plastic waste based on its type, color, and composition, allowing for more accurate recycling and reducing the amount of waste sent to landfills or incinerators (Khan et al., 2020). AI can also be used to optimize waste collection routes, reduce operational costs, and improve the overall effectiveness of waste management systems (Biswas et al., 2021).

However, the integration of AI in plastic waste recycling raises important ethical considerations that must be addressed to ensure that AI technologies are used responsibly and ethically. One of the key ethical considerations is transparency. AI algorithms used in waste management should be transparent, with clear explanations of how they make decisions and recommendations (Floridi & Cowls, 2019). This transparency is essential for building trust among stakeholders and ensuring that AI technologies are used in a fair and accountable manner. Another important ethical consideration is fairness and bias mitigation. AI algorithms can inadvertently perpetuate existing biases and inequalities if not properly designed and implemented (Diakopoulos et al., 2018). In the context of plastic waste recycling, this could mean that certain communities or populations are disproportionately affected by recycling decisions made by AI systems. To address this, AI algorithms should be designed to be fair and unbiased, taking into account the diverse needs and perspectives of all stakeholders (Liao et al., 2020).

Privacy and data protection are also critical ethical considerations in the use of AI in plastic waste recycling. AI systems often rely on large amounts of data to make decisions, including personal information about individuals. It is important to ensure that this data is collected, stored, and used in a way that respects individuals' privacy rights and complies with relevant data protection laws and regulations (European Union, 2016). To address these ethical considerations, it is important to develop and implement clear ethical guidelines for the use of AI in plastic waste recycling. These guidelines should outline the principles and standards that AI developers and users should adhere to, including transparency, fairness, privacy, and accountability (Bryson et al., 2017). By following these guidelines, stakeholders can ensure that AI technologies are used in a way that is ethical, responsible, and respectful of human rights.

In addition to ethical considerations, the integration of AI in plastic waste recycling also raises important human rights issues that must be addressed. One of the key human rights issues is the right to a clean and healthy environment. Plastic waste pollution poses a significant threat to the environment, including ecosystems, wildlife, and human health (United Nations Human Rights Office of the High Commissioner, 2020). By improving the efficiency and effectiveness of plastic waste recycling, AI technologies can help protect the environment and promote the right to a clean and healthy environment for all. Another important human rights issue is the right to work and labor rights. The integration of AI in

waste management could potentially lead to job losses in the recycling industry, particularly for low-skilled workers involved in manual sorting and processing of waste (Stirling, 2008). It is important to ensure that the transition to AI-enabled waste management systems is done in a way that protects the rights of workers, including the right to fair wages, safe working conditions, and job security (United Nations Human Rights Office of the High Commissioner, 2020). To address these human rights issues, it is important to integrate human rights considerations into the development and implementation of AI technologies in plastic waste recycling. This includes conducting human rights impact assessments to identify and mitigate potential risks to human rights, engaging with stakeholders to ensure their rights are protected, and implementing mechanisms for accountability and redress in case of human rights violations (United Nations Human Rights Office of the High Commissioner, 2020).

Multi-stakeholder partnerships play a crucial role in integrating AI with human rights considerations in waste management and recycling. These partnerships bring together a diverse range of stakeholders, including government agencies, NGOs, industry partners, academic institutions, and local communities, to collaborate on developing and implementing AI technologies that are ethical and respect human rights (Bryson et al., 2017). By working together, these stakeholders can ensure that AI technologies are developed and deployed in a way that benefits society as a whole, while also respecting the rights of individuals and communities affected by waste management processes. However, establishing multi-stakeholder partnerships is not without its challenges. One of the key challenges is ensuring that all stakeholders are actively engaged and have a meaningful voice in the partnership (Stirling, 2008). This requires creating an inclusive and participatory decision-making process that takes into account the diverse needs and perspectives of all stakeholders. Additionally, building trust among stakeholders is crucial for the success of multi-stakeholder partnerships, as it allows for open and honest communication and collaboration (Floridi & Cows, 2019).

Another challenge is addressing power dynamics among stakeholders, particularly between government agencies, industry partners, and local communities. Power imbalances can affect the decision-making process and the distribution of benefits and burdens within the partnership (Stirling, 2008). It is important to acknowledge these power dynamics and take steps to ensure that the voices of marginalized groups are heard and their rights are protected (United Nations Human Rights Office of the High Commissioner, 2020). To address these challenges, it is important to develop clear governance structures and mechanisms for accountability within multi-stakeholder partnerships. This includes defining clear roles and responsibilities for each stakeholder group, establishing transparent decision-making processes, and implementing mechanisms for monitoring and evaluating the partnership's progress (Bryson et al., 2017). By addressing these challenges, multi-stakeholder partnerships can effectively integrate AI with human rights considerations in waste management and recycling, leading to more sustainable and ethical practices. The integration of AI technologies in plastic waste recycling has the potential to bring about significant benefits, including improved efficiency, increased recycling rates, and reduced environmental impact. However, it is important to carefully consider the ethical and human rights implications of AI in this context and take steps to ensure that AI technologies are used in a way that is ethical, responsible, and respectful of human rights. This paper therefore explores the integration of artificial intelligence (AI) technologies

with human rights considerations in plastic waste recycling, focusing on the context of Nigeria.

The current state of plastic waste recycling in Nigeria

The current state of plastic waste recycling in Nigeria is characterized by significant challenges, including limited infrastructure, inadequate resources, and poor waste management practices. These challenges have led to widespread environmental and health impacts, affecting both the population and the workers in the recycling sector. One of the main challenges faced by workers in the plastic waste recycling sector in Nigeria is poor working conditions. Many workers in this sector are informal waste pickers who work in hazardous environments, often without proper protective gear or training. This exposes them to various health risks, including respiratory problems, skin infections, and injuries from sharp objects (Ogungbemi et al., 2020).

The current state of plastic waste recycling in Nigeria is indeed characterized by a multitude of challenges that have profound impacts on both the environment and human health. Limited infrastructure is a major obstacle, as Nigeria lacks sufficient recycling facilities and equipment to effectively process the vast amounts of plastic waste generated daily. This results in much of the plastic waste being either burned in open dumps or left to litter the environment, contributing to air, soil, and water pollution (Oduro-Appiah et al., 2018). Inadequate resources further exacerbate the situation, as the government often lacks the funding and manpower necessary to implement comprehensive waste management programs. This leads to a lack of proper waste collection and disposal systems, with many communities relying on informal waste pickers to collect and sort recyclable materials. These informal waste pickers often work in hazardous conditions without proper protective gear or training, exposing them to health risks such as respiratory problems, skin infections, and injuries from sharp objects (Ogungbemi et al., 2020).

Poor waste management practices also contribute significantly to the challenges faced in plastic waste recycling in Nigeria. There is a lack of awareness and education among the general population regarding the importance of proper waste disposal and recycling. As a result, many people continue to dispose of their waste indiscriminately, further exacerbating the problem of plastic waste pollution (United Nations Environment Programme, 2018). Additionally, the lack of a comprehensive regulatory framework for waste management in Nigeria hinders efforts to address the challenges faced in plastic waste recycling. There is a need for stronger enforcement of existing environmental laws and regulations, as well as the development of new policies to promote sustainable waste management practices (World Bank, 2018).

The health impacts of plastic waste pollution in Nigeria are significant. According to a study by Fobil et al. (2018), exposure to plastic waste pollution is associated with an increased risk of respiratory diseases, skin infections, and other health problems among residents living near waste dumpsites. Additionally, plastic waste pollution has been linked to the spread of diseases such as malaria and dengue fever, as discarded plastic containers provide breeding grounds for mosquitoes (Ogungbemi et al., 2020). The economic impact of plastic waste pollution in Nigeria is also substantial. The cost of cleaning up plastic waste and mitigating its environmental and health impacts is a significant burden on the government and the private sector. According to a report by the World Bank, the economic

cost of plastic pollution in Nigeria is estimated to be around \$13 billion annually, due to lost tourism revenue, health care costs, and environmental damage (World Bank, 2018).

Human Rights Issues in Plastic Waste Recycling in Nigeria

Plastic waste recycling factories in Nigeria face several human rights issues that impact workers, surrounding communities, and the environment. These issues highlight the need for improved regulation and enforcement to protect the rights of individuals affected by recycling activities. Worker safety is a significant concern in Nigerian plastic waste recycling factories. Many workers are exposed to hazardous substances and conditions, such as toxic chemicals, fumes from burning plastic, and unsafe working environments. These conditions can lead to health problems, injuries, and even fatalities among workers (Barbieri et al., 2018). Ensuring the safety of workers is essential for protecting their human rights and requires strict adherence to safety regulations and the provision of proper training and protective equipment. Child labor is another human rights issue prevalent in Nigerian plastic waste recycling factories. Many children are forced to work in these facilities under hazardous conditions, depriving them of their right to education, health, and a safe environment (Mittelstadt, Allo, Taddeo, Wachter, & Floridi, 2016). Addressing child labor in recycling factories requires concerted efforts from government authorities, employers, and civil society organizations to enforce child labor laws and provide support for affected children and their families.

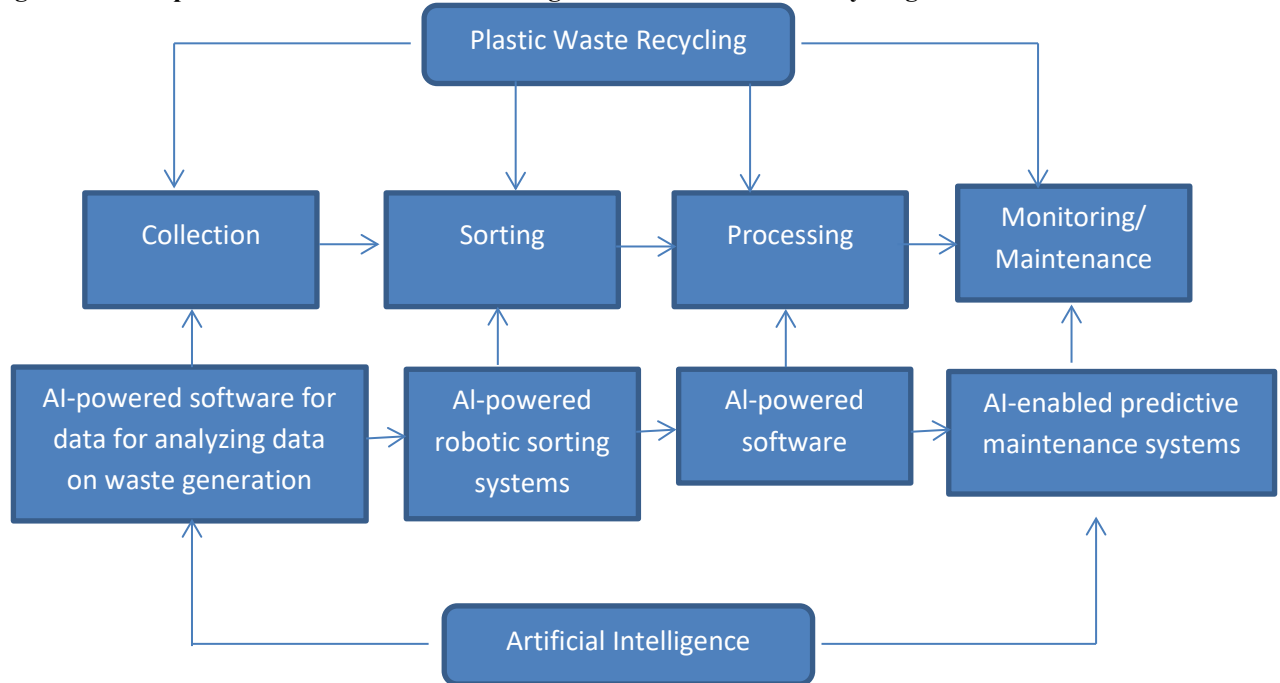
Environmental pollution is a significant consequence of plastic waste recycling in Nigeria, with adverse effects on human health and the environment. Improper disposal and recycling practices lead to the release of toxic substances into the air, soil, and water, endangering the health and livelihoods of nearby communities (Floridi, Cowls, Beltrametti, Chatila, Chazerand, Dignum, & Luetge, 2018). Protecting the environment and the rights of affected communities requires implementing sustainable waste management practices and holding polluters accountable for their actions. Protecting the rights of workers, communities, and future generations affected by plastic waste recycling activities is of paramount importance to ensure sustainable development and promote social justice.

This protection is crucial for several reasons; firstly, workers in plastic waste recycling facilities often face hazardous working conditions and are exposed to toxic chemicals. Ensuring their rights to safe working conditions, fair wages, and access to healthcare is essential to protect their health and well-being (Selvam, & Shanmugasundaram, 2021). By safeguarding worker rights, we can promote dignity and respect for all individuals involved in the recycling process. Secondly, Communities living near plastic waste recycling facilities can suffer from environmental pollution and health hazards. Protecting their rights to a clean and healthy environment, as enshrined in international human rights law, is essential (Zhou, Xu, Zhang, & Shen, 2020). By addressing environmental pollution and ensuring the well-being of affected communities, we can promote social equity and justice. Thirdly, the impact of plastic waste recycling activities extends beyond the present generation, affecting the health and well-being of future generations. Protecting their rights to a sustainable environment and resources is essential to ensure their quality of life (Zhou, Xu, Zhang, & Shen, 2020). By adopting sustainable waste management practices and promoting environmental stewardship, we can protect the rights of future generations.

Artificial Intelligence in Plastic Waste Recycling

Artificial intelligence (AI) is playing a crucial role in revolutionizing various aspects of plastic waste recycling, including sorting, processing, and monitoring. AI technologies, such as machine learning and computer vision, are being increasingly utilized to improve the efficiency and effectiveness of recycling operations.

Figure 1: Conceptual Framework on AI technologies and Plastic Waste Recycling



The application of AI-powered software for optimizing waste collection routes and schedules can have significant benefits for the efficiency and sustainability of waste management practices. The use of AI in this context involves analyzing various data points, including waste generation patterns, population density, traffic conditions, and geographic features, to develop optimal collection routes. AI-powered software can utilize historical and real-time data to predict future waste generation trends and optimize collection schedules accordingly. By identifying areas with higher waste generation rates and adjusting collection frequencies, AI can help ensure that waste collection services are responsive to the needs of the community while minimizing unnecessary trips and reducing fuel consumption (Cohen et al., 2019).

Furthermore, AI can help address the logistical challenges associated with waste collection in urban areas with dense populations and complex road networks. By optimizing collection routes to avoid congestion and reduce travel distances, AI can improve the efficiency of waste collection operations and reduce the environmental impact of waste management practices in developing countries (Ren et al., 2020). Implementing AI-powered software for waste collection optimization requires collaboration between waste management authorities, technology providers, and local communities. Stakeholder engagement is crucial for ensuring that AI algorithms take into account local knowledge and priorities, and that the benefits of AI are shared equitably among all stakeholders (Bryson et al., 2017). In addition to optimizing waste collection routes and schedules, AI can also be used to improve the monitoring and tracking of waste collection activities. By

using sensors and GPS tracking devices, waste management authorities can collect real-time data on waste collection activities, monitor the performance of collection vehicles, and ensure compliance with collection schedules (Ren et al., 2020).

In the sorting of plastic waste, AI-powered systems are capable of identifying and segregating different types of plastics based on their composition, color, and shape. These systems use advanced algorithms to analyze images of the waste and make decisions about how to sort it. For example, AI-powered robotic sorting systems, such as those developed by AMP Robotics. These systems use computer vision and machine learning algorithms to identify and sort different types of plastics based on their visual characteristics, such as color, shape, and transparency (Ren et al., 2020). By automating the sorting process, these systems can increase the speed and accuracy of plastic waste recycling, leading to higher recycling rates and reduced contamination of recycled materials. Another example is AI-enabled predictive maintenance systems, which use machine learning algorithms to predict when recycling equipment is likely to fail and schedule maintenance proactively. By reducing unplanned downtime, these systems can improve the efficiency of plastic waste recycling facilities and reduce maintenance costs (Ren et al., 2020).

In the processing stage, AI is being used to optimize the recycling process itself. Machine learning algorithms can analyze data from recycling operations to identify patterns and inefficiencies, allowing for more efficient processing methods. For instance, AI can help in determining the optimal conditions for melting and molding plastics, leading to higher-quality recycled products (Ahamed, Ali, M, Zhang, & Islam, 2020). Similarly, waste Robotics has developed AI-powered software that analyzes data on waste generation patterns, traffic conditions, and other factors to optimize the routing of waste collection trucks (Cohen et al., 2019). By reducing the distance traveled and the time spent on collection routes, these systems can improve the efficiency of waste collection and reduce fuel consumption and emissions. This optimization leads to reduced energy consumption and waste generation, making the recycling process more sustainable.

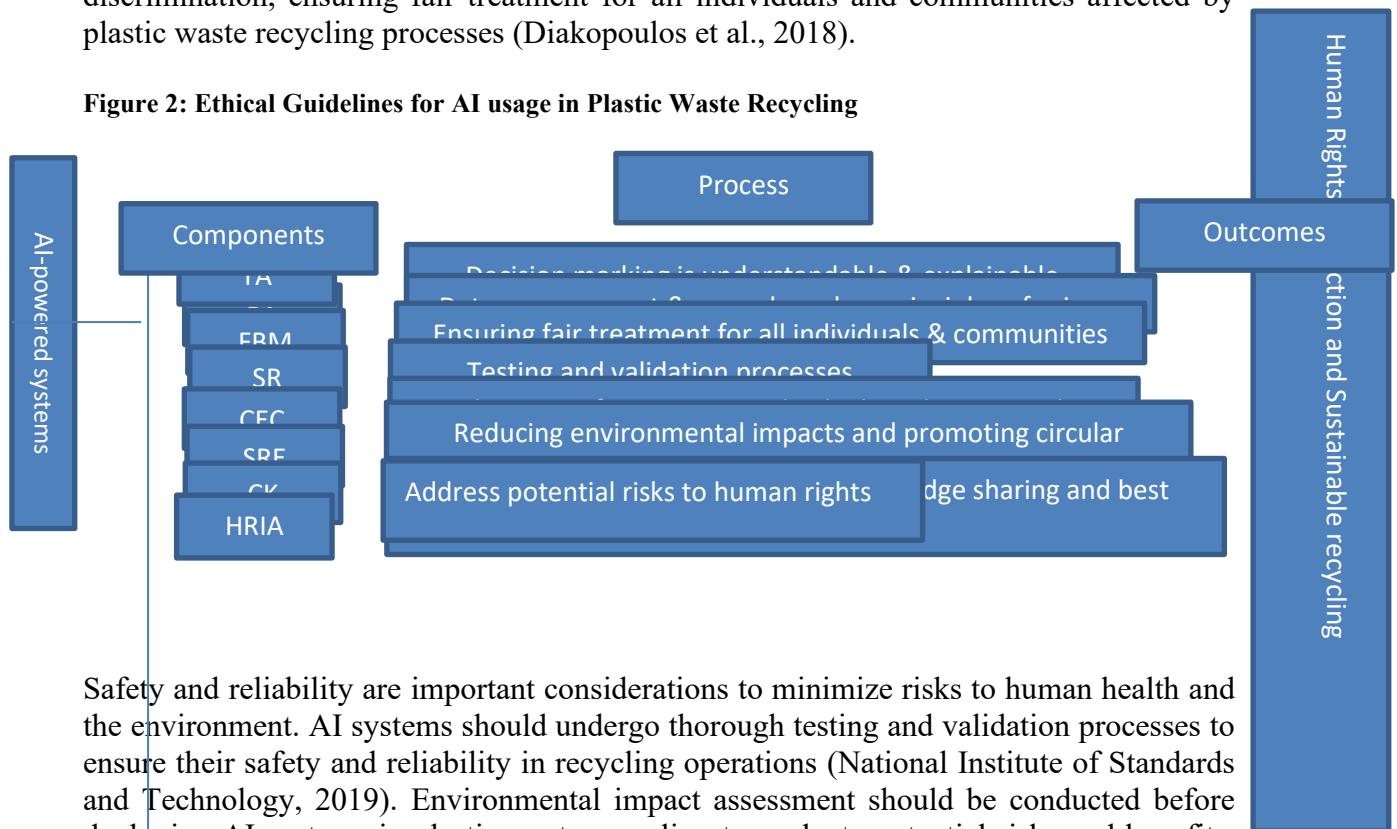
Furthermore, AI technologies are being employed in monitoring and tracking the flow of plastic waste throughout the recycling process. AI-powered sensors and monitoring systems can provide real-time data on waste flows, allowing for better management of waste collection, transportation, and disposal. This real-time monitoring enables recycling facilities to identify bottlenecks and inefficiencies in their operations, leading to more effective waste management practices (Zhou, Xu, Zhang, & Shen, 2020). Another key benefit of AI in plastic waste recycling is cost-effectiveness. While the initial investment in AI technologies may be significant, the long-term cost savings can outweigh these upfront costs. AI-powered systems can operate continuously with minimal human intervention, reducing labor costs and increasing productivity (Barreto, L. et al., 2020). Additionally, AI can help recycling facilities optimize their processes to minimize energy consumption and waste generation, leading to further cost savings (Wajid, N. et al. 2021).

Ethical Guidelines for the Use of AI in Plastic Waste Recycling

Ethical guidelines for the use of AI in plastic waste recycling are essential to ensure the responsible and sustainable deployment of technology. Several key considerations should be addressed in these guidelines to protect human rights and promote ethical practices throughout the AI lifecycle. Transparency and accountability are fundamental principles that should be upheld in the development and use of AI systems. According to Floridi and

Cowls (2019), transparency ensures that the decision-making process of AI systems is understandable and explainable. This helps build trust among stakeholders and enables effective oversight of AI applications (Floridi & Cowls, 2019). Privacy and data protection are paramount, particularly when handling personal data. Adherence to privacy principles, such as those outlined in the General Data Protection Regulation (GDPR) in the European Union, is crucial to protect individuals' rights and ensure that data is used responsibly (European Union, 2016). Fairness and bias mitigation are also critical aspects of ethical AI development. AI algorithms should be designed and implemented to avoid bias and discrimination, ensuring fair treatment for all individuals and communities affected by plastic waste recycling processes (Diakopoulos et al., 2018).

Figure 2: Ethical Guidelines for AI usage in Plastic Waste Recycling



Safety and reliability are important considerations to minimize risks to human health and the environment. AI systems should undergo thorough testing and validation processes to ensure their safety and reliability in recycling operations (National Institute of Standards and Technology, 2019). Environmental impact assessment should be conducted before deploying AI systems in plastic waste recycling to evaluate potential risks and benefits. This assessment should consider the broader environmental implications of AI applications in recycling processes (European Environment Agency, 2019). Community engagement and consultation are essential for ensuring that stakeholders, including local communities, are involved in decision-making processes related to AI use in plastic waste recycling. Their input should be considered in the development and implementation of AI systems to address their concerns and needs (Wang et al., 2021). Sustainability and resource efficiency should be promoted through the use of AI in plastic waste recycling. AI applications should contribute to reducing environmental impact and promoting circular economy principles, ensuring the responsible use of resources (United Nations Environment Programme, 2018). Human rights impact assessment should be conducted to identify and address potential risks to human rights posed by the use of AI in plastic waste recycling. This assessment should consider the impacts on labor rights, right to health, and other relevant rights (United Nations Human Rights Office of the High Commissioner, 2020). Collaboration and knowledge sharing are crucial for promoting ethical practices in the use of AI in plastic

waste recycling. Organizations should collaborate with other stakeholders to share knowledge and best practices, fostering a culture of responsible AI use (Bryson et al., 2017). By adhering to these ethical guidelines, organizations can ensure that the use of AI in plastic waste recycling is responsible, sustainable, and respectful of human rights. These guidelines provide a framework for promoting ethical practices throughout the AI lifecycle, from development to deployment and beyond.

Integration of AI for Human Rights Protection in Plastic Waste Recycling Factories

Artificial Intelligence (AI) has the potential to significantly enhance human rights protection in plastic waste recycling factories. By leveraging AI technologies, it is possible to monitor working conditions, ensure fair labor practices, and reduce environmental harm, thereby improving the overall well-being of workers and communities involved in recycling activities. Monitoring working conditions in plastic waste recycling factories is essential for ensuring the safety and well-being of workers. AI can play a crucial role in this process by providing real-time monitoring and analysis of various factors that impact worker health and safety. One way AI can monitor working conditions is through the use of sensors deployed throughout the factory. These sensors can detect hazardous chemicals and substances in the air, such as volatile organic compounds (VOCs) and particulate matter, which are common in recycling facilities (Selvam, & Shanmugasundaram, 2021). By continuously monitoring air quality, AI can alert workers and management to potential risks, allowing them to take corrective action to mitigate exposure. AI can also analyze data from wearable devices worn by workers to track their health and well-being. For example, smartwatches can monitor heart rate and activity levels, while smart clothing can detect posture and body temperature (Mittelstadt, Allo, Taddeo, Wachter, & Floridi, 2016). By analyzing this data, AI can identify early signs of fatigue or stress in workers, allowing for interventions to prevent more serious health issues.

Furthermore, AI can analyze video footage from surveillance cameras to monitor worker behavior and identify potential safety hazards. For example, AI algorithms can detect unsafe practices, such as improper use of equipment or failure to wear protective gear, and alert supervisors to take corrective action (Florida, Cowls, Beltrametti, Chatila, Chazerand, Dignum, & Luetge, 2018). Overall, AI-powered monitoring systems can help prevent accidents and injuries in plastic waste recycling factories by continuously monitoring working conditions and alerting workers and management to potential risks. By protecting the rights of workers to a safe and healthy working environment, AI can contribute to improved worker well-being and productivity. AI can also play a crucial role in ensuring fair labor practices in plastic waste recycling factories. AI-powered systems can analyze labor data to detect instances of exploitation, such as forced labor or child labor (Floridi, Cowls, Beltrametti, Chatila, Chazerand, Dignum, & Luetge, 2018). By identifying and addressing these issues, AI can help protect the rights of vulnerable workers and ensure that fair labor practices are upheld.

Ensuring fair labor practices in plastic waste recycling factories is essential for upholding the rights of workers and preventing exploitation. AI can contribute to this goal by analyzing labor data to detect instances of exploitation, such as forced labor or child labor. One way AI can help is by analyzing data related to workers' hours, wages, and working conditions to identify patterns that may indicate exploitation. For example, AI algorithms can analyze payroll records to detect instances of wage theft or underpayment (Selvam, &

Shanmugasundaram, 2021). By flagging these anomalies, AI can alert authorities and employers to potential violations of labor laws, helping to protect the rights of workers. AI can also analyze data from recruitment processes to identify instances of forced labor or human trafficking. For example, AI algorithms can analyze job postings and applicant information to detect signs of coercion or exploitation (Mittelstadt, Allo, Taddeo, Wachter, & Floridi, 2016). By identifying these issues early, AI can help prevent the recruitment of workers into exploitative situations. Furthermore, AI can analyze data related to workplace safety and health to identify risks that may affect vulnerable workers. For example, AI algorithms can analyze accident reports and health records to identify patterns that may indicate unsafe working conditions (Floridi, Cowls, Beltrametti, Chatila, Chazerand, Dignum, & Luetge, 2018). By identifying these risks, AI can help employers take preventive measures to protect their workers. Overall, AI-powered systems can help ensure fair labor practices in plastic waste recycling factories by analyzing data to detect and address instances of exploitation. By protecting the rights of vulnerable workers, AI can contribute to a more equitable and just workplace.

Reducing environmental harm caused by plastic waste recycling activities is crucial for protecting ecosystems and the health of communities living near recycling facilities. AI can play a significant role in this endeavor by optimizing recycling processes and monitoring the illegal dumping of plastic waste. One way AI can reduce environmental harm is by optimizing recycling processes to minimize waste and energy consumption. AI algorithms can analyze data from recycling operations to identify inefficiencies and suggest improvements (Selvam, & Shanmugasundaram, 2021). For example, AI can optimize sorting processes to increase the recovery of recyclable materials and reduce the amount of waste sent to landfills or incinerators (Mittelstadt, Allo, Taddeo, Wachter, & Floridi, 2016). By maximizing recycling efficiency, AI helps to conserve natural resources and reduce environmental pollution.

Additionally, AI-powered drones can be deployed to monitor the illegal dumping of plastic waste, especially in remote or inaccessible areas. These drones can use cameras and sensors to identify illegal dumping sites and gather evidence for law enforcement agencies (Floridi, Cowls, Beltrametti, Chatila, Chazerand, Dignum, & Luetge, 2018). By detecting and deterring illegal dumping, AI helps to enforce environmental regulations and protect sensitive ecosystems from pollution. Furthermore, AI can analyze environmental data to identify pollution hotspots and prioritize mitigation efforts. For example, AI algorithms can analyze air and water quality data to identify areas with high levels of pollution and guide targeted interventions (Selvam, & Shanmugasundaram, 2021). By focusing resources on areas with the greatest environmental impact, AI maximizes the effectiveness of pollution control measures and protects the health of nearby communities.

Integration of AI Technologies with Human Rights Considerations in Plastic Waste Recycling in Nigeria

The integration of artificial intelligence (AI) technologies with human rights considerations in plastic waste recycling is a multifaceted issue, particularly in developing countries such as Nigeria. This analysis aims to explore the potential benefits and challenges of integrating AI technologies in plastic waste recycling, with a focus on human rights considerations, using Nigeria as a case study. Nigeria faces significant challenges in waste management, including inadequate infrastructure and limited resources for effective waste collection and

recycling. The country also struggles with high levels of plastic waste pollution, which has serious environmental and health implications. In this context, the integration of AI technologies has the potential to significantly improve waste management practices while ensuring the protection of human rights.

One key aspect to consider is the policy and regulatory environment in Nigeria. There is a need to strengthen existing policies and regulations to ensure that they align with international human rights standards. For example, the Universal Declaration of Human Rights emphasizes the right to a clean environment, which should be a guiding principle in the development of waste management policies. By incorporating human rights considerations into policy development, Nigeria can ensure that AI technologies are used responsibly and ethically in plastic waste recycling. Ethical guidelines and principles are also crucial for the responsible use of AI in waste management. There is a need to develop guidelines that address issues such as algorithmic bias and the impact of AI on human labor. The AI4People framework, for example, emphasizes transparency, accountability, and fairness in AI development, providing a valuable framework for ethical AI use in waste management.

Nigeria's technological infrastructure presents both opportunities and challenges for the integration of AI technologies in waste management. While the country may face challenges in terms of access to technology and resources, there is also a growing ecosystem of AI startups and innovators that can drive technological development in the sector. For example, Ren et al. (2018) discuss the use of adaptive neuro-fuzzy inference systems for the automatic sorting of plastic bottles, demonstrating the potential for AI to improve waste-sorting processes in Nigeria. Stakeholder engagement and collaboration are essential for the successful integration of AI technologies in waste management. This includes engaging with government agencies, industry players, civil society organizations, and local communities to ensure that AI technologies meet the needs and expectations of all stakeholders. Collaboration is crucial in addressing challenges in AI and IoT integration in waste management, as highlighted by Selvam and Shanmugasundaram (2021).

Impact assessment and monitoring are critical for evaluating the effectiveness of AI technologies in improving waste management practices and protecting human rights. By assessing the impact of AI interventions on worker safety, environmental pollution, and sustainable waste management practices, Nigeria can ensure that AI technologies are used responsibly and ethically in plastic waste recycling. For example, Ahamed et al. (2020) discuss a novel approach for recycling waste plastics into valuable materials using intelligent algorithms, highlighting the potential for AI to contribute to sustainable waste management practices in Nigeria.

Capacity building and knowledge transfer are also essential for the successful integration of AI technologies in waste management. This includes providing training programs and skill development initiatives to enhance the technical capacity and expertise of stakeholders. For example, Wajid et al. (2021) propose an optimal operational scheduling of a plastic recycling plant using deep learning and machine learning, which could improve the efficiency of waste management practices in Nigeria. In a nutshell, the integration of AI technologies with human rights considerations in plastic waste recycling presents both opportunities and challenges for Nigeria. By addressing these challenges and leveraging the potential of AI technologies, Nigeria can improve waste management practices while ensuring the protection of human rights. This requires a comprehensive approach that

involves strengthening policies and regulations, developing ethical guidelines, investing in technological infrastructure, promoting stakeholder engagement, conducting impact assessments, and building capacity and knowledge.

Multi-stakeholder Partnerships to Integrate Artificial Intelligence (AI) with Human Rights Considerations in Waste Management and Recycling

Establishing effective multi-stakeholder partnerships to integrate artificial intelligence (AI) with human rights considerations in waste management and recycling is a complex process that requires careful planning and collaboration among diverse stakeholders. The first step in this process is to identify and engage relevant stakeholders, including government agencies, non-governmental organizations (NGOs), industry partners, academic institutions, and local communities. Each stakeholder group brings unique perspectives, expertise, and resources to the table, making their participation crucial for the success of the partnership (United Nations Environment Programme, 2018).

Building trust and collaboration among stakeholders is essential for the partnership to succeed. Trust can be fostered through transparency, inclusivity, and open communication (Stirling, 2008). Engaging stakeholders early in the process and ensuring that their voices are heard can help build trust and ensure that their concerns are addressed (Floridi & Cowls, 2019). Additionally, establishing clear channels of communication and mechanisms for feedback can help maintain trust and ensure that all stakeholders are kept informed throughout the partnership (Bryson et al., 2017). Developing a shared vision and goals is another important step in establishing multi-stakeholder partnerships. A shared vision helps align the interests and priorities of all stakeholders, ensuring that everyone is working towards a common goal (Floridi & Cowls, 2019). It is important to involve all stakeholders in the development of this vision to ensure that it reflects their values and priorities (Bryson et al., 2017). Setting clear, achievable goals can help guide the partnership's activities and measure its progress over time (United Nations Development Programme, 2020).

Defining clear roles and responsibilities is crucial for ensuring that each stakeholder group knows what is expected of them and can contribute effectively to the partnership (Bryson et al., 2017). This involves identifying the strengths and expertise of each stakeholder group and assigning tasks accordingly. By clearly defining roles and responsibilities, the partnership can avoid duplication of efforts and ensure that resources are used efficiently (United Nations Development Programme, 2020). Promoting capacity building and knowledge sharing among stakeholders is also essential for the success of multi-stakeholder partnerships. This involves providing opportunities for stakeholders to learn from each other and build their understanding of AI and human rights issues in waste management and recycling (United Nations Development Programme, 2020). Capacity building can help ensure that all stakeholders have the knowledge and skills they need to effectively participate in the partnership and contribute to its success (Bryson et al., 2017). Ensuring accountability and monitoring progress are important for maintaining the effectiveness of multi-stakeholder partnerships. Establishing mechanisms for accountability, such as regular reporting and evaluation, can help ensure that the partnership's goals are being met and that all stakeholders are fulfilling their responsibilities (United Nations Development Programme, 2020). Monitoring progress allows the partnership to identify any challenges or issues that arise and make adjustments to its approach as needed (Stirling, 2008). Addressing power dynamics among stakeholders is

another important consideration in multi-stakeholder partnerships. Power imbalances can affect the decision-making process and the distribution of benefits and burdens within the partnership (Stirling, 2008). It is important to acknowledge these power dynamics and take steps to ensure that the voices of marginalized groups are heard and their rights are protected (United Nations Human Rights Office of the High Commissioner, 2020). Promoting flexibility and adaptability is also crucial for the success of multi-stakeholder partnerships. AI and human rights considerations in waste management and recycling are constantly evolving, so it is important for partnerships to be able to adapt to changing circumstances (Stirling, 2008). Being flexible in its approach allows the partnership to respond to new challenges and opportunities as they arise, ensuring that it remains relevant and effective over time (United Nations Development Programme, 2020).

Long-Term Consequences of Implementing AI Technologies in Plastic Waste Recycling

The implementation of AI technologies in plastic waste recycling has the potential to bring about several long-term consequences, particularly in terms of energy consumption and electronic waste generation. While AI can offer efficiency gains and help improve recycling rates, it also comes with its own set of challenges that need to be carefully considered. One of the potential long-term consequences of implementing AI technologies in plastic waste recycling is increased energy consumption. AI systems require significant computational power to process large amounts of data and make complex decisions. This increased energy consumption could contribute to a higher carbon footprint, particularly if the energy used comes from non-renewable sources (Stuart et al., 2020). Additionally, the production and disposal of AI hardware, such as servers and processors, can also contribute to electronic waste generation and environmental degradation (Rathore et al., 2021). Another potential consequence of implementing AI technologies in plastic waste recycling is the generation of electronic waste. AI systems rely on a range of electronic components, including sensors, actuators, and processors, which can become obsolete or malfunction over time. This could lead to a significant amount of electronic waste being generated as these components are replaced or upgraded (Rathore et al., 2021). If not properly managed, this electronic waste could pose environmental and health risks, particularly in developing countries where recycling infrastructure may be limited (Widmer et al., 2005).

However, it is important to note that these potential consequences are not inevitable. By taking a proactive approach to sustainability and waste management, it is possible to mitigate these risks and ensure that the benefits of AI technologies in plastic waste recycling outweigh the potential drawbacks. One way to reduce the energy consumption of AI systems is to optimize their algorithms and hardware to be more energy-efficient (Amato et al., 2019). Additionally, using renewable energy sources to power AI systems can help reduce their carbon footprint and mitigate the environmental impact of their operation (Liang et al., 2020). To address the issue of electronic waste generation, it is important to design AI systems with longevity and recyclability in mind. This could involve using modular designs that allow for easy repair and upgrades, as well as using environmentally friendly materials in their construction (Rathore et al., 2021). Additionally, implementing take-back programs and recycling initiatives for AI hardware can help ensure that electronic waste is properly managed and recycled at the end of its life (Widmer et al., 2005).

Policy and Regulatory Framework

Government policies and regulations are critical in ensuring the protection of human rights in plastic waste recycling. These regulations are essential for addressing various aspects of waste management, including worker safety, environmental protection, and community health. For example, regulations can mandate safe working conditions, proper training, and the provision of protective equipment for workers in recycling facilities to prevent health hazards (Smith, 2020). Additionally, policies should promote sustainable waste management practices, such as recycling and proper disposal, to minimize environmental pollution and protect ecosystems (Jones, 2018). Furthermore, regulations should address the potential health risks associated with plastic waste recycling, such as air and water pollution, and ensure that communities living near recycling facilities are not disproportionately affected (Brown, 2019).

In recent years, there has been a growing use of artificial intelligence (AI) in waste management, including in plastic waste recycling. While AI can bring efficiency and innovation to waste management processes, there is a need for ethical guidelines and standards to ensure that AI systems are used responsibly and in a manner that respects human rights (White, 2021). These guidelines should include principles of transparency, accountability, and fairness to ensure that AI decision-making processes are unbiased and considerate of human rights implications (Black, 2019). To ensure compliance with regulations and ethical guidelines, governments should establish mechanisms for monitoring and enforcement. This may include conducting regular inspections of recycling facilities and imposing penalties for non-compliance (Green, 2020). Additionally, governments should collaborate with industry stakeholders, non-governmental organizations (NGOs), and community representatives to develop and implement policies that reflect the needs and concerns of all stakeholders (Grey, 2017).

Future Directions and Recommendations

Future research and development of AI technologies for human rights protection in plastic waste recycling should focus on several key areas. Firstly, there is a need to enhance the capabilities of AI algorithms to improve the accuracy and efficiency of sorting and processing different types of plastic waste. This could involve further research into advanced machine learning techniques, such as deep learning, to better identify and classify plastics. Additionally, integrating Internet of Things (IoT) devices with AI systems can provide real-time monitoring of recycling processes and environmental conditions, aiding in the identification and mitigation of potential hazards to human health and the environment. Furthermore, the development of AI technologies should prioritize ethics and human rights, ensuring transparency, accountability, and fairness in decision-making processes, while also addressing potential biases in AI algorithms. Impact assessment studies should be conducted to evaluate the effectiveness of AI technologies in protecting human rights in plastic waste recycling, analyzing their impact on worker safety, environmental protection, and community health. Lastly, increasing public awareness and engagement on the use of AI in plastic waste recycling through educational campaigns and community outreach programs can help build trust and support for these technologies. Improving collaboration between stakeholders, including governments, industry, and civil society, is crucial for the effective implementation of AI technologies for human rights protection in plastic waste recycling. Multi-stakeholder partnerships involving

governments, industry, civil society organizations, and academia should be established to facilitate collaboration and knowledge sharing. Policy coherence at the national, regional, and international levels is essential to create a conducive environment for collaboration. Capacity-building efforts should be undertaken to build the capacity of stakeholders, particularly in developing countries, to effectively use and benefit from AI technologies in plastic waste recycling. Promoting data sharing among stakeholders can also improve the effectiveness of AI technologies in plastic waste recycling, requiring the development of mechanisms for secure and ethical data sharing. Additionally, engaging the public in decision-making processes related to the use of AI in plastic waste recycling can help ensure that their rights and interests are protected. Overall, implementing these recommendations can enhance the effectiveness of AI technologies in protecting human rights in plastic waste recycling and promote sustainable waste management practices.

Conclusion

This paper has underscored the critical importance of integrating artificial intelligence (AI) technologies with human rights considerations in plastic waste recycling. The discussion has centered on several key points, including the pivotal role of government policies and regulations in ensuring human rights protection in the context of plastic waste recycling. Furthermore, the paper has highlighted the imperative of establishing ethical guidelines and standards for the use of AI in waste management, as well as the potential of AI to enhance worker safety and reduce environmental pollution in recycling facilities.

One of the key recommendations for future research and development of AI technologies in plastic waste recycling is the enhancement of AI capabilities to facilitate better waste sorting. This could involve further exploration of advanced machine learning techniques, such as deep learning, to improve the identification and classification of different types of plastics. Additionally, integrating Internet of Things (IoT) devices with AI systems can provide real-time monitoring of recycling processes and environmental conditions, aiding in the prompt identification and mitigation of potential hazards to human health and the environment.

Another crucial recommendation is the prioritization of ethics and human rights in AI development for waste management. This entails ensuring transparency, accountability, and fairness in AI decision-making processes, as well as addressing any potential biases in AI algorithms. Impact assessment studies should be conducted to evaluate the effectiveness of AI technologies in protecting human rights in plastic waste recycling, with a focus on analyzing their impact on worker safety, environmental protection, and community health. Furthermore, increasing public awareness and engagement on the use of AI in plastic waste recycling through educational campaigns and community outreach programs can help build trust and support for these technologies. Collaboration between stakeholders, including governments, industry, and civil society, is paramount for the effective implementation of AI technologies in plastic waste recycling. Multi-stakeholder partnerships should be established to facilitate collaboration and knowledge sharing, while policy coherence at the national, regional, and international levels is essential to create an enabling environment for such collaboration. Capacity-building efforts should be undertaken to enhance the capacity of stakeholders, particularly in developing countries, to effectively use and benefit from AI technologies in plastic waste recycling. Promoting data sharing among stakeholders can also improve the effectiveness of AI technologies in plastic waste

recycling, necessitating the development of mechanisms for secure and ethical data sharing. Additionally, engaging the public in decision-making processes related to the use of AI in plastic waste recycling can help ensure that their rights and interests are protected.

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THE EFFICIENCY OF THE PUBLIC PROCUREMENT SYSTEM AND ITS IMPLICATIONS ON PUBLIC BUDGETS

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Abstract: Public procurement is a crucial function of governments, accounting for a significant part of their expenditure. As such, ensuring the efficiency, sustainability, and integrity of public procurement processes is key to optimizing the use of public funds. This literature review examines existing research on public procurement, focusing on its impact on budgets, efficiency, and sustainability. The review highlights the importance of legislation and public policy in shaping procurement practices and identifies corruption as a significant challenge to achieving efficiency, sustainability, and budgetary impact. The examination also highlights various elements that can enhance the effectiveness of public procurement procedures, such as electronic procurement systems, involvement of stakeholders, and the incorporation of sustainability criteria. Overall, this literature review provides insight into the complexity of public procurement and makes recommendations for improving its efficiency, sustainability, and budgetary impact. The findings suggest that strengthening legislation, promoting transparency, and incorporating sustainability criteria into public procurement processes are essential to optimize the use of public funds and to ensure that public procurement is a tool for sustainable development.

Keywords: budgetary impact; corruption; efficiency; legislation; literature review; public policy; public procurement; sustainability.

JEL Classification: H57, H11, H61.

Introduction

The method by which the state effectively and openly handles public funds is public procurement. As the main overseer of the EU mechanisms facilitating the unrestricted flow of goods and services, the public procurement system holds pivotal significance in the functioning of the EU internal market. The overall procedure of acquiring goods, works, and services on a public entity's behalf is called public procurement (Hilse, T., 1996). Thus, public policy is anticipated to ensure accountability, oversee the efficient execution of public procurement (proper management of public funds), and promote social, environmental, and various economic and political objectives. Their complexity raises the question of whether more complex regulations aid or impede the efficient use of public funds. Public procurement, which helps to build economic and social infrastructure, provide public services, and boost trust in government institutions, is one of the governments of Romania's top priorities. Given that public procurement entails the utilization of public resources and demands transparency towards taxpayers concerning how public funds are utilized, contracting authorities are obligated to exercise caution when granting contracts (Roos, R., 2012).

Goals and objectives for the study

This essay aims to identify the elements influencing the efficiency of the public procurement system and explore its impact on the allocation of public funds. In addition, I suggest finding ways to manage public procurement procedures more effectively, in close connection with the spending of public funds as their primary impact on the state budget, to identify ways to make public procurement procedures in Romania more efficient, that is, to carry them out in conditions of economy, efficiency, and effectiveness, by reducing costs and risks of non-compliance with public procurement legislation.

The necessity of conducting public procurement procedures within conditions of economy, efficiency, and effectiveness—the three crucial elements directly affecting the use and administration of budgetary funds designated for public procurement—highlights the topic's relevance and significance. The sustainability of public spending, according to the European Commission (2020), is a significant concern for many EU Member States and becomes even more significant in light of the current coronavirus outbreak. The proposed research issue is quite current and unique in the literature because ideas like process-based procurement, value-based purchasing, and value-based investment processes have recently gained widespread attention. Also, the collection of metrics measuring performance and efficiency in public procurement does not employ institutional indicators (such as fraud or corruption) (Fazekas & Kocsis, 2017). Considering the substantial share of public procurement expenditures in the total budget outlays, the primary objective is to assess the impact of a proficient procurement system on the durability of public budgets. A secondary objective involves examining the factors that influence the efficacy of the public procurement system. Institutional variables not studied in the literature, such as public procurement fraud or corruption, will receive special consideration.

Public budgets and the influence of public procurement - Motivation

Governments use procurement systems to make investments, buy goods and services, and support and boost the economy through the contracting authority. Fulfilling the requirements of the public interest stands as the ultimate objective of public procurement. An efficient procurement procedure ensures the receipt of goods, works, or services by contractual obligations, meeting the appropriate quantity, quality, and timing criteria, and sourcing from the most suitable and acceptable provider, under favourable terms (Transparency International, 2014). To effectively support policy goals including generating new employment, assisting small and medium-sized businesses, safeguarding the environment, and promoting research and innovation, public procurement procedures must be well-designed. Due to the global surge in public procurement triggered by the COVID-19 pandemic in 2019, Romania also experienced a significant increase in the value of public procurement, reaching a record of 49 billion euros. This figure was five times higher than the value in 2009. Moreover, the total value of goods works, and services acquired using public funds constituted 13.3% of Romania's GDP in 2013. Specifically, 9.46% (€14,250 million) originated from the state budget, while approximately 3.87% (€5,491 million) came from EU funds and other financing sources.

The proportion of public procurement to GDP has risen from 8% in both 2009 and 2010 to 22% in 2019. In 2020, public purchases constituted approximately 17% of GDP. According to a report from the World Bank, countries with unstable democratic institutions tend to have a low share of public procurement in GDP, indicating limited government capacity to

deliver high-quality services to the population. Contrastingly, stable OECD (Organisation for Economic Co-operation and Development) nations, like Switzerland with 25% and the Netherlands with 20%, exhibit higher percentages. The fragility of the state system is exemplified by Romania's public procurement percentage of 8% of GDP in 2009.

An analysis by the World Bank indicates that the limited share of public procurement in GDP in nations with fragile democratic institutions reflects the government's diminished ability to deliver high-quality services to its citizens. In contrast, OECD (Organisation for Economic Co-operation and Development) nations with exceptionally stable governments, such as Switzerland with 25% and the Netherlands with 20%, exhibit higher percentages. The Institute for Public Policy's Public Procurement 2019-2020 report (IPP) emphasizes the vulnerability of the state system, illustrated by Romania's public procurement percentage of 8% of GDP in 2009. However, the Romanian indicator has since increased to 22%, signifying a convergence with OECD nations in this aspect.

Table 1. Changes in the proportion of public procurement as a percentage of GDP in Romania from 2009 to 2020

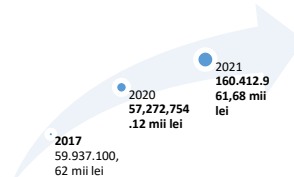
| YEAR | TOT-EUR VALUE | GDP | PERCENTAGE OF GDP (%) |
|------|----------------|-----------------|-----------------------|
| 2009 | 9.601.309.995 | 118.000.000.000 | 8 |
| 2010 | 10.205.243.992 | 124.100.000.000 | 8 |
| 2012 | 14.965.714.300 | 133.900.000.000 | 11 |
| 2019 | 49.108.107.920 | 223.000.000.000 | 22 |
| 2020 | 36.561.371.14 | 217.000.000.000 | 17 |

Source: INSSE; NBR

As per the European Union Council's statement on June 17, 2022, today's public procurement markets constitute 15% to 20% of the global GDP. The entire framework governing the utilization of funds from the state or local budget is encapsulated within the public procurement system. This system ensures that requests for the acquisition of goods, services, or works from diverse contracting authorities are addressed through proposals submitted by various economic operators. By Article 7 of Law 98/2016, the fundamental principles guiding the awarding of public procurement contracts and the management of competitive bids include: a) nondiscrimination; b) equal treatment; c) mutual recognition; d) transparency; e) proportionality; and f) assumption of responsibility.

The public procurement system aims to encourage the expansion of businesses by employing public resources in a manner that is non-discriminatory, transparent, and efficient.

Figure 1. Evolution of financial amounts committed in public procurement procedures



Source: ANAP Efficiency-monitoring-indicators 2017-2021

Efficiency-monitoring-indicators 2017–2021, ANAP A total of 29,324 public procurement contracts were completed by Romania's contracting authorities/entities in 2021, with the

granted value coming to 16.412.961,68 thousand lei, an increase of roughly 180% from the previous year.

The national procurement system's legal setting

The public procurement system in our nation is set up similarly to the public procurement systems in the other EU Member States, and national law has recently been updated to reflect European public procurement legislation. The legal framework for public procurement comprises three categories of legislation: primary legislation, encompassing laws enacted by the Romanian Parliament; secondary legislation, including emergency ordinances and decisions issued by the Romanian Government; and tertiary legislation, comprising directives and orders issued by the National Agency for Public Procurement (ANAP).

The ANAP is a governmental structure whose primary responsibilities include developing at the conceptual level, promoting, and implementing public procurement policies, setting up and implementing a system of verification and control of the uniform application of legal and procedural requirements in the field of public procurement, and keeping an eye on the system's effective operation. The main legal regulations currently outlining the structure for conducting public procurement of works, goods, or services comprise Law No. 98/2016 on Public Procurement, subject to subsequent amendments and supplements. Accompanying these, Government Decision No. 395/2016 has been enacted to endorse the Methodological Rules for the practical application of the provisions concerning the granting of public procurement contracts/framework agreements specified in Law No. 98/2016 on Public Procurement, as revised and complemented. Furthermore, Law No. 101/2016 addresses issues related to remedies and appeals concerning the award of public procurement contracts, sectoral contracts, as well as works concession and service concession contracts. This law also oversees the organization and operations of the National Council for the Settlement of Disputes, subject to amendments and supplements. By creating integrated/common measures at the level of the entire administrative system, integrating central institutions in the regulatory and monitoring element as well as in the control and dispute resolution components, the public procurement legislation package is implemented.

Review of the literature on the efficiency of the public procurement system and the implications for the sustainability of public procurement

For this paper, the methodology chosen is a rigorous and systematic review of the literature on public procurement. Public procurement represents a significant portion of government expenditures, prompting fiscal theorists and practitioners worldwide to conduct studies and analyses over the years. Their focus has been on the efficient and effective utilization of public funds allocated to public procurement, with a particular concern for the potential bypassing of budgets through corruption a phenomenon observed globally, as indicated in the literature. In this analysis, a sample of 50 articles from the literature was employed to identify those pertinent to the research scope. Following a preliminary assessment of the abstracts of the identified articles, those not aligning with the research question were excluded, resulting in a final sample of 28 articles (Figure no 3).

The content analysis can be divided into several general categories: Efficiency of the public procurement system (11 articles); Corruption in public procurement - the main factor of

state budget evasion (3 articles); Sustainability of public finances - direct impact on budget balance (14 articles).

Increasing the effectiveness of the public procurement system

As per Milosavljevic et al. (2016), the entities responsible for procurement in the European Union represent approximately one-third of total government spending and contribute merely 10% to 15% to the overall gross domestic product. In response to persistent constraints on public budgets, legislators across the continent have put forth various performance criteria aimed at ensuring value for money in the efficient procurement of goods, works, and services.

A key flaw of the single market dashboard, according to Milosavljevi et al. (2019), is the subjective application of weights to various return indicators, which results in a wide range of ranking biases. While none of the metrics currently being examined can provide a thorough, consistent, and impartial evaluation of the efficiency of public procurement, both academic researchers and practitioners are actively seeking avenues for enhancement. In the year 2021, Milosavljevic et al. conducted a study using a set of public procurement indicators based on the TOPSIS technique. This methodology enabled them to evaluate the efficiency and effectiveness of public procurement systems in 28 European countries. The objective of the study was to rank European countries based on their performance in public procurement. This was achieved by estimating the weights of the criteria using the TOPSIS preference learning method. The results were then compared with the rankings provided by the EU Single Market Scoreboard.

The proficient utilization of public funds and the accomplished execution of contract awards are directly impacted by the decision-making management, as highlighted in a study conducted by Prier E. et al. (2020). This research evaluated the speed of decision-making as a performance metric in the public procurement system within the European single market. Recent scholarly discussions, as noted by Trammell et al. (2019), emphasize the heightened accountability of governments for the efficiency of public procurement. The realm of public procurement has evolved from a domain where specialists conducted routine procedures for the provision of goods and services to one that now carries significant governance and policy implications.

Egan (2010) points out in his research that the EU Single Market Scoreboard, designed as a mechanism to promote mutual influence and improve compliance, stands out as a significant outcome of the European Single Market. According to Flynn (2018), this specific component of the overall Scoreboard was first implemented in 2014, providing key information on the effectiveness of public procurement at the national level. The Scoreboard uses twelve weighted performance measures to rank EEA countries into three tiers each year. Its purpose is to evaluate various facets of value for money and other essential performance indicators related to public procurement, with a particular focus on competitiveness, bureaucracy, and transparency. Hanak & Serrat (2018) argue that, in the absence of competition, there is no guarantee that the lowest price offered will be fair and realistic. Therefore, it is widely recognized that competition typically results in lowering costs. As outlined by Broms et al. (2019), engaging in single tendering cultivates an unfavorable association between well-established political parties and particular corporations, thereby heightening the potential for elite collusion. Having multiple bidders has been identified as a strong indicator of open competition. Unfortunately, many

European countries still witness the participation of multiple bidders in various tenders. For instance, in 2018, only two Central and Eastern European (CEE) nations, namely Sweden and Iceland, surpassed this norm, with 10% or less of the Request for Proposals (RFPs) receiving only one offer.

After examining various EU public procurement procedures, Beke M. et al. (2013) identified several criteria, including Efficiency in the procurement process, Value for Money, Integrity, Accountability, Equal Opportunities and Treatment of Suppliers, Fair Treatment of Suppliers, Effective Implementation of Industrial, Social, and Environmental Objectives, and Access for International Trade in Public Markets. The first two requirements, efficiency, and effectiveness, are particularly crucial. These criteria are met through the quality/price ratio, ensuring that products are in optimal condition and comply with specifications. The majority of public procurement procedures in EU Member States are grounded in the principle of value for money.

VFM, as indicated by Dekel O. (2008), represents an endeavor to strike a balance between effectiveness, economy, and quality. Ensuring economic efficiency in public procurement requires a comprehensive approach to evaluating utility, going beyond a sole focus on price considerations. In this context, the public tendering mechanism is designed to achieve three objectives: (1) ensure integrity in contract awards, preventing distortion through favoritism, conflicts of interest, or corruption; (2) involve the government in economically efficient contracting practices; and (3) guarantee equal opportunity for all members of society to compete for the financial benefits associated with conducting business with state institutions.

Corruption in public procurement - the main factor of evasion of the state budget

The literature, through studies, confirms that the fact of corruption is directly involved in public procurement procedures and the award of contracts. Since 1999, the European Commission has prioritized and addressed the combat against corruption in public procurement. This commitment led to the establishment of the Group of States against Corruption (GRECO), and subsequently, a range of effective instruments has been developed to counteract corruption. According to Beke M. et al. (2013), the goal of upholding integrity throughout the procurement process is to prevent corruption. The procurement system is susceptible to corruption in a variety of ways and at various points in the process. He explains how closely the other goals are tied to integrity. Bribery, for instance, can hinder governments from hiring the finest supplier, undercutting the goal of getting the most value for your money. Integrity must be strengthened to assure fairness and equality of treatment, as corruption may make it impossible for suppliers to participate in the tendering process. A functioning government and the public's trust in it depend on the integrity of the procurement process.

The article concludes that public procurement serves as a vital mechanism for the functioning of the EU's internal market and is a fundamental contributor to the Union's operations, particularly in terms of the free movement of goods and services. Corruption in public procurement poses a threat to the integrity of the internal market. Corruption diminishes the legitimacy of public institutions, leading to a decline in governance quality. The article emphasizes that various factors, such as market dynamics, legal and socioeconomic considerations, and the political environment, influence the capacity of a public procurement system to combat corruption and achieve its objectives. Stakeholders

endeavor to reform public procurement regulations and their implementation through legislative processes. Additionally, these actors seek to influence state budget spending, resulting in negotiations and compromises among political figures, procurement officials, and private economic entities. According to Lyrio et al. (2018) and the bibliometric analysis, accountability and corruption are closely correlated with public sector transparency. According to Bauhr et al. (2019), horizontal monitoring may be a major factor in how much corruption risks are reduced overall by tender openness. According to Transparency International (2014), the European Commission estimates that Member States lose about €120 billion annually to corruption, which is just slightly less than the total yearly budget of the European Union.

Moreover, as per data from the OECD (2013), approximately 20% to 25% of the annual US\$2 trillion budget allocated for public procurement experiences losses due to corruption. It wasn't until 2011 that the Ministry of Public Finance (M.F.P.) and the National Integrity Agency (A.N.I.) in Romania established a cooperation treaty, leading to the implementation of procedures for examining and reporting conflicts of interest and incompatibilities detected by observers (UCVAP). The development of the current IT system, integrated into the SEAP platform and managed by ANI, resulted from the personal experiences of individuals involved in public procurement processes. This system serves as a tool for preventing and identifying potential conflicts of interest. This implies a substantial financial loss directly linked to or closely associated with corruption within public budgets. Consequently, experts in the field have focused on devising methods to assess and mitigate this phenomenon. These methods are subsequently applied through specific legislation to establish an environment that safeguards the integrity of the public procurement system.

The impact of public financial sustainability on the budget balance

The ability of a government to fund its present expenses, and maintain its taxation and related policies over the long term without endangering its solvency risking defaulting on some of its debts, or cutting back on some of its planned expenditures is known as fiscal-budgetary sustainability (EC 2017). Walker et al. (2012) characterizes sustainable public procurement (SPP) as the effort to attain objectives related to sustainable development by incorporating sustainability considerations into the procurement and supply chain procedures. Meehan and Bryde (2011) define sustainable public procurement (SPP) as the approach of procuring products and services in a way that minimizes negative impacts on both society and the environment throughout the product's life cycle. Finally, as outlined by the European Commission (EC) in 2020, Sustainable Public Procurement (SPP) involves public authorities aiming for a well-rounded approach encompassing the three dimensions of sustainable development—economic, social, and environmental—when acquiring goods, services, or works throughout all project phases. Grandia and Kruiyen (2020) emphasize that the European Commission's characterization of SPP includes the three "Ps" representing people (social), planet (environmental), and profit (economic), which collectively form the triple bottom line. As a result, SPP involves addressing economic, social, and environmental aspects. Silvestre and Tîrca (2019) argue that considering innovation's essential role in sustainability, innovative aspects of public procurement should be incorporated. Numerous studies have explored the implications of adopting the Most Economically Advantageous Tenders (MEAT) criteria as one of the

award criteria. In connection with this: Grandia and Kruijnen (2020) discovered, through a text mining analysis of over 140,000 public procurement notices in Belgium, that the use of MEAT criteria by contracting authorities wasn't obligatory for Sustainable Public Procurement (SPP). According to Bergman and Lundberg (2013), depending on a price-quality ratio scoring system is inadequate due to its opacity and susceptibility to strategic manipulation, given its reliance on less significant alternatives.

Nemec and Grega (2015) employed regression analysis to examine public procurement contract award notices in Slovakia. Their findings indicated that opting for the lowest price, as opposed to a specific criterion, leads to more substantial cost savings. In a study conducted in 2020, Dupka et al. investigated Contract Award Notices (CANs) within the Tenders Electronic Daily (TED) database from 2017 to 2018. The dataset consisted of over 700,000 CANs, submitted by contracting authorities in Slovakia, Poland, the Czech Republic, and Hungary to TED. Examination of the data reveals that, on average, savings for procurement types not oriented towards Sustainable Public Procurement (SPP) are 6.79%, whereas for SPP-oriented TEDs, the average savings amount to 8.6%. Savings for non-sustainable projects display a relatively typical distribution, with most cases clustered around an average of zero. In contrast, for Most Economically Advantageous Tenders (MEAT) focused on sustainability, the distribution exhibits two peaks, and the majority of savings fall within the range of 25% to 50%.

According to Thai et al. (2009), there must be at least four bids in a procurement process to realize significant savings. When only one bid is received, the situation can become disastrous, when three bids are submitted. The reason for this is that when there are four bidders, it is much harder to obtain anti-competitive agreements because the bidders are lowering their prices to win the process while the contracting body is also making significant savings. Hanak and Muchova (2015) used the formula $E = (EVP - FP) / EVP$ to calculate the savings realized (E), which is the ratio of the end price's (FP) relative drop to the procedure's (EVP) estimated value.

As per Loader & Norton (2015), public procurement extends beyond mere optimization of the contracting authority's price or quality. The European public procurement system is structured to function as a tool for executing diverse national, regional, and local sustainability policies, with a specific focus on promoting the development of Small and Medium-sized Enterprises (SMEs). Investigating the competitive aspect, Gupta (2002) studied a dataset comprising 1,937 highway construction tenders in the US state of Florida from 1981 to 1986. As per the author's discoveries, the highest level of competition (X) necessitated 6 to 8 bids. Any extra bids acquired beyond this threshold during the procurement process did not influence the ultimate cost.

Similar findings were made by Ilke et al. (2012), who examined a sample of 90,089 Turkish procurement processes and discovered that each additional offer received resulted in an average price reduction of 3.9%. Another noteworthy observation from the study was that higher-value processes attracted a greater number of bidders, implying that the estimated value of the procedure influenced the quantity of bids received. Sipos and Klatik (2013) found in Grega and Nemec (2015) that procedures with two bids received had larger savings than those with three to four bids. The scientists also discovered that prices were 5% lower in procedures where there was a final round of electronic tendering. Pavel (2010) came to a similar conclusion to Grega and Nemec (2015). The researcher analyzed the procurement procedures employed in the Czech Republic for highway and railroad

construction between 2004 and 2009. The findings indicated that each additional bid received resulted in an average cost savings of 3.275%. The author inferred that to preserve their market presence, the top five bidders in the industry reduced their prices and secured contracts.

Figure 3. - Sample articles selected for analysis

| Author Full Names | Keywords ¹ Public Procurement | | | Article Title | Source Title |
|--|---|-------|-------|---|---|
| | Key E | Key C | Key S | | |
| Bauhr, M., Czibik, Á., Licht, J., Fazekas, M. (2019) | | X | | Lights on the Shadows of Public Procurement: Transparency as an Antidote to Corruption | Governance |
| Beke M. et al. (2013) | X | X | | Political and other forms of corruption in the attribution of public procurement contracts and allocation of EU funds: the extent of the phenomenon and overview of practices | Policy Department D: Budgetary Affairs European Parliament |
| Bergman, M.A.; Lundberg, S.(2013) | | | X | Tender evaluation and supplier selection methods in public procurement. | J.Purch. Supply Manag. |
| Brannman, L., Klein, J., D. & Weiss, L.W. (1987) | | | X | The Price Effects of Increased Competition in Auction Markets. | The Review of Economics and Statistics |
| Broms, R., Dahlström, C., Fazekas, M. (2019) | X | | | Political Competition and Public Procurement Outcomes | Comparative Political Studies |
| Dekel O. (2008) | X | | | The Legal Theory of Competitive Bidding for Government Contracts | Public Contract Law Journal |
| Džupka et al. (2020) | | | X | Sustainable Public Procurement in Central European Countries. Can It Also Bring Savings? | Sustainability |
| Egan, M. (2010) | X | | | The Single Market. In M. Cini, & N.-S. Borragán | European Union Politics (fifth edition) Oxford, UK: Oxford University Press |
| Flynn, A. (2018) | X | | | Measuring Procurement Performance in Europe. | Journal of Public Procurement |
| Gupta, S., (2002) | | | X | Competition and Collusion in a Government Procurement Auction Market | Atlantic Economic Journal |
| Grandia, J.; Kruiyen, P.M. (2020) | | | X | Assessing the implementation of sustainable public procurement using quantitative text-analysis tools: A large-scale analysis of Belgian public procurement notices. | J. Purch. Supply Manag |
| Grega, M.; Nemec, J. . (2015) | | | X | Factors Influencing Final Price of Public Procurement: Evidence from Slovakia | Procedia Econ |
| Gupta (2002) | | | X | Moving Procurement Systems to the Internet: The Adoption and Use of E-Procurement Technology Models | European Management Journal |
| Hanak and Muchova (2015). | | | X | Impact of Competition on Prices in Public Sector Procurement | Procedia Computer Science |
| Hanák & Serrat (2018) | X | | | Analysis of Construction Auctions Data in Slovak Public Procurement | Advances in Civil Engineering |
| Ilke, O., Rasim, O. & Bedri, K. (2012) | | | X | Public Procurement Auctions and Competition in Turkey | Review of Industrial Organization |
| Lyrio et al. (2018) | | X | | Thirty Years of Studies on Transparency, Accountability, and Corruption in the Public Sector: The State of the Art and Opportunities for Future Research | Public Integrity |
| Loader, K., Norton, S. (2015) | | | X | SME Access to Public Procurement: An Analysis of the Experiences of SMEs Supplying the Publicly Funded UK Heritage Sector | Journal of Purchasing and Supply Management |
| Meehan, J.; Bryde, D. (2011) | | | X | Sustainable procurement practice. Bus. Strat. Environ. | European Union. Green and Sustainable Public Procurement |

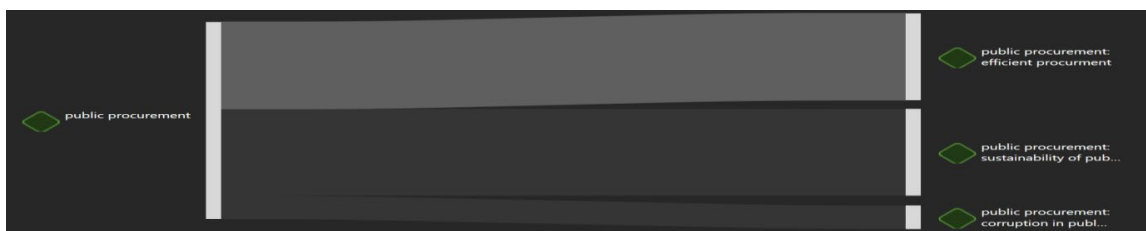
| | | | |
|---|---|---|--|
| Milosavljevic, M., Milanović, N., Benković, S. (2016) | X | Policies and Public Procurement Efficiency | Journal of Local Self-Government |
| Milosavljević, M., Dobrota, M., Milanović (2019) | X | A New Approach to the Evaluation of Public Procurement Efficiency Among European Countries | European Review |
| Milosavljević, M., Sandro Radovanovic, Boris Delibasic (2021) | X | Evaluation of Public Procurement Efficiency of the EU Countries Using Preference Learning TOPSIS Method | Economic Computation and Economic Cybernetics Studies and Research |
| Pavel (2010) | X | The efficiency of the control systems of public procurement in Slovakia | Slovakia: Transparency International |
| Prior E, Clifford P. McCue, Csaba Csaki. (2020) | X | Evaluating Decision Speed as a Measure of Public Procurement Performance in the European Single Market | International Journal of Public Administration |
| Silvestre B.S., Tîrca D.M.(2019) | X | Innovations for sustainable development: Moving toward a sustainable future | Journal of Cleaner Production |
| Sipos and Klatik (2013) | X | Quality of public procurement in Slovakia in 2012 | Transparency International Slovensko |
| Thai, K., V. et al. (2009) | X | International Handbook of Public Procurement, | Boca Raton, Florida, Ed. Taylor & Francis Group |
| Trammell, E., Abutabenjeh, S., Dimand, A.-M. (2019) | X | Review of Public Administration Research: Where Does Public Procurement Fit in? | International Journal of Public Administration |
| Walker, H.; Miemczyk, J.;Johnsen,T.;Spencer, R. | X | Sustainable procurement: Past, present, and future | Journal of Purchasing and Supply Management. |

Source: Personal qualitative analysis of specific literature

Figure no 4. – Personal qualitative analysis of specific literature is in ATLAS.ti

| | public procurement 28 | public procurement: corruption... 3 | public procurement: efficien... 11 | public procurement: sustainability... 14 |
|---------------------|--------------------------|--|---------------------------------------|---|
| public pro... 28 | | 3 (0,11) | 11 (0,39) | 13 (0,45) |
| public pro... 3 | | 3 (0,11) | | |
| public pro... 11 | | 11 (0,39) | | |
| public pro... 14 | | 13 (0,45) | | |

Code Co-occurrence Analysis – Tabel



Code Co-occurrence Analysis – Sankey Diagram

Conclusion

The literature review presents a summary of current research on public procurement and its implications for budgets, efficiency, and sustainability. The study underscores the role of legislation and public policy in shaping procurement practices and identifies corruption as a notable obstacle to achieving efficiency, sustainability, and budgetary objectives. Several key factors are emphasized in the review as potential contributors to the success of public procurement processes, encompassing e-procurement systems, stakeholder engagement, and the incorporation of sustainability criteria. The analysis reveals that

strengthening legislation, promoting transparency, and incorporating sustainability criteria into public procurement processes are essential to optimizing the use of public funds and ensuring that public procurement is a tool for sustainable development. The study recommends that policymakers and procurement professionals should adopt a holistic approach to public procurement that balances the need for efficiency, sustainability, and transparency.

In conclusion, the literature review underscores the complexity of public procurement and the need for a multi-dimensional approach to optimize its efficiency, sustainability, and budgetary impact. The findings offer insights into the key challenges and opportunities associated with public procurement and provide recommendations for policymakers and practitioners to improve procurement practices.

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DECODING THE EU ARTIFICIAL INTELLIGENCE ACT: AN ANALYSIS OF KEY CONCEPTS AND PROVISIONS

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Abstract: Artificial Intelligence (AI) is a contemporary phenomenon of vast scale, surpassing the uses and opportunities brought by the advent of the Internet, but which generates fundamental rights risks and legal challenges at an exponentially higher level. In the present study, we aim to explore the concept of artificial intelligence, the types of AI technologies, and the requirements for market introduction, with direct reference to the provisions of the new European Union AI Act. For a better understanding of the concept of Artificial Intelligence, we will classify AI systems considering the following criteria: the degree of risk, the algorithms used, the capabilities and functions, and the level of autonomy of the system. The paper highlights key aspects of AI Act regulation, focusing on high-risk and prohibited AI systems. Finally, the penalties for non-compliance with AI Act provisions are briefly outlined.

Keywords: artificial intelligence; AI act; AI regulation; high-risk AI system.

Introduction

The concept of Artificial Intelligence originated in 1956 at the Dartmouth Summer Research Project on Artificial Intelligence (DSRPAI) conference but has really expanded since the beginning of the Big Data era (Moor J., 2006). The sheer volume and diversity of data available is 'feeding' AI systems which, together with Web 4.0 & Industry 4.0 technologies, are radically changing business processes and the way individuals relate to technology. AI technology has been successfully "adopted" by many industries and has now become a strategic imperative for any business that wants to grow and succeed in a dynamic and competitive market. The advancement of new technologies and the accessibility of these systems has led in recent years to the use of AI systems directly by citizens in their day-to-day lives. Applications based on AI systems such as Amazon Alexa, Google Gemini, ChatGPT, Midjourney or DALL-E are widely used by individuals of all ages in their personal or professional activities (Ungureanu C.T., Amironesei A.E., 2023). Undoubtedly, AI is a current phenomenon, of a scale that goes beyond the uses and opportunities brought by the advent of the Internet, but which generates fundamental rights risks and legal challenges at an exponentially higher level. In the following, we aim to explore the concept of artificial intelligence, the types of AI technologies and the requirements for market introduction, by direct reference to the provisions of the new European Union AI Act (Proposal for a Regulation of The European Parliament and of the

Council Laying Down Harmonised Rules on Artificial Intelligence - Artificial Intelligence Act, as approved by the European Parliament on March 13, 2024).

Artificial Intelligence: concept & essentials

AI is not a new technology - some AI systems have been around for decades, but advances in computer power, the availability of vast amounts of data and new types of software have facilitated the development of the technology in a short time, leading to major breakthroughs in the field. AI is used in many applications in everyday life, such as virtual assistance, medical diagnostics, machine translation, navigation tools, production quality control, natural disaster prediction, etc. The EU supports the development of AI technology, but it also recognizes its potential risks, so it encourages an ethical approach focused on protecting fundamental human rights. In fact, the European Union is among the first legislators in the world to try to implement a law on artificial intelligence (European Commission, 2020). The AI Act has the potential to set a global benchmark for AI regulation in other jurisdictions, similar to the way the GDPR has operated, thus promoting the European approach to technology regulation on the world stage.

AI is essentially a tool that allows computers to mimic certain human behaviours. AI systems function using statistical methods that enable them to evolve through experiential learning. AI can be general, i.e. it can replicate human thought, feelings, and interaction, being the least developed component, or it can be specific, i.e. it has the ability to solve specific tasks. AI offers many opportunities to facilitate people's professional activities, as it can perform complex equations in seconds, analyse legal documents or support artistic creative acts. However, AI-based systems may affect certain rights, such as the right to information privacy, as they rely heavily on the collection and use of large amounts of data and may generate, based on the social patterns analysed, certain discriminatory or prejudicial predictions. This has given rise to the need to design a legal framework to allow the development and evolution of these systems in accordance with the rights of all those involved in their progress, from developers, facilitators, and distributors to all users, professional or amateur.

AI systems are software systems (possibly also hardware) designed by humans to act in the physical or digital dimension through perceiving their environment by collecting data, interpreting this data, whether structured or unstructured, and processing the information extracted from it to select the optimal action to take to achieve the given goal. AI can either use symbolic rules or learn a numeric model and is also able to adapt its behaviour by analysing how the environment has been affected by its previous actions. According to art. 3 AI Act, an "artificial intelligence system" (AI system) is defined as "software that [...] can, for a given set of human-defined objectives, generate outputs such as content, predictions, recommendations, or decisions influencing the environments they interact with". In addition, the Regulation specifies the ways in which an AI system can be developed, listing machine learning techniques - supervised, unsupervised and reinforcement learning, logic and knowledge-based approaches and search and optimisation methods.

AI Systems classification

For a better understanding of the concept of Artificial Intelligence we will classify AI systems taking into account the following criteria: the degree of risk, the algorithms used,

the capabilities and functions, and the level of autonomy of the system. If the first criterion is established by AI Act, the following ones are derived from scientific literature. At the same time, we will briefly present the types of AI systems implemented, such as Reactive machines and Limited memory machines, as well as future technologies in AI such as theory of mind & self-awareness.

AI Systems Risk-Classification

Based on the principle that the higher the risk, the stricter the rules, the EU AI Act divides AI systems into four categories: minimal or no risk, limited risk, high risk and unacceptable risk.

- a) Minimal or no risk. Most AI systems are risk-free and can continue to be used without being affected in any way by the regulation (e.g. video games, spam filters).
- b) Limited risk. AI systems that pose only limited risks will be subject to broad transparency obligations, such as disclosing that the system provides AI-generated content so that users can make informed decisions about its further use (e.g. generative AI, such as a chatbot).
- c) High risk. A high-risk AI system is one that presents a significant potential for causing harm or negative consequences due to malfunction or incorrect decision-making. A wide range of high-risk AI systems will be authorised if they comply with the requirements and obligations imposed by the Regulation for obtaining access to the EU market (e.g. AI systems used in medical diagnostic systems or autonomous driving systems).
- d) Unacceptable risk. For certain uses of AI, the risk is considered unacceptable, so these systems will be banned within the Union, as they present a clear interference with fundamental human rights and freedoms. Uses include cognitive-behavioural manipulation, predictive policing (use of predictive analytics and other analytical techniques by law enforcement to identify potential criminal activity), emotion recognition in the workplace and educational institutions, and social scoring (practices in which AI is used to open or restrict access to social benefits or to differentiate social treatment of a person based on a score derived from an assessment of their personal behaviours or attributes). Remote biometric identification systems such as facial recognition will also be banned, with some exceptions.

AI classification based on the type of algorithms used

AI algorithms are a set of instructions or rules that allow systems to learn, analyse data and make decisions based on this knowledge. Algorithms can perform tasks that normally require human intelligence to perform (e.g. pattern recognition, natural language understanding, problem-solving and decision-making). In training algorithms, the focus is on the quality of the data input, the values of its use and its testing, with the quantity of data input being less important in the process. Three major categories of algorithms are distinguished: supervised learning, unsupervised learning and semi-supervised or consolidation learning (Tabsharani F., 2023).

- a) Supervised learning is a fundamental category of algorithms in which an AI model is trained on a set of specific input data, called training data that has a known label or outcome. The objective of the algorithm is to learn a function by which it can accurately classify or draw new and unpredictable data. Supervised learning is widely used in tasks such as image classification (identifying objects in images), natural language processing

(sentiment analysis of digital text - the process of analysing a text to determine whether the emotional tone of the message is positive, negative or neutral) and recommender systems (product or content suggestions).

b) Unsupervised learning represents another fundamental category of algorithms, different from supervised learning in that it processes input data that is not labelled and has no known outcome. The algorithm operates by extracting general rules from the data, by reducing data redundancy or by organising the data based on similarity. Unsupervised learning is applied in customer splitting (identifying groups of customers that have similar behaviours), anomaly detection (detecting unusual patterns in the data), and topic modelling (identifying central themes in input texts).

c) Semi-supervised or consolidation learning is a distinct approach in which an agent interacts with an environment to learn a sequence of actions, with the input being a mixture of labelled and unlabelled examples. The agent explores various actions, receives feedback in the form of rewards or penalties, and adjusts its decision-making process over time to optimize its long-term performance. Reinforcement learning is used in robotics, certain video games, automotive vehicles (training automated cars to navigate safely) and recommender systems (learning user preferences).

These three major categories of artificial intelligence algorithms provide a versatile toolset for tackling a wide range of problems, from predictive modelling to hidden pattern discovery, and enable optimal decision-making in complex environments.

AI Classification based on functionality and capabilities

Categories of AI based on their capability

Considering its learning processes and capabilities, AI can be classified into 'narrow intelligence', 'general artificial intelligence', and 'super-intelligence' types, showcasing the evolving capabilities of AI systems. These systems can execute precise tasks and simulate, or even surpass, human thought processes.

Categories of AI based on their functionality

Aren Hintze, a researcher and professor at Michigan State University, defines four main types of AI, based on their functionality, grouped into two categories, as they exist in real life or only in theory: Reactive machines, Limited memory, Theory of Mind and Self-awareness (Hintze A., 2016; Alzoubi, A.A., Al Aqeel, I., Alzoubi, H.M., 2024.).

Existing AI systems: Reactive machines and Limited memory machines

a) Reactive machines are AI systems that have no memory and are specific to a single task, meaning that an input of data always gives the same output. Machine learning models tend to be reactive systems because they take customer data, such as search or purchase history, and use it to generate recommendations. They involve the "super" type of learning as humans are not able to process huge amounts of data (e.g. a customer's entire Netflix history) to issue personalised recommendations. Reactive systems do not have the ability to predict future outcomes unless they have been given adequate information.

b) Limited memory machines are AI systems whose algorithm mimics the way human neurons work together, meaning that it gets smarter as it receives more training input. Deep learning algorithms facilitate natural language processing, image recognition and other semi-supervised learning methods. Unlike reactive systems, limited-memory ones can monitor specific objects or situations at a given time, even from the past. After this step,

observations are programmed into the AI. A classic example of a limited-memory AI system is the autonomous vehicle - driverless cars observe the speed, direction, and position of other cars in traffic, and this data helps the vehicle decide when to change lanes.

Future technologies: Theory of mind and Self-aware AI

c) AI Theory of mind, if it will be developed and implemented, has the potential to understand the world through the lens of people's thoughts and emotions. Human cognitive abilities are able to process how our behaviours affect others and conversely, how we are affected, which is the basis of human relationships. In the future, AI systems operating based on theory of mind may be able to understand a person's intentions and predict their behavioural reactions, essentially simulating an inter-human relationship.

d) Self-aware AI's aim would be to design systems that are aware of their existence. This model goes beyond the ability of a system operating on theory of mind, processing the understanding of emotions to be aware of themselves, their state and to be able to sense or predict the feelings of others. For example, "I'm hungry" becomes "I know I'm hungry" or "I want to eat lasagne because it's my favourite food".

AI classification based on the level of autonomy

Artificial intelligence systems can be categorized, depending on how they are implemented and used, in standalone AI systems and Integrated AI components.

a) Standalone AI systems or Independent AI systems are AI solutions that can operate independently and autonomously without being integrated into other products or applications. Standalone AI systems are capable of operating and making decisions autonomously, without human intervention. They use advanced machine learning algorithms to analyse data and evaluate experiences to adapt their functionality. The use of these types of systems is beneficial in terms of independence (autonomous systems can perform tasks without constant human supervision, allowing for increased efficiency), decision-making (they can make informed, real-time decisions and optimise outcomes) and reducing human error (independent systems increase accuracy and reliability in various areas such as manufacturing, healthcare, and transportation).

b) Integrated AI components or Product-integrated AI systems are integrated into other products or applications to add intelligent functionalities or to enhance their performance. Today, AI is no longer just a tool, but a partner capable of guiding users in performing professional or personal tasks. When not a stand-alone system, AI can operate as an assistant on different platforms. For example, Microsoft has shown how its AI-based Copilot feature will increase the productivity of its users by automating and assisting with tasks, documents, and information. In Designer, the new graphic design app developed by Microsoft 365, the company has introduced several AI features for creating visual elements, social media posts and more (Brue M., 2023).

EU regulation of artificial intelligence

1. AI Act and previous regulatory attempts

Artificial Intelligence is one of the emerging and disruptive technologies of the 21st century, with the ability to significantly influence the way people and businesses do business. AI technologies are currently not regulated at an international or regional level. However, in 2019 the OECD Principles for Artificial Intelligence were adopted by 46

countries (38 OECD members and 8 others). The OECD Principles for Artificial Intelligence are a set of guidelines for the responsible development and use of AI technologies in different sectors and industries. The principles proposed by the OECD are based on values such as: a. Inclusive growth, sustainable development and well-being; b. Human-centered values and fairness; c. Transparency and explainability; d. Robustness, security and safety; e. Accountability. At regional level, the Council of Europe is setting up a Committee on Artificial Intelligence which proposes principles and ethical standards for AI (CAHAI, 2020; Council of Europe, 2020). Subsequently, within the CoE, the Committee on Artificial Intelligence is active, and by the end of 2023, it presented a proposal for a Framework Convention on Artificial Intelligence, Human Rights, Democracy and the Rule of Law (CAI, 2023). Given that AI technologies are not limited to the jurisdiction of a particular state and have the capacity to be used internationally, we consider it necessary to regulate these systems at international or regional level. At the European level, the Commission has proposed in 2021 the first legal framework on artificial intelligence, part of the EU Data Package (Halford C., Air C., Eastwood H., (2022); Ungureanu C.T., 2021). The regulation of AI systems is an important step in the EU Digital Strategy and the adoption of the AI Act could serve as a benchmark at an international level, similar to the regulation of personal data protection through GDPR.

The AI Act is a legislative proposal for harmonised rules on Artificial Intelligence which aims primarily to ensure that fundamental rights are respected by any AI system placed on the European market. It also represents an opportunity to stimulate investment and innovation in this field by increasing safety for users of AI software. In parallel to the debate and adoption of the AI Act, the European Commission is working on a proposal for a Directive on the adaptation of non-contractual liability rules to artificial intelligence (AI Liability Directive). The risks associated with the use of new technologies act as a barrier to the rapid adoption of Artificial Intelligence, in any form or algorithm and regardless of the severity of the applicable regulations. What makes users trust AI? Can we assess an AI system as "trustworthy"?

According to the High-Level Expert Group on Artificial Intelligence, for an AI programme to be considered "trustworthy", it must encompass three essential components: it must be legal (compliant with all related regulations), ethical (ensures compliance with ethical values and principles) and robust (contains a broad technical component harmonised with the social environment, ensuring the safe and secure operation of the system and preventing any unintended negative impact) (High-Level Expert Group on Artificial Intelligence, 2019).

From an ethical point of view, a reliable AI system must be developed, implemented and used in a way that respects user autonomy and prevents harm, and takes into account the principle of fairness, with special attention to vulnerable users (children, people with disabilities, people belonging to disadvantaged groups). These requirements must be implemented and met throughout the system's operation, but the potential tensions between them may differ from application to application, depending on the domain or industry in which AI is used. While most requirements apply to all AI systems, particular attention should be paid to those that affect individuals directly or indirectly. In line with the first component of reliable AI - legality, developers and implementing organisations of AI systems have a responsibility to ensure that legal obligations are met, both in terms of

horizontally applicable rules and domain-specific regulations. With the entry into force of the AI Act, these obligations will be even easier to find, understand and enforce.

2. The risk-based approach

The AI Act proposes a clear division between acceptable and unacceptable risks, consequently determining trustworthy and untrustworthy AI (Laux J., Wachter S., Mittelstadt B. 2024).

Considering our above analysis of the categorization of AI based on risk levels, as outlined in the AI Act, we will now focus solely on high-risk AI and prohibited AI. The AI Act provides for a horizontal level of protection by classifying AI instruments into high-risk systems to highlight that those likely to cause serious violations of fundamental rights or other significant risks are targeted. Those that are classified as limited risk systems will be subject to less restrictive transparency obligations, e.g. disclosure of the use of such a system in creative content products ("content was generated by AI"), so that users are informed and can make informed decisions about that content.

High-risk AI systems will be able to gain access to the EU market if they comply with certain requirements and obligations to obtain authorisation, such as data quality and safety aspects.

High-risk AI systems: approval before marketing

As for high-risk systems, they will be able to gain access to the EU market if they comply with certain requirements and obligations in order to obtain authorisation, such as the implementation of risk assessment modalities, ensuring data quality and security, the preparation of comprehensive technical documentation and compliance with the transparency obligation.

Thus, the regulation provides for the need to establish, implement and maintain a risk management system, i.e. an iterative process that needs to be regularly and constantly updated throughout the lifetime of a high-risk AI system and that must go through the following steps:

- (a) identifies and analyses the known or foreseeable risks associated with each system;
- (b) estimate and assess the risks that may arise when the system is used as intended or under inappropriate but reasonably foreseeable conditions of use;
- (c) examine other risks that may arise, based on data collected from post-market monitoring;
- (d) adopt appropriate risk management measures.

These latter measures must be implemented taking into account the possible effects and interactions that may result from the combined application of all the requirements provided by the relevant legislation and the current state of technology, generally recognized. The measures will aim to eliminate, reduce, or mitigate risks. To identify the most appropriate risk management provisions, high-risk AI systems will be tested at any time during the development process, prior to introducing the system to the market or before putting it into operation.

Regarding data governance, high-risk AI systems involving training data models will be developed based on training, validation, and testing datasets that must be relevant, representative, complete, and error-free. The regulation provides for the possibility for providers of these systems to process special categories of personal data, to the extent that this action is strictly necessary to ensure monitoring, detection, and correction of

systematic errors, subject to proportional guarantees for the fundamental rights of individuals (EDPB-EDPS, 2021; EDPS, 2023).

The requirement regarding the technical documentation of a high-risk system entails its preparation prior to the introduction of the system to the market and the obligation to update it. The documentation aims to demonstrate the system's compliance with all requirements and to provide competent national authorities with all necessary information to evaluate the system's conformity with the Regulation.

The obligation of transparency involves designing and developing a high-risk AI system in a sufficiently clear manner to allow users to interpret the system's results and use it properly. The level of transparency provided must be adequate to enable both the user and the provider to fulfil their obligations under the Regulation. Transparency can be manifested in a user manual for the system's use, in digital format, or in other ways by providing concise, complete, and coherent information in an accessible and predictable manner for users. The informational tool will contain details regarding the identity and contact information of the provider, the characteristics, capabilities, and limitations of the system's performance (its purpose, level of accuracy, and cybersecurity, the individuals with whom the system is intended to be used), and, where applicable, changes made to the system, the expected lifespan, and any maintenance measures necessary for the proper functioning of the system (including software updates). Considering the specific risks of manipulation posed by AI systems, Article 52 of the AI Act establishes transparency obligations for systems that: "(i) interact with humans, (ii) are used to detect emotions or determine association with (social) categories based on biometric data, or (iii) generate or manipulate content ("deepfakes")" (Point 5.2.4 in the Explanatory Memorandum of the AI Act Proposal).

After the high-risk systems are placed on the market, their use must be effectively monitored by individuals to prevent or reduce existing risks to fundamental rights that may arise from the use of the systems. Those responsible for monitoring must fully understand the capabilities and limitations of a system so that they can properly monitor its operation and promptly report any anomalies, malfunctions, or unexpected performances. Additionally, supervisors must be able to correctly interpret the results of the high-risk AI system and decide, in any particular case, not to use the system. Finally, measures to ensure human oversight must allow individuals to intervene in the operation of the high-risk system, including being able to interrupt the system through a "stop" command or similar procedure.

Banned or Prohibited AI systems. Certain uses of AI present such a high risk that it is considered unacceptable and the use of such a system in the EU should be prohibited. The category of unacceptable risks should be understood as any artificial intelligence system whose use would undermine the values of the Union, for example by violating fundamental rights. The first mention of prohibited practices appears in the preamble of the Regulation and explains at length the background and reasons for the existence of this category - "aside from the many beneficial uses of artificial intelligence, that technology can also be misused and provide novel and powerful tools for manipulative, exploitative and social control practices. Such practices are particularly harmful and should be prohibited [...]" (recital 15 AI Act). Broadly speaking, the list of prohibited practices under the AI Act covers four distinct types of AI (Uscov S., Groza A., 2022). The first relates to subliminal AI practices, i.e. those with significant potential for cognitive-behavioural manipulation of individuals.

The second set are methods that exploit the weaknesses of specific vulnerable groups ("exploitative AI practices"), such as children and people with disabilities. For both sets to fall into the category of unacceptable risk systems, they must be used to distort a person's behaviour in a way that causes or is likely to cause physical or psychological harm to that person. The third set comprises social scoring systems, i.e. programmes used by public authorities or other agents, but on behalf of the state, to assess or classify the reliability of citizens over a period of time according to their social behaviour and personality traits. Finally, the fourth category consists of real-time remote biometric identification systems, which involve the use of AI in public places for law enforcement purposes. Thus, this type of AI is not allowed to extract sensitive data (sexual orientation, religious denomination) or in law enforcement based on predictive person analysis.

The AI Act also prohibits the use of facial images from the internet or video monitoring systems (such as CCTV footage) for unspecified and non-explicit collection purposes, as well as the recognition of emotions in the workplace or in educational institutions.

Each prohibited practice raises serious regulatory challenges, made more difficult by the inherent interconnectedness of systems caused by the general trend towards convergence of existing products, industries and technologies. Experts argue that the overall balance and integrity of the legal system is challenged precisely by the inherent interdependence of AI systems, which creates the need for sufficiently specific and comprehensive regulation capable of being applied to as many distinct factual situations as possible (Neuwirth R.J., 2023).

3. Penalties according to AI Act

Regarding the sanctioning system, the Regulation establishes the maximum limits of fines for specific violations, leaving it to the discretion of the Member States to establish rules regarding sanctions, including administrative fines applicable in case of non-compliance with this Act. Broadly speaking, the sanctions provided by the Regulation target three categories of subjects: operators of AI systems, providers of general-purpose AI systems, and Union institutions, bodies, and agencies. Depending on the maximum amount of the fine that can be imposed, the sanctions are grouped into three levels. The first level refers to violations of the prohibitions imposed by Article 5 AI Act ("Prohibited Practices in the field of AI"), the second encompasses non-compliance with the obligations provided by the Regulation, and the last level involves the incorrect provision of information to authorities.

a) Non-compliance with the prohibitions imposed by the Regulation

The highest fines are applied for the use or placing on the market of systems prohibited by the Regulation due to the unacceptable level of risk they pose. These situations are subject to fines of up to €35,000,000 or, in the case of a company, up to 7% of its total annual worldwide turnover for the preceding financial year. This amount exceeds the penalties provided by the GDPR (4%) or the Digital Services Act (6%), imposing some of the most severe non-compliance sanctions in the EU. Penalties will be applied for the use in the Union of any of the systems listed in Title II of the Regulation, such as systems that implement manipulation techniques with distorting effects on individuals' behaviours or those that classify individuals based on their biometric data to infer their race, political opinion, religious belief, sexual orientation, etc.

b) Non-compliance with the obligations imposed by the Regulation

The second-largest category of fines is established for the failure to comply with specific obligations by different subjects and has a maximum amount of €15,000,000 or up to 3% of the annual global turnover for enterprises. These sanctions will be applicable in case of failure to comply with: a) the obligations of providers of high-risk AI systems (provided for in Article 16 of the Regulation); b) obligations of authorized representatives; c) obligations of importers and distributors; d) obligations of deployers;

According to Article 25 of the Regulation, an authorized representative is any natural or legal person established in the Union who has received and accepted a written mandate from a provider of an AI system or a general-purpose AI model to carry out and fulfil, on behalf of the provider, the obligations and procedures established by this regulation. Thus, representatives must act in accordance with the mandate received from the provider and in accordance with the obligations established by the aforementioned article. An importer is considered to be any natural or legal person established in the Union who places on the market an AI system bearing the name or trade name or the mark of a natural or legal person established outside the EU. Importers are obliged to ensure that the high-risk AI systems they place on the market comply with this regulation. Similarly to importers, distributors must ensure the conformity of the system with the relevant legislation and cooperate with the competent authorities.

According to art. 3 AI Act, a deployer (or user) represents an entity that uses an AI system under its authority, and this use is carried out as part of a professional activity. Users of high-risk systems are primarily obliged to use the systems in accordance with the provided instructions and to take appropriate measures to supervise the systems.

c) The supply of incorrect, incomplete or misleading information to authorities

Failure to provide correct and complete information constitutes a violation of Article 23 of the Regulation, which requires cooperation between providers and competent authorities. Thus, providers of high-risk AI systems are obligated to provide national authorities, upon request, with all the necessary information and documentation to demonstrate the system's compliance with the requirements established by law. If the information provided is incorrect, incomplete, or misleading, providers may face fines of up to €7,500,000 or up to 1% of the total worldwide turnover for companies. In applying sanctions, competent authorities will consider that the measures taken should be effective, deterrent, and proportionate to the type of action, the party's previous conduct, and its profile. Factors that may be taken into account in individualizing sanctions include: a. the nature, gravity, and duration of the offense; b. the intentional or negligent nature of the violations; c. measures taken to mitigate the effects of the violation; d. the harm caused or gains made through the violation. In any case, the AI Act recognizes the diversity of practical cases, therefore it regulates only the maximum threshold of fines and provides special provisions for smaller or newly established enterprises.

Conclusions

Artificial Intelligence is a disruptive technology that can be used as an accelerator for innovation in all scientific fields, as well as in industry or the business environment. The synergy between AI and new technologies such as Machine Learning and Cloud computing can rapidly and efficiently propel technological advancement and improve people's quality of life. Harnessing the opportunities offered by AI generates significant risks to fundamental rights and values, which justifies regulating how AI systems are developed,

implemented, and used by directly assessing their potential risk level. The emergence of the AI Act and the establishment of the European AI Office are, in our view, just the beginning of regulating how AI is developed and used. The complexity of AI systems and the diversity of fields in which it is used necessitate much stricter rules for certifying an AI system as safe and trustworthy than those proposed at the EU level through the AI Act. We believe that the efforts made at the EU level represent only the first steps towards a comprehensive legal mechanism that would require EU AI Office verification and approval of any AI system before it is introduced to the European digital market.

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CHALLENGES OF AGRO-ALLIED INDUSTRIES IN BENUE STATE: AN ALTERNATIVE MODEL FOR THE WAY FORWARD

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Abstract: This study examined the challenges of agro-allied industries in Benue state, and suggested an alternative model for industrial development. The study covered the period of 1979 to 2021 using state developmental theory as a theoretical framework. Multi-stage sampling approach was used. The study employed a descriptive survey research design based on the need to collect data from diverse and heterogeneous populations. Primary and secondary data were sourced through questionnaires, in-depth face-to-face interviews with key informants, official documents and personal observations. The study utilised descriptive and inferential statistics for data analysis. The findings reveal that inadequate funding, poor infrastructure, corruption, government interference, lack of political will power and visionary leadership, bad sociocultural attitude of Benue indigene, and wrong approach to development plan are the major challenges of agro-allied industries in the state. The study recommends Public-Private-Partnership (PPP), where the government serves as a regulator through effective and independent legislature, executive (efficient bureaucracy) and judiciary, while the private sector serves as the mainstream business operator.

Keywords: agro-industrial development, agro-allied industries, public-private-partnership (PPP)

Introduction

There is unhindered knowledge that agro-industrial development, even at the small and cottage industry levels, is critical to the expansion and diversification of Nigeria's agricultural sector. Agro-industrial development has the potential to significantly contribute to agricultural transformation and, by extension, rural and national development. Agro-allied sectors are increasingly acknowledged for their contribution to employment generation, food security, and poverty alleviation. They are the backbone of most economic prosperity of many nations while also fueling agricultural industrial development. Vibrant agro-industrial operations can extend the markets for basic agricultural products, enhance value by vertically integrating primary production and food processing systems and minimize post-harvest losses. In addition, such activities would reduce seasonality of consumption of a range of processed foods, increase the viability, profitability and sustainability of production systems through their impact on increasing farm incomes, rural employment and foreign exchange earnings, while reducing marketing risks. Nonetheless,

with rare exceptions, the agro-industrial sector remains rudimentary, underdeveloped and mainly without significant institutional, technical and financial backing.

In Africa, the key challenges in agro-industrial development include; low agricultural productivity and post-harvest losses (first constraints for agro-industry in Africa), poor infrastructure (especially in rural areas, lack of capacity building in agro-industry and market linkages, low access to technology, meeting market demands and certification schemes, development of farmer associations and cooperatives, trade areas and agro-industry, low access to finance services and inadequate environment for attracting investors and private sector, and new challenges: bio-energy (African Development Bank, 2008).

Prior to the implementation of the economic adjustment policies, the Nigerian government intervened in the industrial sector with a view to accelerating the space of socioeconomic development in Nigeria. In fact, at independence, industrialization was recognized as a major plank of economic advancement and a tool to transform the country's economy. To achieve this objective, the Nigerian government invested directly in public enterprises, including the industrial sector (Asaolu & Oladele, 2006; Yusuf, 2006). This informed, for instance, the establishment of the Ajaokuta steel project in 1979 to serve as a catalyst for the industrialization of Nigeria through various government efforts. The aim was to prompt Nigeria's departure from a monolithic economy to a more diversified economy to reduce the country's dependence on oil. Other industries established by the Nigerian government were Delta Steel Company, Jos Steel Company, Oshogbo Steel Company, Katsina Steel Rolling Mills, National Iron Ore Mining Company, Unilever Nigeria Plc, Nestle Nigeria Plc, Nigerian breweries, Flour Mills of Nigeria, Guinness Nigeria Plc and so on.

In line with the Federal Government's drive to industrialize the nation's economy, the Benue State government then established some industries to also accelerate the pace of socioeconomic development in the state. Some of the industries established by the Benue State government in this regard include Otukpo Burnt Bricks, Benco Roof Tiles, Wannue Tomato and Mango Factory, Taraku Mills, Agricultural Development Company, Benro Packaging, Igumale Cement Factory, Benue Plastic Company, Yam Processing Industry, Benue Cement Company, and Benue Breweries Ltd., among others. These industries were established, owned and managed by the Benue State government.

Generally, when there is inefficiency that is often orchestrated by few monopolies, commodity prices are set above the socially welfare price. This creates market failure and loss of economic efficiency. Therefore, it invokes the need a priori for government intervention to savage situations and improve social welfare benefits through the promotion of agricultural industrial development policies that could scale up or revive the agro-allied sector. The importance of the agricultural sector cannot be overemphasized because it provides food security, which is the core of human existence. In Benue state, many attempts have been made at industrial development, especially during the late Governor Aper Aku administration, which came onboard in 1997. The administration witnessed sustained agricultural industrial growth with massive output. One of the agricultural industries was Taraku Mills Limited, an integrated mechanized large-scale agricultural project that was producing and processing soya beans, maize, and rice under the fourth National Development Plan (1980-1985). Agricultural Development company (ADC) was a parastatal established for speedy development of the agro-allied sector in the newly created states. It was charged with the responsibility of stepping up food production by peasant farmers, stimulating Benue Agricultural potentials, offering specialist extension services

to the public and rural farmers, and improving quality and quantity, among other objectives. The Yandev farm center near Gboko was the first of such mechanization efforts in the Benue area and was established in 1926 by the British Colonial government to serve as the agricultural headquarters for Benue province. Other efforts in this direction were the establishment of Benue Agro-Millers Company (OLAM) and Benue Agricultural and Rural Development Authority (BNARDA).

Throughout the Aper Aku administration, which lasted between 1979 and 1983, all the industries that were agro-based functioned very well. For instance, Taraku Mill Limited products were judged the best in West Africa (Igbawua, 2006). Agricultural Development Company (ADC) poultry farm and piggery farms were rated high in Arica with hybrid species of pigs. Ikyogen Cattle Ranch and Ber Agbum were among the agricultural fortunes for which the state was rated higher with a quantum of agricultural productions that earned Benue the food basket of the nation tag. However, in recent times, most of these agro-allied industries have been nonfunctional or predominantly moribund. This study seeks to examine the challenges of the agro-allied industries in Benue state with the view of suggesting the way forward. This research finding could be useful to the development experts and policy makers as well as pragmatic leaders who use the strategies and solutions provided to ensure that resources both internal and external are harnessed and optimally utilized for industrial development and sustainability. It will also suggest solutions to the challenges of agro-allied industrialization in Benue state and other developing entities.

The study focused on the challenges confronting industrial development in Benue State from 1979-2021. The year 1979 marked a significant point in the history of Benue state because it was the year most industries in the state were established under Governor Apollos Aper Aku. From the time of their establishment to 2017, several administrations have participated in different ways and levels in the sustainability of these industries but have not been able to bring them to functional levels. Some have been leased to individuals or corporate bodies, while others have been fully privatized for the development of other sectors. The motive has always been that the private sector will be more efficient in managing these agro-allied industries in line with economic theory. However, none of these agro-allied industries in the private sector under lease or which have been sold is functional, let alone efficient.

Literature review

Challenges of Industrialization in Nigeria

According to Stephen (1996), Nigeria's industrialization process experienced fresh challenges that acted rather negatively in shaping the industrialization process. Earlier in the 1970s and beyond, Nigeria sought to borrow from various bilateral and multinational donors to finance wealth creation and to promote the industrialization process. It so happened that Nigeria's economy accumulated a lot of debt to the tune of tens of billions of dollars. It was in mid 1980s that the reality started to dawn that they were spending much more on servicing foreign loans than for their domestic growth". The Nigerian debt crisis arose as a result of this situation. Because the majority of a country's GDP/GNP is used to service foreign debt, it cannot industrialize. This debt situation has been cited as a significant impediment to Nigeria's industrialization. As a result, the country's balance of payments has been severely impacted. This meant it lacked access to international hard

currencies, which were critical for the import of capital goods required by the manufacturing and processing industries. As a result of this situation, “Nigeria lacked the capacity to exploit the necessary natural resource for manufacturing purposes in addition to the relevant technology, as well as liquid capital that was needed to sustain this process. This forced Nigeria to be dependent on more developed countries of the West for capital goods, industrial inputs, technology and liquid capital. This weak capital base has acted as a major impediment to industrialization process in Nigeria (Stephen, 1996).

According to Iwuagwu (2009), the lack of basic infrastructure has been the bane of Nigeria's industrialization campaign. For example, poor performance in the Nigerian power sector means that Nigerian manufacturers must undergo at least 10 power outages each week and that every firm, even if connected to the national power grid, must invest in its own power supply, which costs at least N750 or \$4.5/kwh to create (Iwuagwu, 2009). Since 1999, successive governments have worked to strengthen the energy sector. The government has committed to constructing eleven thermal power plants at Calabar, Benin, Egbema, Sapele, Yenagoa, Omoku Olorunsogo (Ogun State), Alaoji, Omotosho (Ondo State), Gereggu, and Ikot/Abasi as part of the National Integrated Power Project (NIPP). The government hopes to create 40,000 megawatts of electricity by 2020 using the current infrastructure. The achievement of this goal is already complicated by the difficulty of constructing gas pipelines, which are anticipated to cost N750 billion (\$4.5 billion), requiring both appropriation and third-party funding. With zero financial allocations previously experienced a few years ago and a comparatively cheap electricity cost of N7 or \$0.042 per kilowatt, the nation is expected to face a protracted wait to resolve the recurrent power problem.

Iwuagwu (2011) noted that between the end of 2006 and the first half of 2007, Nigeria's industrial sector passed through very difficult period, and had to grapple with numerous challenges including low-capacity utilization resulting from poor state of infrastructure, absence of venture capital, high cost of capital, poor macroeconomic environment (including inadequate regulation), insecurity, multiple taxation, etc. All these combined to bring industry's contribution to National GDP to just a little over 4 percent. Expectedly, some manufacturing companies even shut down, while others migrated to neighboring countries where the business environment was considered friendlier. According to Iwuagwu (2011), political instability, regimes changes and the readjustments in the body politics of the country have continued to make the country suffer a crisis of legitimacy with multiple parties failing to deliver the democratic dreams. These political maladies that are facing Nigeria have acted as the major impediments to industrialization process.

In a different vein, it could be argued that for the majority of Africa's postindependence period, the continent appeared to be a latecomer and a second-class citizen in the international political economy. One of the continent's weaknesses is its inability to take the lead in international trade and trading regimes. The international trading system was dominated by developed countries in the North from the 1960s to the 1990s, thanks to the General Agreement on Tariffs and Trade (GATT) agreement. In terms of Africa and the rest of the Third World, this system has typically failed to establish a governable environment. International market shocks, as well as international trade regimes beyond Africa's control, have continued to function as a major setback to Africa's industrialization process since the World Trade Organization (WTO) was established in 1994 to replace the GATT (Bach, 1988). However, Africa's industrialization problems cannot be totally

attributed to the North; African regional integration, of which Nigeria is a member, appeared to be shaky from the outset. African statesmen and general academia expressed their feelings toward the end of the 1990s, otherwise known as Africa's fourth development decades, that African regionalism and subregional economic integration under the umbrella of the Organization of African Unity (OAU), now the African Union (AU), had largely failed to deliver the industrialization dream for Africa. In fact, the African industrialization process appeared to be more reliant than ever before on financial help and capital goods imports while also being influenced by the World Bank and other foreign financial institutions (Otoghile, 2016). Since 2001, the African Union (AU) sought to rejuvenate African's industrialization through a number of initiatives; the best was the New Partnership for Africa's Development otherwise known as (NEPAD) which is a product of the millennium partnership for the Africa Recovery Programme (MAP) and the OMEGA plan. It appeared that although NEPAD was open to combine the African bred industrialization political economy at the beginning of the 21st Century (Melber, 2002).

Overview of industrialization in Benue State

Benue State was created on February 3, 1976; it was one of the seven states created by the military administration headed by the late General Murtala Muhammed, which increased the number of states in the country from 12 to 19. The state derives its name from the River Benue, the second longest river in the country and the most prominent geographical feature in the state. At its inception, the state comprised only seven local government areas, but with more creation of state and local government in 1991, Benue State now has twenty-three local government areas. Between 1976, when Benue became an autonomous political entity, and today, the state has had a total of 14 chief executives made up of 11 militaries and 5 civilians. In this light, it is not necessary to assess the military regimes individually. The painful fact is that there is little to suggest that any of the military regimes concerned itself with solving the ultimate economic problem of the state and perhaps laying a solid foundation for industrialization to strive in the state. In fairness, it must be admitted that by their very nature, military government could not truly have been expected to do this. They were preoccupied with projects that could quickly be completed for commissioning by the Commander in Chief of the Armed Forces. It should not, however, be misunderstood that the military regimes in the state did nothing, far from industrializing at least a few projects, are not only visible but also externally useful (Igbawua, 2006).

Regarding the five civilian administrations, it must be stated that the government of Governor Aper Aku 1979-1983 was the first to show both a true understanding of the real needs of the Benue polity and to exercise clarity in policy making and industrialisation. In his independence address three years into administration, the Governor Aper Posited My humble attempts as governor of Benue State have always been geared toward the cardinal aim of my administration, which is the transformation of the State from poverty and backwardness to an industrialized modern state that will be the pride and envy of all. Some of these plans to transform the state are long term measureless... Nevertheless, the achievements of the government within the first three years in office are so glaring that they speak for themselves (Independence Address 1983 Oct. 1st). As noted above, Aper Aku laid a solid foundation for industrialisation in Benue State, as within his short period he established some as he established some agro allied industries aimed at adding value to

the farm produce and thereby improving the income of the rural farmers. Specifically, he established:

Taraku Mills Limited for processing soybeans and maize produced on a large scale in the state. Benue Cement Company, Benro Packing Company, Benue Brewery Limited, Benue Burnt Bricks, Otukpo, Ikyogen Cattle Ranch and Ikyogen Holiday Resort, Makurdi Sheraton Hotel, Agricultural Development Company, Lobi Bank to provide loans to farmers, Makurdi Modern Market, Mega foods and Beverages Processing Company Ltd. Wannune (Tomatoes/Mangoes Factory), Benfruit Nigeria Ltd. Makurdi, Benkims Plastic Nig. Ltd. Makurdi, Katsina-Ala Yam Flour Factory Ltd. Fertilizer Blending Company Ltd. Makurdi, Benue Links Limited, etc., Benko Roof Tiles Ltd. Abinsi, Benue Links Ltd. Makurdi, Ikwe Wildlife Park Igbor Bentro Packaging Company Ltd. Gboko, Beer Agbum, Ushongo.

The second civilian administration in Benue was headed by Rev. Fr. Moses Adasu from 1992-1993, it was, however, short lived. Adasu no doubt assumed office with a greater desire for social reform and exhibited a strong aspiration for industrialisation (Igbawua, 2006). Adasu, Moses maiden broadcast on 2nd 1992 as Governor,

The challenge for the rapid industrialisation of Benue State is a challenge that this administration wishes to tackle with all seriousness and purposefulness. Industrialisation is a challenge, especially to our farmers, since it will be agro-based. This will challenge our farmers to increase their production and, therefore, earn greater income and raise their standard of living. It is also a challenge to fight capital flight and encourage capital movement into the state.

Following the return to democracy in 1999, Governor George Akume became the next Governor of the State from 1999-2007, and he established a few industries, such as the Benkims plastics industry and the Tomatoes factory at Wannune, which never functioned even for a second. Governor Suswam 2007-2015 and the present day Governor Samuel Ortom have not been able to rewrite the industrial history of Benue State.

It must be clearly stated that industrialisation, which has been the bedrock of most societies, has remained a challenge in Benue State because apart from the regime of Fr. Adasu Moses, including those of the military successive administrations in the state, have only through corruption mismanaged and run down almost all the industries that were established by the father of Benue State chief Apollos Aper Aku. Many of those industries have been sold off, but some are still in comatose and have become conduit pipes for siphoning money as heavy budgetary allocation goes to such industries yearly.

Moribund Agro-allied Industries in Benue State

Several moribund industries abound in Benue state, and in this section, an attempt is made to discuss some. Taraku Mills Limited is an integrated, agro-based limited liability company owned by the Benue State Government and Industrie Bau Nord (IBN) of Austria. The company, with its Head Office at Taraku in the Gwer-East Local Government Area of Benue State, was incorporated in 1986 with an authorized share capital of N500 million, of which N300 million has been fully paid. The company's gigantic factory complex, also located at Taraku, is a project whose conception and successful execution was in pursuit of a long cherished dream to pull Benue State from the pit of industrial and socioeconomic backwardness onto the path of rapid development.

Taraku Mills Limited is an outcome of deliberate public policy. The Green Revolution strategy of the Shagari administration (1979-1983) assigned the highest priority to agricultural development, particularly in those areas that demonstrated the best potential for increasing food supplies to keep pace with population growth and rapid urbanisation associated with industrialisation. Following acceptability of the feasibility study report, the state government planned to establish an integrated, mechanized large-scale agricultural project for the production and processing of soybeans, maize and rice under the Fourth National Development Plan (1981-1985). In pursuance of its plan, the state government awarded land clearing contracts worth N32.5 million to expand the scope of the Land Development Scheme initiated under the Third Plan. This was intended to develop adequate land for growing soybeans, maize and rice as recommended by the feasibility report. In 1982, the state secured a foreign loan of £56 million (at a fixed exchange rate of N1.0857=£ 1) for the project following which a contract for the construction of an agro-processing factory was awarded to Simon Food Engineers of Stockport, U.K. (TML, 2004). What is today known as Benue Agricultural Development Company (ADC) Ltd. was first established by Edict No. 2 of April 1977 as a parastatal under the Ministry of Agriculture and Natural Resources, then known and called the Benue State Agricultural Development Corporation but abbreviated ADC.

The headquarters of the company is located in Makurdi Town at km 10 Makurdi-Aliade Road without-station farms at Katsina-Ala, Gboko, and Otukpo. Other farm sites include Naka, Okpoga and Ojapo, which are accessible by air, water and land transportation, including rail services. ADC Ltd. was incorporated as a limited liability company in January 1993 during the administration of Rev. Fr. Moses Orshio Adasu with the broad aim of promoting and developing agriculture in all its ramifications in the state. In June 1995, government vide Edict No. 11 transferred and vested all the assets of the defunct corporation into the company. The aim was to remove the company from the state bureaucracy and give it the muscles to carry out the business of commercial agriculture, operative as a profit accruing center and make money for government.

The company is an integrated farm setup in which all the internal lines of production are interdependent and interrelated such that when one line of production goes operational, the other needs to be reactivated to support it. For instance, grains from crop production units are used as raw materials for feed mills, while finished feed from feed mills becomes inputs for livestock units. However, the eggs produced from the livestock unit hatch in the hatchery, which in turn feeds back the livestock unit with day-old chicks. This in-built mechanism provides internal stability and ensures an unbroken production process. However, what is taken from one unit of production to another is accounted for by way of internal transfer pricing. The major raw materials for the company (i.e., soybeans, maize, limestone, etc.) are available in commercial quantities in Benue State. University of Agriculture Makurdi; Benue State University and Akperan Orshi College of Agriculture, Yandev are available as research institutions to support the company. Ber Agbum Integrated Farm was incorporated in 1980 as a limited liability company. The incorporated company name was Ben Wiley Nig. Ltd. The company was floated by an American in partnership with the Benue State government.

The primary goal of establishing the farm was to produce fish for the local market and export. The farm was also used to grow feed crops, including soybean and maize. A total of 2,000 hectares of farmland were set aside for the project, but only 1,000 hectares were

cleared, leaving the remaining 1,000 hectares available for growth. The project started on a sound footing with the provisions of infrastructure such as dams, fish ponds, warehouses and workshops, agricultural equipment and machines, befitting staff quarters, etc. AA certificate of incorporation was also procured, but it is currently with the Union Bank of Nigeria. However, with the taking over of government by the military, the government became uninterested. The American partner equally became disillusioned about the investment and he left.

In 2012, an indigenous company, Lobi Farms Ltd., came on board and was given a five-year lease by the Benue State government to carry out agricultural activities on the farmland. The company moved in and cleared 350 hectares to plant rice, maize and soybean. However, after just four years of farming activities, the government of Chief Samuel Ortom revoked the lease agreement due to political differences. Lobi Farms Ltd. on arrival and with the spirit of active corporate social responsibility rehabilitated the Dam, 22 km road from Tyogbenda Msa to Ber Agbum Integrated Farm, built staff Quarters for members of staff and resuscitated other infrastructure such as boreholes, etc. Since the relocation of Lobi Farms Ltd. from Ber Agbum in 2015, Ber Agbum has remained moribund until now. Approximately 35 kilometers east of Adikpo, the Kwande Local Government Area Headquarters, is the Ikyogen Cattle Ranch. The Ranch is surrounded by a vast area of rolling hills that provide a captivating spectacle for all visitors. Natural beauty abounds in the area, which includes hills, a unique waterfall, evergreen greenery, and mild temperatures. Hills' ecology preserves the beautiful green foliage that makes it a popular grazing area for animals. The location offers a fair mix of adventure and sightseeing, and due to its unique setting, it can welcome guests at any time of year. In 1983, the first Executive Governor of Benue State, Mr Apolos Aper Aku, built the Ikyogen Cattle Ranch for cattle grazing on the highlands, modelled after the Obudu Cattle Ranch in Cross River State. The Ranch was thus put to use, and there were still plans to finish the site's construction and add it to the gallery of the world's best ranches. However, things have changed since then, with successive Benue State administrations abandoning this innovative idea. As a result, the collapsing pillars holding a rusted iron signpost with the inscription "Benue Cattle Ranch Ikyogen" appear to be the lone relic of what was once a bustling ranch with hundreds of cattle roaming the lush plains of Ikyogen.

As a result, all proposed proposals for Ranch's development have been shelved. Projects such as the development of all natural attractions in the southern part of the state, as well as the development of reach archaeological sites in and around the Ranch, which make up the Tiv people's reach cultural heritage, for cultural tourism, which would have been managed by the Ranch's Cultural Heritage Management Department, have been completely abandoned. Another vintage area that portends strength for Benue farmers is the production of fruits, which include oranges, tomatoes, mangoes, and pineapples. Because these fruits are highly perishable, it can also be said that they represent the area of greatest waste in comparison with other crops. The option of farmers here is like that of between the devil and the deep blue sea; when they allow direct purchase from their farms by middlemen, the price is usually ridiculous; when they insist on transporting it to the market whether far or near, they end up losing the entire products through road accidents, and they also lose not only the fruits but even lives. If they are lucky to reach the market, they suffer frustration from the buyers and still end up selling at ridiculous prices for fear that the fruits might perish altogether.

It is in an attempt to address the plight of the fruit farmers in the state that the fruit juice companies at Katsina-Ala and Gboko and the Wannune tomatoes industry were established. Unfortunately, all the industries have not been functioning at the fruit juice company at Katsina-Ala; however, it is discovered that the age of the equipment that has been on site under the sun for approximately two decades has become a problem in two ways. First, because the technology is no longer current and has become obsolete, and second, some vital equipment was not delivered by the supplier. The Wannune tomatoes company is even a more pathetic situation, as after millions of millions of Naira have been sunk into the project, the company did not work even for a second.

One concluding remark that must be made concerning the challenges of industrialisation in Benue State is the issue of bad governance and corruption. The viable industrial takeoff of the state, as was laid by late Aper Aku, has been bastardized through bad governance and corruption, as most of these industries, Benro packaging, Benue Burnt Bricks, Taraku Mills, ADCs, Fruit Juice company, Benue cement, Benue breweries, and Makurdi Sheraton Hotel, have either been sold off or are in a comatose situation. Yio (2011) also towed the same line of thought: Benue state government is set to privatize state-owned industries and not revitalize them. According to Yio (2014), privatizing these industries will surmount the challenges faced in the areas of unemployment and the economic upliftment of the state and will ushered in infrastructural development. However, on the contrary, the outright sell off of some and privatisation of most of the industries, the inhabitants of the state seem more impoverished, and poverty stared in the faces of majority. According to Abah (1989), agricultural and mineral resources are attractive incentives offered by Benue state that could have wooed potential and prospective individuals and corporate industrial investors in the industrial sector of Benue state. It is repulsive that the Benue economy is yet to attract investors either from within or outside the state. Ayado (2012) hinged his analysis on the lack of vision by the successive administration to revitalized industries in the state. To him, the successive administration did not show any sign of commitment to move the state to the path of development. Ayado therefore concluded that the political leaders after Aper Aku do not have the interest of the people at heart but their personal interest.

Agbese (2009) attributed part of the bane of industrial development in Benue state to the disarticulation between and among the various sectors of the economy. Thus, progress in education takes no cognisance of other support systems that need the product of the educational system. Indeed, every sector is virtually on its own, and none can make appreciable progress because the sectors mutually drag one another down. Burya (1999) blamed the nonindustrial development of the state on the inwards-looking attitude of the people of the state. According to him, the people's interaction with people outside the state is minimal and thus has affected the internalisation of the requisite knowledge that can affect their environment positively. Burya also attributed part of the failure to the neglect of the federal government toward Benue state. This neglect, he emphasized, has negatively impacted the infrastructural development of the state.

Hagher (2015) found that industrial development in Benue has been halted because of poorly conceived ill-developed policies that have concentrated wealth in the hands of the political class. He further argued that development in the entire state has been arrested with the greater number of the population, the youth not properly educated or gainfully employed. It spells war or revolution. To him, these moribund industries constitute a draining pipe by members of the powerful consuming elite who have debased, abused,

destroyed and hideously oppressed the people through corruption, arrogance and mismanagement. He rightly identified the leadership culture as the bane to any development in Nigeria. However, he failed to identify subcomponents of the leadership culture. In his assertion, he exempted the individual leader and the community, which cannot be left out in discussing the problems associated with industrial development in Nigeria State.

Methodology

The study adopts a descriptive survey research design. The decision to use a descriptive survey design is necessitated by the need to collect data from diverse and heterogeneous populations. Primary and secondary sources of data collection, including questionnaires, in-depth face-to-face interviews with key informants, official documents and personal observations, were used to collect data. This study is carried out in Benue State. Benue state comprises three senatorial districts, namely, Benue North–East, Benue North–West and Benue South, otherwise known as senatorial zones ‘A’, ‘B’, and ‘C’, respectively; twenty-three (23) local government areas and two hundred and seventy-six (276) council wards. A total population of 1,837,097 constituted the study population

The sample size for this study is determined by applying the Yamane (1969) formula for a finite population and the sample size of 400 drawn from among the population of the study of 1,837,097. The sample size was equally distributed among the three senatorial districts and one more added to Benue North–West Senatorial District to make a total of 400. The same method was applied to determine the sample size for council wards in each of the three wards in each LGA surveyed and for each of the settlements in each ward covered by the study. In selecting the sample for the study, the researcher employed the multistage sampling technique. This technique involves sampling in successive stages such that at each stage, selection is made by using any appropriate sampling methods. The multistage sampling technique is considered appropriate for this study because it enables the researcher to draw a sample that has a geographical spread covering the major political divides in each senatorial district as well as in each of the local government areas surveyed. The method has an in-built openness for the eventual selection of the sampled population. In the first stage of the sampling process, three (3) local government areas (LGAs) are selected from each of the three senatorial districts using the simple random sampling method. Thus, a total of nine (9) local government areas representing the three senatorial districts of the state are selected for the study. The method used in selecting the LGAs for the survey using the simple random sampling procedure is the ballot method, involving four successive steps.

The second stage of the sampling process involved three council wards per LGA for the study. Nine (9) wards are selected through the simple random sampling procedure using the ballot method. Nine (9) wards are thus selected for each senatorial district, making a total of 27 wards for the state as a whole.

The third and last stage involved selecting the required settlements that were eventually studied. This is achieved via the purposive sampling technique. A structured questionnaire comprising twenty-four (24) questions was designed for data collection. A total of 400 questionnaires were distributed with the aid of nine (9) research assistants. Questionnaires were administered and collected on site, which led to 100% retrieval. A total sample size of 400 respondents were drawn from the selected six (6) local government areas for the

study. A target population of sixteen (16) key informants are selected from the Ministries Department and agencies that have dealings with industrial development and staff of moribund industries.

Quantitative and qualitative/descriptive analytic tools are used to present and analyze the data collected and then summarize the results of the study. The decision to use quantitative descriptive analysis is based on the need to study both individuals and groups to be able to describe closely, analyze, interpret and make inferences as well as generalizations on the relationship between the state and agro-allied industrial development in Benue State, 1979-2021.

Data analysis and discussion

Challenges of Agro-Allied Industrial Development in Benue State

Respondents' views and available documentary evidence reveal that poor funding, poor budgetary allocation difficulty in accessing even the little allotted funds, management issues emanating from bad policies, lack of political willpower, and unnecessary bureaucracy negatively affect smooth business transactions as major challenges affecting the development of agro-allied industries in the state. The results on the challenges of agro-allied industrial development in Benue state are presented in Table 1.

Table 1: Challenges of Agro-Allied Industrial Development in Benue State

| Potentials | Frequency | Percent |
|--|-----------|---------|
| Do you agree that poor funding was responsible for the collapse of agro-allied industries in Benue state? | | |
| Yes | 400 | 100.0 |
| No | 0 | 0 |
| Total | 400 | 100 |
| Is it true that lack of political will power is responsible the moribund agro-allied industries in Benue state? | | |
| Yes | 400 | 100.0 |
| No | 0 | 0 |
| Total | 400 | 100 |
| Do you agree that managerial deficit led to the collapse of agro-allied industries in Benue state? | | |
| Yes | 356 | 89.0 |
| No | 44 | 11.0 |
| Total | 400 | 100 |
| In your opinion, do you think unnecessary bureaucratic bottle-neck affected the smooth running of the agro-allied industries in Benue state? | | |
| Yes | 377 | 94.3 |
| No | 23 | 5.7 |
| Total | 400 | 100 |
| Do you think inadequate power supply can be identifying as a factor that led to the collapse of agro-allied industries in Benue State? | | |
| Yes | 398 | 99.5 |
| No | 2 | 0.5 |
| Total | 400 | 100 |
| Do you think poor infrastructure such road, water supply, etc., can be identify as a factor that led to the collapse of agro-allied industries in Benue State? | | |
| Yes | 384 | 96.0 |

| | | |
|-------|-----|-----|
| No | 16 | 4.0 |
| Total | 400 | 100 |

Field Survey, 2021

From the results in Table 1, 100% of the respondents in the study area agreed that poor funding and lack of political willpower were responsible for the collapse of agro-allied industries in Benue state. None of the respondents disagreed with the above challenges identified. From the results, 100% of the respondents in the study area agreed that a lack of political willpower is responsible for the moribund agro-allied industries in Benue state. None of the respondents disagreed with the above challenges identified. The results further reveal that 356 respondents (89% of the respondents) agreed that managerial deficits led to the collapse of agro-allied industries in Benue state, while 44 respondents (11% of the respondents) disagreed with this view. This implies that managerial deficits led to the collapse of agro-allied industries in Benue state. From the results in Table 1, the study found that 377 respondents (94.3% of the respondents) agreed that unnecessary bureaucratic bottlenecks affected the smooth running of the agro-allied industries in Benue state, while 23 respondents (5.7% of the respondents) disagreed with this view. This implies that managerial deficits led to the collapse of agro-allied industries in Benue state. The results further reveal that 398 respondents (99.5% of the respondents) agreed that inadequate power supply is one of the factors that led to the collapse of agro-allied industries in Benue State, while very few (0.5%) of the respondents had contrary views. This implies that inadequate power supply can be identified as a factor that led to the collapse of agro-allied industries in Benue State.

The result from Tale 1 also shows that 384 respondents (96.0% of the respondents) agreed that poor infrastructure, such as roads and water supply, were factors that led to the collapse of the agro-allied industries in the state. Approximately 4% of the respondents are of the view that poor infrastructure such road, water supply, etc., are not factors that led to the collapse of the agro-allied industries in the state. The results above imply that poor infrastructure, such as roads and water supplies, can be identified as a factor that led to the collapse of agro-allied industries in Benue State. As shown in Table 1, the majority (379 respondents) agreed that government interference led to the collapse of agro-allied industries in the state. Only at most 5% of the respondents disagreed with the challenges of inadequate power supply, poor infrastructure and government interference.

This finding is similar to the interview report that revealed other impediments, such as inadequate power supply, which is often not readily available and therefore results in the use of alternative power supply that is capital intensive; road infrastructure, which is a poor road infrastructure that has negative effects on marketing; government interference, which often leads to the choice of management based on political patronage that ushers in management that often lacks the will to bring development to affected companies; and consequently, the recruitment of unqualified personnel who lack the technical know-how to run the companies. Respondents lament government interference, which often leads to the choice of management based on political patronage vis-à-vis patron clientelism, which consequently leads to the recruitment of personnel who lack the technical know-how to run the companies. From the respondents' view and available documentary evidence, it can be deduced that although the state has abundant competent hands to run moribund agro-allied industries, government interference with the recruitment policy denied the opportunity to run the industries. Consequently, most of the time, the industries were run by personnel

who lacked the prerequisite knowledge and skills to be employed in such companies. This implies that major impediments that arrested the growth and development of agro-allied industries in the state can be attributed to poor funding, lack of political will, inadequate power supply, poor infrastructure, government interference, bad governance and corruption.

Government Efforts towards Revitalization of Agro-Allied Industries in Benue State

The study examined the government efforts towards revitalization of agro-allied industries in Benue state, and the results of the respondents' responses are presented in Table 2.

Table 2: Government Efforts towards revitalization of Agro-Allied Industries in Benue State

| Government Efforts towards revitalization of Agro-Allied Industries | Frequency | Percent |
|---|-----------|---------|
| Do you agree that privatization of the agro-allied industries by previous administration in Benue State was one of the efforts made for the vitalization of the industries? | | |
| Yes | 367 | 91.8 |
| No | 33 | 8.2 |
| Total | 400 | 100 |
| Do you agree that commercialization of the agro-allied industries by previous administration in Benue State was one of the efforts made for the vitalization of the industries? | | |
| Yes | 374 | 93.5 |
| No | 26 | 6.5 |
| Total | 400 | 100 |
| Do you agree that Commercialization of the agro-allied industries by previous administration in Benue State was one of the efforts made for the vitalization of the industries? | | |
| Yes | 400 | 100 |
| No | 0 | 0 |
| Total | 400 | 100 |

Field Survey, 2021

The results from Table 2 show that the majority (91.8%) of the respondents (367 respondents) agreed that privatization of the agro-allied industries by previous administration in Benue State was one of the efforts made for the vitalization of the industries, while 8.2% of the respondents (33 respondents) disagreed with this view. This implies that privatization of the agro-allied industries by previous administration in Benue State was one of the efforts made for the vitalization of the industries. The results show that the majority (93.5%) of the respondents (374 respondents) agreed that the commercialization of the agro-allied industries by a previous administration in Benue State was one of the efforts made to vitalize the industries. The implication is that commercialization of the agro-allied industries by a previous administration in Benue State was one of the efforts made for the vitalization of the industries. The results in Table 2 reveal that all the respondents (100%) agreed that efforts made by previous administration could not yield positive results because the privatization process was based on wrong motives, as most of the industries were sold based on political patronage. Based on the results, the study infers that the government efforts in either privatizing or commercializing the agro-allied industries in the State were fruitless, as the whole privatisation process was

based on wrong motives, as most of the industries were sold based on political patronage and had no economic potential to manage them effectively.

Measures to revamp agro-allied industries in Benue state

The study also assessed the measures taken to revamp the agro-allied industries in Benue State, and the results of the respondents' responses are presented in Table 3. These factors explain the measures implemented by the national and state government in revamping some moribund agro-allied industries and some that are facing several challenges, some of which are identified above.

Table 3: Measures to revamp agro-allied industries in Benue state

| Measures to revamp agro-allied industries in Benue state | Frequency | Percent |
|--|------------------|----------------|
| Do you agree that privatization either by way of joint venture or Public–Private-Partnership (PPP) is the sustainable solution to revamp the moribund agro-allied industries in the state? | | |
| Yes | 396 | 99.0 |
| No | 4 | 1 |
| Total | 400 | 100 |
| Do you agree that a check and balance mechanism that will checkmate corruption and eliminate unnecessary government bureaucratic bottle necks can help in revamping the moribund agro-allied industries? | | |
| Yes | 386 | 96.5 |
| No | 14 | 3.5 |
| Total | 400 | 100 |
| Do you think that availability of highly skills and professional bureaucracy can revitalized the agro-allied industries in Benue state? | | |
| Yes | 394 | 98.5 |
| No | 6 | 1.5 |
| Total | 400 | 100 |
| Do you agree that provision of basic infrastructural development such as roads and power supply will revitalize the agro-allied industries in Benue state? | | |
| Yes | 387 | 96.8 |
| No | 13 | 3.2 |
| Total | 400 | 100 |
| Do you think tax concession can encourage the revamping of agro-allied industries in Benue state? | | |
| Yes | 391 | 97.8 |
| No | 9 | 2.2 |
| Total | 400 | 100 |
| In your opinion, do you agree that adequate security measure on ground can help revamp the agro-allied industries in Benue state? | | |
| Yes | 395 | 98.8 |
| No | 5 | 1.2 |
| Total | 400 | 100 |

Field Survey, 2021

From the results in Table 3, the majority (99.0%) of the respondents (396 respondents) in the study area agreed that privatization either by way of joint venture or public–private partnership (PPP) is the sustainable solution to revamp the moribund agro-allied industries in the state. Only 3.5% of the respondents had contrary views. This implies that agreeing that privatization either by way of joint ventures or public–private partnerships (PPPs) is a

sustainable solution to revamp the moribund agro-allied industries in the state. From the results in Table 3, the majority (96.5%) of the respondents (386 respondents) also agreed that a check-and-balance mechanism that will checkmate corruption and eliminate unnecessary government bureaucratic bottlenecks can also help in revamping the moribund agro-allied industries in the state. Only 3.5% of the respondents had contrary views. This implies that check and balance mechanisms that will checkmate corruption and eliminate unnecessary government bureaucratic bottlenecks can help in revamping moribund agro-allied industries. The results further show that 394 respondents (98.5% of the respondents) agreed that the availability of highly skilled and professional bureaucracy can revitalize the agro-allied industries in Benue state, while only 6 respondents (1.5% of the respondents) disagreed with this view. This implies that the availability of highly skilled and professional bureaucracy can revitalize the agro-allied industries in Benue state.

The results in Table 3 show that 387 respondents (96.8% of the respondents) agreed that the provision of basic infrastructural development, such as roads and power supply, would revitalize the agro-allied industries in Benue state, while 13 respondents (3.2% of the respondents) disagreed with the measure. The implication is that the provision of basic infrastructural development, such as roads and power supply, will revitalize the agro-allied industries in Benue state. Furthermore, the results reveal that 391 respondents (97.8% of the respondents) agreed that tax concession can also encourage the revamping of the agro-allied industries in the state. Only 1.2% of the respondents disagreed with the measure, which is negligible. This means that tax concession can encourage the revamping of agro-allied industries in Benue state. The results in Table 3 also show that the majority (98.8%) of the respondents (395 respondents) agreed that adequate security measures on the ground can also help in revamping the agro-allied industries in the state. Only 1.2% of the respondents disagreed with the measure, which is negligible. This implies that adequate security measures on the ground can help revamp the agro-allied industries in Benue state. Responses elicited from interviews in collaboration with documentary evidence on what needs to be done to surmount the challenges of agro-allied industrial development in Benue state also reveal that privatization either by way of joint venture or Public–Private-Partnership (PPP) is the sustainable solution to revamp the moribund agro-allied industries in the state. Respondents stressed that this will create a check-and-balance mechanism that will checkmate corruption and eliminate unnecessary government bureaucratic bottlenecks that often slow down business transactions. They, however, stressed that this will only be a viable option if there is an enabling environment provided by the government. To achieve this, they added that there must be an effective and independent judiciary, executive (efficient bureaucracy) and legislature.

This implies that the sustainable way of overcoming the challenges of agro-allied industries in the state is through Public–Private-Partnership (PPP). The government will serve as an enabler through an effective and independent legislature, executive (efficient bureaucracy) and judiciary, while the private sector serves as the operator. Here, the government provides an enabling environment, back up with guaranteed security, managerial manpower, good electricity and efficient road networks, and unrest agitation of community leaders and youths, while the private sector feeds the industries with technical personnel with expertise knowledge to man the production units and takes charge of production, procurement and marketing of products of the industries.

Respondents also affirmed that over the years, successive governments have made attempts to promote the growth and development of agro-allied industries in the state by privatization and commercialization. They stressed that agro-allied industries were privatized or commercialized; however, such efforts seem to yield no positive results because the privatization process was based on wrong motives, as most of the industries were sold based on political patronage and their existence and survival were tied to government patronage. The lifecycle of such privatized industries was determined by the lifecycle of the buyers in government. Most of them were not core investors but opportunists who found themselves in the corridors of government and had no adequate knowledge about doing business. This is why once they leave office, such industries collapse or become dysfunctional due to poor investment culture and incorrect methods of handling install equipment.

Conclusion and Policy Recommendations

The study concludes that agro-allied industries in the state suffered setbacks after Aku's administration, as successive administrations demonstrated a lack of political willpower to facilitate the growth and development of the agro-allied industries. Today, moribund industries in the state suffer from a lack of funds, poor infrastructure, corruption and government interference, a lack of political willpower and visionary leadership, the bad sociocultural attitude of Benue indigene, and an incorrect approach to development plans, among others. Successive governments over the years have made efforts to revitalize agro-allied industries through privatisation and commercialisation; however, such efforts have yielded no positive results due to the wrong approach to the implementation plan where the individual interest is placed ahead of the public interest. A privatisation plan where government is the regulator through effective and independent legislature, executive and judiciary and the private sector is the operator of the mainstream business is therefore considered by the researcher as the best option. Based on the findings of the study, the following recommendations are made:

The Government of Benue State should bring aboard concerned citizens with the willpower to revitalize the moribund industries in the state.

The government should enact a law to create an Agro-allied Industry Trust Fund to ensure adequate funding for agro-allied industries in the state.

The government should adopt a joint venture privatisation in the form of a Public–Private–Partnership (PPP), where the government serves as a regulator through effective and independent legislature, executive and judiciary, while the private sector serves as the operator of the mainstream business to checkmate corruption and remove bureaucratic bottlenecks.

The present ongoing exercise where all industries in the state are subjected to proper documentary assessment and evaluation by the Benue Investment and Property Company (BIPC) for quality prospective investor binding should be encouraged and sustained.

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PROFESSIONALISATION AS A TOOL TO STABILISE PUBLIC FINANCES: SOUTH AFRICAN LOCAL GOVERNMENT PERSPECTIVE

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Abstract: Local government is closer to the citizens and serves as a vehicle for democracy and service delivery in South Africa. Municipalities in South Africa face a significant challenge when it comes to managing public finances to provide effective and efficient services. Corruption, financial mismanagement, wasteful and fruitless expenditure, irregular expenditures, governance failure, lack of consequence, management, insufficient skills, and capacity are among the challenges. These factors have delivered an enormous setback to service delivery, and citizens are bearing the brunt of the burden. The most difficult situation in local government is that municipalities' finances are deteriorating year after year. According to the Auditor General of South Africa (AGSA), "the audit outcomes were in a poor state at the end of the previous administration's term, and this state did not improve in 2021-22." It is critical for the local government sphere to promote financial sustainability because most South African citizens rely on government services because the economy no longer provides favourable economic benefits such as employment that citizens can leverage. The goal of this paper is to investigate how professionalising South African municipal public finances can help to stabilise public funds. The qualitative method was used, which included a review of secondary sources on the topic at hand.

Keywords: Citizens, Expenditures, Municipalities, Public Funds, Professionalisation

Introduction

According to the South African Constitution, local government is responsible for ensuring the provision of services to communities in a sustainable way, promoting social and economic growth, and promoting a safe and healthy environment for citizens. Based on the results of the 2020-21 local audit, it appears that local government may struggle to ensure that it is able to execute its responsibilities under the Constitution, emphasising the urgent need for accountability and support from all stakeholders to improve the current status quo of local government (The South African Institute of Chartered Accountants, 2022). Since the country's democratisation, several South African municipalities have suffered financial challenges (Wandrag, 2003). Municipalities' financial health continued to deteriorate, owing in part to rising economic constraints, which resulted in customers failing to pay their bills, but also to bad financial management. Municipalities are losing money because they are not charging and collecting revenue, they are engaging in unfair and anticompetitive procurement practises, and they are paying for products and services that they do not obtain or use (AGSA, 2023). The media frequently portrays failing municipalities as dysfunctional, labelling municipalities or even the entire local

government realm as such. Reports of irregular or wasteful local government expenditures, as well as protests over service delivery, support the general notion that many municipalities are in financial crisis (Glasser and Wright, 2020). Concerns have been raised about the financial health of municipalities. Based on their financial accounts, 230 municipalities and 18 municipal entities exhibited rising symptoms of a collapse in local government financing and continuous deterioration. Furthermore, the financial status of 28% of South Africa's municipalities suggests serious uncertainty regarding their ability to continue operating as going concerns in the foreseeable future (The South African Institute of Chartered Accountants (SAICA), 2022). A rising number of municipalities are in perilous financial situations, impacting their capacity to offer services and satisfy their financial responsibilities on schedule. There are 66 of the country's 257 municipalities were dysfunctional, with 107 at medium risk and only 30 are stable (CoGTA, 2022). As evidence of this, the Auditor-General's (AGSA) 2020/2021 report on the audit outcomes for local government revealed that, despite spending R1.26 billion on financial consultants, just 16% of municipalities had clean audits. Furthermore, unapproved spending came to R86.46 billion, while wasteful and ineffective spending came to R11.04 billion. The balance of irregular spending, which had accrued over several years, was R119.07 billion (AGSA, 2023). To avoid a complete collapse of the country's finances, the National Treasury has informed all government department in provinces that no additional funding would be granted to them. The Treasury is also planning to undertake budget cutbacks in 2024, which would be a blow to departments that are already suffering from past cuts that jeopardise service delivery to the vulnerable and needy (Dolley et al, 2023). Poorly managed local government finances have a direct impact on municipalities' capacity to provide promised services to their citizens and impose more strain on the already overburdened public purse (AGSA, 2023). The main challenges facing South Africa's local governments are those related to institutional capability, high levels of corruption, and financial mismanagement (Maphumulo and Bengu, 2019).

Methodology

This paper used a qualitative approach, reviewing secondary sources on the professionalisation of public finances and published reports by the South African government on the utilisation of public finances and challenges encountered on a yearly basis. This paper's research problem is about challenges faced by South African local municipalities, which have a negative impact on the sustainability of public funds and service delivery. The primary goal of this paper is to assess how professionalisation can be used as a tool to stabilise public finances to ensure sustainable public finances and service delivery. South African citizens are increasingly reliant on government services, making it even more critical for the South African government to professionalise public finances.

Conceptual framework

The term 'professionalisation' is derived from the term 'profession'. The definitions used in the study of professions vary. However, there are several common aspects considered when attempting to define the idea of a profession (Järvalt, 2007). Professionalisation is associated with specialist knowledge and competence. All members of a profession are required to have a certain level of theoretical and empirical knowledge obtained through education or training at recognised institutions. Education and professional entry standards

are frequently established (Gornitzka & Larsen, 2004). Professionalisation refers to the transformation of a profitable endeavour from an "occupation" to a "profession." The pursuit of professional status and the establishment of norms and awards is a common path that professions take—or try to take—toward professionalisation (Gray,2010). Professionalisation is the process by which a nonprofessional career is converted into a vocation with the characteristics of a profession (Shaffer *et.al*, 2010). Professionalisation, in turn, describes the individual process of transitioning from an occupation to a professional form of employment, as well as the institutional process by which occupational groups institutionalise themselves and become an organised and recognised profession (Mieg, 2016). Wilson and Evetts (2006) indicated that, while professionalisation can provide adequate recognition, prestige, and standards of practise, carers and practitioners should be wary of management motive in advances towards it. Professionalisation is the process by which occupations have been, or want to become, officially recognised as professionals based on how well they match the stated requirements (Hoyle, 2001). Professionalisation entails the acquisition of skills, identities, norms, and values associated with affiliation in a professional organisation (Rosen,2001).

The journey to professionalisation

Professionalisation is accomplished through enhancing the quantity and capability of proficient finance personnel, possessing appropriate training and validated credentials, belonging to, and being governed by a professional accountancy association, functioning in the public interest, and being bound by globally acknowledged professional and ethical benchmarks (ACCA,2022). It is critical to realise that every professionalisation process takes time to develop traction, create results, and become sustainable (Dolley et al, 2023).

National School of Government (NSG) in South Africa proposed the following five pillars in the value chain for the professionalisation of the public sector:

Pre-Entry, Recruitment and Selection

Tightening the prerequisites for entrance that guide meritocratic appointments at middle and senior management levels is a vital component of the public sector's journey towards professionalism. Pre-service training and education have an impact on this main pillar. ETD, or entry-level education, is largely offered by Higher Education Institutions (HEIs) and other accredited institutions (NSG,2022). According to the South African Human Rights Commission (SAHRC) the lack of minimal credentials for public officials means that essential public officials in decision-making positions will be unable to fulfil their tasks effectively. As a result, a reassessment of the recruitment selection process at local government, including the minimum educational level for public office holders (mayors and councillors), is essential and critical (SAHRC,2023).AGSA (2023) asserts that South African municipalities must find qualified candidates to fill open positions, appoint municipal managers as soon as possible, continue to upskill municipal officials and council members, and create and carry out plans to ensure the transfer of skills and lessen the high reliance on consultants.

Induction and On-Boarding

Employees should go through a workplace orientation to better grasp the culture and dynamics of the workplace. Induction into the public sector and workplace orientation must

occur concurrently. The existing practise of inducting new staff months or years after their hire is ineffective (NGS,2022). Induction and onboarding affect recruits' professional dispositions when they enter the public sector and their jobs. All of this necessitates strategic partnerships with higher education institutions (HEIs) as well as professional groups or associations. This is critical for value co-creation, particularly when it comes to building employment-based programmes and skill routes.

Planning and Performance Management

The planning, performance management, and appraisal systems—which include performance standards and assessment tools tailored to certain staff categories—need to prioritise important facets of professionalisation. Performance management and professional body/association registration are complementary (NGS,2022).

Continuing Learning and Professional Development

It is vital that persons whose occupations require their competencies to be certified by engaging in continuous learning and professional development courses as stipulated by professional bodies do so. This is critical if the state is to fully benefit from their professional involvement in public service (NSG,2022). When there is a commitment and a project to recruit and/or educate financial professionals, the road to professionalisation does not stop. The abilities and attributes necessary at the outset of the professionalisation journey will evolve over time (ACCA,2022).

Career Progression and Career Incidents

At present, the career system within the Public Service is characterised by fragmentation, wherein decision-making processes are dispersed across the sector. Furthermore, careers lack structure, lacking standardised criteria for promotion, task proficiency, and continued professional development. Furthermore, senior positions are advertised external to the Public Service, and neither internal nor external candidates are assessed against objective criteria prior to being considered for these positions. Career Management: which, to assist public servants in their professional development, must be consistent with the National Policy for an Integrated Career Development System for South Africa and incorporate career guidance, career education, and career adaptation (NSG,2022).

Benefits of professionalisation of public finance

According to (ACCA, 2022) professionalisation improves public finances' credibility, trust, and confidence by establishing systems and processes for accountability, transparency, governance, and external monitoring. A group of professionally qualified, knowledgeable, and competent workers add significant value to the public sector. finances. A finance function's professionalised personnel provide more than just accounting. They can accomplish the following benefits if they are properly resourced and used:

Table: 1

| Benefits for the government | Benefits for the economy |
|-----------------------------|--------------------------|
| | |

| | |
|---|--|
| <p>Access to a qualified staff results in greater financial management discipline across government agencies. Internationally accepted professional and ethical standards that help to establish the culture and habits required to reduce fraud and corruption.</p> <p>Budgetary control that is reliable, enhanced expenditure restrictions, precise financial forecasts, and effective risk management.</p> <p>Improved short-term expense control and long-term liability planning</p> <p>Better information to enable evidence-based decision-making that elucidates the impact of proposed policies (for example, net-zero objectives through public procurement contracts or public investment in sustainable, environment efforts to enhance productivity).</p> <p>Ability to collect more revenue through improved tax administration</p> <p>Improved control and evaluation of government finances and spending (for example, by a well-funded, independent, and professional Supreme Audit Institution).</p> <p>Internal and external assurance frameworks to examine and test the quality and integrity of information, to ensure that both income and expenditure are used for the intended objectives, and to improve the efficacy of public services.</p> <p>Better resource management to enhance service delivery (doing more with the same or decreased funding).</p> | <p>Fiscal credibility is defined as competent guidance and leadership that results in responsible administration of public finances.</p> <p>Transparency, accountability, and the accuracy of public financial information, which leads to trust and confidence in government expenditure.</p> <p>Better results and utilisation of public monies (for example, improved education and health outcomes for the jurisdiction).</p> <p>More open and reliable information may enhance investment and access to finance by lowering the cost of capital, hence enabling economic growth, job creation, greater wealth, and poverty reduction.</p> <p>Ethical commitment to an anti-corruption strategy can help combat corruption and related economic crimes (such as money laundering, bribery, tax evasion, and fraud), eventually contributing to economic progress, human development, and the achievement of the UN SDGs.</p> |
|---|--|

Source:(ACCA,2022)

South African legislatives that address professionalisation

The Constitution of the Republic of South Africa, 1996: The South African Constitution is more emphatic on professionalisation of the public service, dedicating a chapter to it [Chapter 10], including institutional arrangements related to the monitoring and evaluation mechanism in the form of the Public Service Commission. Section 195 of the Constitution is explained in detail to provide a better understanding of the constitutional foundation for the professionalisation of public administration.

Public Service Act, 1994 (act 103 of 1994): To professionalise the public service, all procedures, including hiring and post-filling, must be conducted with credibility. The Public Service Regulations (2016) and the Public Service Act, 1994 (No. 103 of 1994), as modified, provide mechanisms to guarantee the implementation of the Constitution's requirements. Section 11(2) of the Public Service Act highlights this. It stipulates that "whenever an appointment is made under section 9 of the Public Service, all applicants who meet the requirements for the position will be taken into consideration. The assessment of candidates will be based on their training, skills, competence, and knowledge, as well as the need to address historical disparities in a way that aligns with the Employment Equity Act, 1998 (Act 55 of 1998), to create a public service that is broadly representative of South Africans, including representation based on race, gender, and disability."

Public Service Regulations (2016): Sections 74-77 of the Public Service Regulations (2016) address training explicitly to guarantee that public workers are kept up to date on recent advancements in their respective fields of practise. This strives to keep their abilities "sharpened" so that they can provide professional services to citizens. As previously said, the logic for professionalism is that public workers should be neutral, impartial, fair, and competent, and that they serve the public interest in an unbiased manner when carrying out their tasks.

Public Administration Management Act, 2014, (act 11 of 2014): According to Section 195(5) of the Constitution, national law shall be enacted to promote the fundamental ideals and principles of public administration. The PAMA of 2014 was enacted in this manner. Section 4 of the PAMA of 2014 addresses the fundamental values and principles of public administration, which are essential to professionalising the public sector and require each administrative body to institutionalise these values and principles. Section 16 of the Act creates these values and principles, norms and standards, and Section 17 established the Office of Standards and Compliance. Furthermore, sections 11, 12, and 13 of the PAMA address capacity building and how to execute professionalisation in public administration.

Local Government: Municipal Systems Act, 2000 (act 32 of 2000): The Local Government: Municipal Systems Act, 2000 (No. 32 of 2000) (MSA) establishes municipal administration principles, cementing the reality that local public administration is guided by the democratic norms and principles enshrined in Section 195 of the Constitution. This indicates that all three branches of government must uphold the same values and principles. All municipalities are expected to endeavour to build professional administrations as much as possible within their administrative and financial capacities. Schedules 1 and 2 of the MSA further define the Code of Conduct for Councillors and Officials Within a Municipality (Code of Conduct for Municipal Staff Members) (2000) and requirements concerning ethical behaviour. All the following are methods of instilling professionalism in municipal government.

Skills Development Act, 1998 (act 97 of 1998): The Skills Development Act, 1998 (No. 97 of 1998) (SDA) establishes the professionalisation agenda by establishing learnerships that lead to registered qualifications associated with a trade, occupation, or profession; financing skills development through a levy-grant scheme and a National Skills Fund; and regulating employment services; which establishes an institutional framework for developing and implementing national, sector, and workplace strategies.

Public Finance Management Act, 1999 (no. 1 of 1999) and Local Government Municipal Finance Management Act, 2003 (act 56 of 2003)

The responsible use of public finances, governed by the Public Finance Management Act, 1999 (No. 1 of 1999) (PFMA) and the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) (MFMA), is critical to the professionalisation agenda. These Acts advocate for the efficient and effective use of public monies, which is vital to basic economic governance and essential in establishing the performance, legitimacy, and accountability of functional institutions. Public financial management guarantees that funds received and spent by national and provincial governments are managed effectively. The MFMA is concerned with ensuring sound and sustainable financial management of municipalities and other institutions in the local sphere of government, as well as setting treasury norms and standards for the local sphere of government and providing for such things.

NQF (Act 67 OF 2008): The National Qualifications Framework (NQF) is a strategy for developing a national education and training system that provides excellent learning, is sensitive to the ever-changing impacts of the external environment and supports the growth of a nation devoted to lifelong learning. The NQF serves as a foundation for the South African Qualifications System, reflecting a national effort to integrate education and training.

Public Audit Amendment Act 5 OF 2018: The Public Audit Amendment Act, 2018 (No.5 of 2018) grants the Auditor General (AG) extra ability to detect a significant irregularity (MI) during an audit. The accounting officer will be advised of the MI, and if suitable action is not made to resolve the issue, a recommendation in the audit report will be provided encouraging the accounting officer to take immediate action. The AG may also send the MI for further action to another body that may be better positioned to deal with the subject at hand.

Codes of conduct and ethics: The establishment of Codes of Good Practise was one of the early indicators of intentional professionalisation. According to some researchers, the South African government developed a comprehensive legislative framework to encourage ethical behaviour and professionalism, including the Executive Member's Act, 1998 (No. 82 of 1998) and the Code of Conduct for Public Servants (1999). The first framework described provides guidelines to executive members of government on how to act in good faith and in the best interests of good governance.

Public professionalisation process challenges in South African local government

The following challenges are currently dominating in affecting the progressive local government in South Africa, and to ensure that the public finances of local government are professionalised and managed in a most effective, efficient, and economical manner.

Cadre Deployment: Thusi et al (2023a) observes cadre deployment as one of the most detrimental effects that affect the proper management of local government finances. These academics contend that cadre deployment, which is linked to several managerial problems such as assigning inexperienced employees to handle service delivery, encourages subpar service performance. The procedure by which the ruling party selects and hires members of its own party or those who are party loyalists can be characterized as cadre deployment. Because cadre deployment is linked to inadequate accountability, it hinders transparency and reliable governance. Because of their camaraderie, employees may cover for one another because cadre deployment encourages them to shirk responsibility. In support of the above assertion, Matyana & Mthethwa (2022b) states that cadre deployment does not only affect the performance and the status of service delivery but also have negative impact on communities and individual constituents. Communities and citizens tend to live under difficult situations because of poor service delivery and mismanagement of funds by the municipal officials. Furthermore, such difficult situations deny them from enjoying better standards of living and social and economic development opportunities (Zulu et al, 2022). One can observe that where cadre deployment is adopted and used as an effective tool to deliver services there a challenge of mismanagement of state funds due to associated issues such as lack of transparency, comradeship relation, and lack of accountability in governance.

Shortage of Skills: Local government employees need to be equipped with various financial skills of managing public funds effectively. These skills include budgeting, financial analyses, risk assessment, problem solving, financial planning etc. According to Jumanne (2021) financial skills plays an important role in ensuring better service delivery in the municipalities. They assist to ensure that employees always take effective decisions over available finances. This assist to ensure that there is openness and transparency over municipal finances, so to ensure better service delivery. Enwereji (2022) states that most of the South African municipalities fail to get clean audits from the Auditor General of South Africa due to lack of adequate skills in managing funds effectively. According to Enwereji the lack of financial skills further results to issues such as lack of accountability and consequence management. This claim is also supported by Auditor General of South Africa in the MFMA report for 2020-2021 that most of the South African municipalities are poor performing or manages their funds ineffectively due to “Limited skills and capacity in finance, information technology and technical units (which are responsible for infrastructure projects) led to municipalities relying heavily on consultants. Vacancies and instability in key positions such as those of municipal manager and chief financial officer contributed to the limited improvement in audit outcomes and delays in dealing with material irregularities and other transgressions”.

Failure to comply with entry-requirements and experience: The Municipal Systems Act empowers the minister of Cooperative Governance and Traditional Affairs (COGTA) to determine the minimum entry requirements and the work experience to fill the vacancies more especial at managerial level. This includes positions such as Municipal Managers, Chief Financial Officers, Heads of Departments etc. However, it has been evident that some of the municipalities around country to do not comply with these minimum-entry requirement and experience determined by the minister of COGTA. Olvera and Avellaneda (2019) state that effective work experience and performance have a positive relationship. According to these scholars when a certain employee has a work experience his/her performance tends to improve or the vice-verse. It has been observed that in the South African municipalities work experience and minimum qualifications tend to be compromised and dodged due to the existence of cadre deployment in local government (Masuku & Jili, 2019). Political parties want to appoint party loyalist to big position of the municipalities such as municipal managers without having the appropriate experience and competences to fill such positions. This assertion is also supported by COGTA (2020) that some municipalities continue to appoint municipal managers and senior managers who do not meet the minimum competencies prescribed for their posts.

Table 1: Senior management appointments made and the number which were not compliant: 2020

| Province | Appointments | | Compliant | | %Compliance |
|---------------|--------------|----|-----------|----|-------------|
| Eastern Cape | | 18 | | 1 | 96 |
| Free State | | 0 | | 0 | - |
| Gauteng | | 4 | | 3 | 75 |
| KwaZulu-Natal | | 12 | | 4 | 67 |
| Limpopo | | 11 | | 11 | 100 |
| Mpumalanga | | 4 | | 4 | 100 |
| North West | | 0 | | 0 | - |
| Northern Cape | | 0 | | 0 | - |

| | | | | | |
|--------------|--------------|----|-----------|----|-------------|
| Western Cape | | 8 | | 8 | 100 |
| Province | Appointments | | Compliant | | %Compliance |
| Total | | 57 | | 31 | |

Source: National and Provincial CoGTA Quarterly Forum Meeting for fourth quarter of 2019/2020 financial year (October - December 2020)

In 2020, the minister of COGTA observed that out of 57 senior management appointments made across all provinces in South Africa, only 31 that were appropriate and within the requirements of Municipal Systems Act and its regulations. 26 positions were not filled in a compliant manner or were outside the regulations of the Municipal Systems Act and its regulations. These illegal filling of senior posts affect the financial management of the municipalities at the end of the day; hence the appointed staff will lack the capacity and necessary skills to manage the municipal funds effectively.

Political interference

Political interference in South African municipalities' is a major issue. In the South Africa municipalities there is a growing stubborn tendency of political interference in administration (Matyana & Mthethwa, 2022a). According to Mngomezulu (2020) municipalities have significant difficulties in handling the interactions between politicians and officials. It seems that tense relationships between important political and administrative officials in the towns and inappropriate political interference in administrative affairs are the norm. Political interference is the process whereby the political figures (mayors and councillors) of the municipality invade the administrative duties that are not original delegated to them. Political figures are excluded in administration practices hence they don't have enough capacity and skills to practice such duties. Political interference is not good for service delivery hence it compromised the performance and the proper financial management of the municipality (Eja & Ramegowda, 2020). Masuku and Jili (2019) also support that, "the political interface in local municipalities greatly affects effective and efficient administration, as well as growth opportunities. Administrators, therefore, have the important function of ensuring that explicit assignments of objectives and administrative functions are wholly separated from the policymaking activities of government".

Lack of consequence Management

In South Africa there is a lack of consequence management in the public institutions or in government for officials who have been found guilty or unethical in performing their duties. This issue affects both appointed and political officials. The practice of officials not being punished or held accountable for misusing or stealing public funds has become the norm. The local government, in particular the municipalities, is greatly impacted by this issue. The provisions of the Constitution and other governmental financial Acts of South Africa, particularly the Municipal Finance Management Act and Public Finance Management Act, are undermined by the absence of consequence management. Ordinary South African individuals, who are waiting for effective service delivery, become the main victims of this money loss in addition to the violation of these legal frameworks. Government officials are aware that they will not be held accountable for their improper actions since there is a lack of consequence management, which leads to the squandering

of public finances and corruption (Bergeron, 2015). Therefore, government must take a stand in promoting consequence management in the public institutions.

Lack of political will

Lack of effective political leadership is one of the detrimental effects that affect services delivery in South Africa. Thusi et al., (2023a) defines lack of political will as lack of dedication of politicians to take effective political decisions that impact positively to the service delivery and the institutions that they are leading. These scholars observe politicians as people who bring some setbacks in the South African service delivery. These setbacks include corruption, a lack of public accountability, and poor consequence management and lack of commitment. Any of these setbacks cause some dysfunctionalities within the public sector institution and further cause harm to performance and capacity of the institution. In local government, it has been observed that these setbacks are taking place more hence municipalities are categorised as main looting points of government (Amundsen, 2019). This assertion is also supported by Baum (2022), that lack-of political will has to do with misuse of power from the political leadership which then affect the normal or orderly way of doing things. Therefore, it very important to ensure that politicians do maintain the good political will so that better provision of services to the people can be guaranteed and ensuring the strategic leadership that is able to deal with many governance issues effectively.

Lack of accountability

Transparency and accountability cannot be separated. They work towards one direction even though their paths may seem different (Sibanda et al., 2020). These scholars further indicate that transparency and accountability promote value for money as they serve as guiding values of good governance. Transparency and accountability require public institutions and officials to take responsibility for the results of financial expenditures and to accept accountability for, report on, explain, and justify activities. Shin & Park (2019) state that accountability improves fairness in the service delivery while also ensuring that communities and citizens are provided with necessary evidence. This assessment is also supported by McKenzie et al., (2023) that effective accountability improves decision-making in service delivery. This is due to the fact that officials fear to take decisions that are not in the interest of good governance or promoting public interest and development. One of the major roles that accountability plays in service delivery is to combat corruption (Ejiogu et al., 2019; Kohler & Dimancesco, 2020; Thusi, et al. (2023b). South African governance has been confronted by corruption reports and complains over the years. Every year when Auditor General publishes the audit report, there is a mismanagement or loss of state funds due to corruption practices. BusinessTech (2022) ranked South African as one of the countries with high corruption levels in the public sector. Of which these corruption practices take place in a form of maladministration, abuse of authority, procurement corruption, fraud, employment corruption, bribery, extortion, misappropriation of resources. No matter what kind of corruption that is taking place in the public sector or in government it is not good, and it should be combated as it limits transparency and undermines accountability. This assertion is supported by the Auditor General of South Africa, that the state must have an informed accountability process that is transparent, effective, and efficient. Auditor General further enlightens that accountability encourages positive

change in the public sector while also changing the lives of the ordinary citizens and strengthens democracy.

Strategies that South African government can adopt to promote professionalisation of public finance

According to the MFMA report on local government by the Auditor General of South Africa, the following strategies are suggested. They are aiming at ensuring that openness in local government practices so to ensure proper financial management and better service delivery for the citizens. These strategies further require the municipal councillors and mayors to form effective guidelines procedures and controls for financial management in the municipalities.

Skills and capacity

Firstly, the Auditor General of South Africa recommends local government must be encouraged to become more professional in accordance with the recently approved professionalization framework. This framework was approved in 2022 by the Minister of Public Service and Administration. It states that a public sector must use a wide approach to build capable state administration. Such approach is designed for all entities of the state, including national, provincial departments, municipalities, and state-owned enterprises. The focus of this professional framework is to ensure that “only qualified and competent individuals are appointed into positions of authority in pursuit of a transformed, professional, ethical, capable and developmental public administration”. This professionalisation framework is in line with many study findings around poor performance in the public sector from scholars such as Matyana & Thusi (2023a). These scholars have recommended that to ensure better performance of public sector, particularly for local municipalities the appointment of competent and qualified staff remains the key point of focus. Secondly, the Auditor General of South Africa also suggest that municipalities must promptly fill open positions with qualified candidates, finish the selection of municipal managers, keep upskilling council members and municipal officials, and create and carry out strategies to guarantee the transfer of skills and lessen the heavy reliance on consultants. This recommendation is very important hence the failure to fill the vacant posts affects the competence of the municipality and cause the unnecessary red tape in providing services to the communities.

Promote fair employment of staff

Public institutions must also promote fair employment of competent staff, the staff that will be able to respond to the service delivery needs and demands. In South Africa, the employment of public officials is affected by cadre deployment, which could be viewed as nepotism in the at some point. Cadre deployment is the appointment of party loyalists of the leading party to serve in for the government offices or high ranked positions. Cadre deployment hinders transparency and dependable governance since it is linked to subpar accountability. Since cadre deployment encourages employees to evade responsibility, they may provide cover for one another out of comradery. The deployment of cadres has an impact on community service delivery that extends beyond how transparent government methods or operations are (Magagula et al., 2022). Cadre deployment contributes to increased financial mismanagement by encouraging improper financial management evaluation and a lack of responsibility (Amusan, 2020). The deployment of cadres has been

bad for governance and service provision. This is a result of the ANC's cadre deployment policy, which has appointed inexperienced political office holders who are more focused on pursuing personal interests than providing quality public service to key posts in local governments (Thusi and Selepe, 2023c).

Improve Governance and Fight Corruption

For public institutions to progress forward effectively, they must avoid corruption. Corruption is not good. It delays efficient and effective service delivery. It also reduces the quality of goods and services provided for the citizens (Wang et al., 2020). South Africa is one of the countries that are facing high rate of corruption world-wide (BusinessTech, 2022). Corruption affects service delivery from all the spheres of government, namely, national, provincial, and more especial in local government. The South African corruption undermines the powers of legislature, executive and judicial. According to Arayankalam et al., (2021) "Corruption is a vice that engenders a myriad of problems in a country". Corruption actual undermines the citizens trust in government, cause political instability, reduces investments and economic growth. There are a couple of measures that are currently placed to combat corruption in South Africa such as law enforcement, transparency, access to information or openness, efficient financial management, however, corruption reports and complains are still there and existing. Therefore, government must play a major role to ensure that corruption is rooted out in the public institutions, including municipalities. Different actions and strategies must be adopted. These includes the use of e-governance for some managerial sectors (Arayankalam et al., 2021), the improved role of evaluation institutions such as Auditor General and Public Protector. These institutions must not be biased or accept any bribes from public officials. Furthermore, municipalities must coordinate and collaborate with necessary institutions to ensure that their performance are improved and better. The members of the council of the municipality must also play crucial role in evaluating the financial management in the municipalities.

Accountability and Consequences

AG (2021) also recommends "proper monitoring of internal controls to enable early detection of financial and performance management failures. The improvement of the implementation of the National Treasury guidance on dealing with unauthorised, irregular, and fruitless and wasteful expenditure; and adopt the National Treasury's Consequence Management and Accountability Framework. The strengthening of municipal public accounts committees, disciplinary boards, and investigation processes. Councils, municipal public accounts committees and provincial leadership and legislatures must properly monitor and support the resolution of material irregularities by accounting officers". These recommendations by AG aim at ensuring there is a proper accountability in place for officials. They comply with these strategic recommendations so to ensure proper use of public funds and improved service delivery. It also important to ensure that consequence management is in place for official that have mismanaged or involved themselves in illegal practices for public funds. This assertion is also supported by a couple of scholars such as Zutter & Smart (2019); Farazmand (2023) that the enforcement of consequence management tends to for the public officials to comply with good principles of governance.

Conclusion

In conclusion this paper investigated the proper use of public finances in local government. It focussed on professionalisation a strategic tool to ensure this proper used of public finances. The paper has discovered that the South African local government is currently facing a couple dysfunctional practices that hinders the proper public finance management. These includes, cadre deployment, shortages of skills, failure to comply with minimum entry requirements and skills, political interference, lack of accountability, lack of consequence management, lack of political will. The existence of these practices does not only affect the public finance in local government but also the service provision, the standard of living and poverty levels. Therefore, the study has recommended some of the strategic actions that must be undertaken at local government to ensure proper use of public finances. These include the promotion of skills and capacity, fair employment of staff, ensure improved governance that is against corruption, and ensure the accountability and consequence management. It must be also noted that these strategic actions are in line with the Auditor General report of 2020/2021 financial year, which was on the state of local government finance.

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THE NEW DESIGN OF PUBLIC LAW CONCEPTS IN DIGITAL ECONOMY: TAXATION INFLUENCE ON FUNDAMENTAL REGULATION

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Abstract: The paper addresses the challenges generated by the new layout of the global economy, in general, and in the Central and Eastern Europe, in particular. The recent pandemic, energetic crises and military conflicts emphasize the influence of digitalization on the public law, from the design of the institutional mechanism to the new regulatory perspective of the fiscal treatment for the income generated by individual and natural persons. The particularities of the digital dimension of the global economy have justified the need to use similar/compatible regulation worldwide for almost all the fields of the public law. This tendency is even more dominant for the fiscal law field, a distinctive area of public law and the main tool used by the states to determine the state's annual income. It is expected that all the governments aim at maximizing their revenues, using the constitutional protection for the sovereign right to determine taxes. The result is often inefficient, as the states engage in a tight competition between each other for the larger part of the taxable income. The short-term benefit from such conduct is unbalanced by the mid- and long-term distortion of the economic activities, asking for innovative solutions. The recent developments in international organization negotiation and the domestic perspective on the fiscal regime of the digital income have determined changes in the design of the public law concepts, favoring the mutual agreements on taxation and undermining the role of the national legislations on the topic. The assessment of these recent evolutions in local, regional and international taxation shows important changes in the design of the public law concepts in the digital economy: the imperative to draw multilateral agreements on taxation and the challenges of constitutional law.

Keywords: international law, tax sovereignty, nature of obligation, mutual agreements.

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Introduction

The prerogative of the state to lead the tax system has shifted from a national legislative action to a very demanding and strongly argued topic of cooperation for sovereign states in the field of international law. Tax law is one of the most representative divisions of national law, given the autonomous capacity of governments and national legislators to adopt the legal framework for tax liability. However, taxation in international law has evolved dramatically over the last decade, in line with the globalization and digitalization of the economy. The paper presents the effects of tax harmonization in international law, showing the current changes in the methods of cooperation between states, with a direct influence on corporate taxation and fighting tax evasion. The topic is even more pressing in the context of the financial strengths generated by the global COVID pandemic when

the constraint of public budgets could be released by responsible and coordinated fiscal policies. Adopting reasonable and effective regulation is endangered by the amplitude of the divergent interests of the partners in fiscal relations: taxpayers aim to pay less taxes, while tax authorities are struggling to collect more revenue for public budgets. The fundamental rights of the taxpayer to choose the most appropriate jurisdiction collide with the natural action of the governments to strengthen the administrative and cooperation procedure to increase public revenues. Consequently, the volatility of fiscal regulation is pervasive today when unforeseen global crises have put intense pressure on public budgets. In this context, the present research aims at answering the question of whether cooperation in ruling taxation, which has traditionally been considered an obligation of conduct of sovereign states, is undergoing a profound transformation into an obligation of result. The analyzed issue is not whether the tax authorities of the states want or should cooperate, as global international taxation requires the strengthening of multilateral agreements on the mechanism for combating corporate tax evasion.

While effective accountability for fair digital taxation is an objective and not a particular topic of international taxation, the development of multilateral corporate taxation agreements to combat tax evasion is an imperative issue under ongoing negotiation in international law, and tax authorities worldwide have consistently expressed their concern about identifying the efficient regulation for the taxpayer's current conduct profile. The change of nature of the state's obligation to negotiate tax regulation is not explicit, as it is not mentioned directly in hard law, but is indirectly supported by soft law instruments and it is manifested through the persistent and divergent dialogue of state representatives and the approaches presented in the international courts' jurisprudence.

The paper examines the current challenges of international corporate taxation (section 1), highlights the recent evolution of international taxation in the field of fighting aggressive tax avoidance under EU law (section 2) and observes the mechanisms for indirect business tax unification, with a direct influence on cross-border activity and location decision, and in line with the extraordinary development of digitization (section 3). The final part of the paper (section 4) contains the conclusion of the paper, formulating the answers to the research objectives. Assessing the EU and OECD developments in corporate taxation, the research notes that global international taxation has reached a point where unilateral regulation is no longer effective and cooperation is not an option but the imperative conduct, either in the form of regional partnerships or ideally, through the implementation of global cooperation mechanisms (Mihaela Tofan, 2022, p.101). The paper addresses the consistent influence of the nature of the obligation to support developments in international law in the field of corporate taxation, given its characteristic of conduct compared to the obligation to result potential benefits.

The current challenges of international corporate taxation

A tax system is a set of rules, regulations, and procedures that (Slemrod, J. and C. Gillitzer, 2014):

defines what events or states of the world trigger tax liability (tax bases and rates), specifies who or what entity must remit that tax and when (remittance rules), and details procedures for ensuring compliance, including information-reporting requirements, and the consequences (including penalties) of not remitting the legal liability in a timely fashion (enforcement rules).

Even if we skip in-depth analyze of this definition, it is obvious that there are infinite ways and features that individualize tax systems, even in the rare situation when two or many of them are considered akin. In such a diverse landscape, it is frequently possible that a particular transaction gets under the scope of different tax system, each of them claiming a piece of the revenue. The international taxation is not only present but important for every fiscal administration.

In order to observe the international dimension of the taxation system, it is necessary to consider that the majority of the European countries describe their taxation system in the fiscal code, establishing the competence for local authorities to evaluate and to collect taxes for all the income obtained within the area of jurisdiction of that particular state. The activities within the scope of other state regulation or under the conflict of two/many different regulation, either involving a taxable person with another nationality/citizenship or the income generated from transactions with legal entities or natural persons over goods from different country, are to be addressed under the terms of the mutual tax treaty/convention between two countries. The diagnosis of a particular case is more challenging when the fiscal regulation is frequently changing, as it is the situation in the many countries, especially the Eastern European. It is reasonable to consider that the volatility of the tax regimes generates no long-term predictability for the taxpayer fiscal optimal conduct and, if there is no predictability about tax liability, there is no interest for innovative tax planning (Van den Noord, 2003). This is not the case, because both the substantial fiscal regulation and the tax procedure are sometimes on a random and, I might say, even chaotic path. This favors tax avoidance, and it is deconstructive for the collection of the public revenue from taxes. It is the mission of the fiscal authorities to keep the efficient line of regulation, synchronizing their option for specific methods to collect more, with the available mechanism to diminish aggressive tax panning.

Tax planning is considered in some research to be mainly tax avoidance, (Ulrich Schreiber, 2013, p.113) and it is described as the operation of using the active regulation to diminish tax payments, although it may be permitted in certain circumstances. As long as the actual taxpayer presents a valid economic reason for choosing a particular location for developing the activity and a justification for the legal form used for certain investment, the activity is considered legitimate tax planning. Not only the scholars, but also the courts are in favor of the taxpayers, admitting the legality of their tax planning operations, if their decisions are not issued for the sole intention of avoiding taxes, but are economically justified. Therefore, taxpayers are allowed to manage their businesses in order to keep low tax liabilities, as long as their actions comply with the regulation in force (Ulrich Schreiber, 2013). Within these limits, the tax planning is permitted and acknowledged, but when the taxpayer pushes the planning outside the legal framework, the conduct is sanctioned by fiscal regulation and, eventually, it could be prosecuted under criminal law. It is though important to draw the line between permitted tax planning and illegal tax avoidance, both in domestic and international regulation. For instance, it is only natural that the taxpayer reacts to the state tendency of collecting more, using tax planning opportunities, especially when they are explicitly indicated by the regulation itself. There are multiple choices in accountancy and fiscal regulation inviting the taxpayer to opt for the most favoring one in order to pay less, like computation of the entire loss and accelerated depreciation instead of straight-line depreciation.

In many cases, regulation in force offers alternative options, e.g., choosing between a permanent establishment or a subsidiary in another country, thus choosing the favorable tax system and choosing between financing with equity or debt, in accordance with one of the methods that offers the best tax advantages. In both these situations, if the tax law permits tax planning, then it is a matter of regulating the mechanisms of the fiscal policy, which translates into reality the fiscal program of the ruling authorities.

Recent evolution of international taxation in the field of fighting aggressive tax avoidance under EU law

The EU is a wonderful economic integrated area for the 27 member states, and it is a construction that functions, despite the challenges it was confronted with and the controversies it is constantly facing. One of these controversies is the success of the European currency/euro and the function of the European Monetary Union (EMU) for the twenty EU Member States, although the fiscal union does not go along with it, as it is supposed to be, in the traditional economic model of financial integration (Enrique G. Mendoza, Vincenzo Quadrini, Jose-Victor Rios-Rull, 2009). The Member States of the EU have come a long and fruitful way in coordinating their financial policies, but after the global financial crisis constrains in 2008 a step back in the integration may be observed. The EU representatives struggled to reinforce the European financial integration but the differences among the member states taxation systems, the global crises (including the most recent, the COVID-19 pandemic) and the extraordinary context of BREXIT is negatively affecting the whole process.

In the EU, the existence of a deeply integrated internal market order for the Member States and the concomitant lack of profound income tax integration is surprising. Differential or sequential integration between market order and tax order has constituted fiscal interdependence between Member States: formal sovereignty to regulate income tax systems allows differences between national tax systems, while increased economic operations creates the context for the most flexible economic actors the opportunity to relocate to the most favorable tax jurisdiction. The interconnection between income tax regulation and the rule of democracy in the Member States has not been affected by fiscal interdependence that is present on the internal market. The consequences of fiscal interdependence for Member States' tax system resides in connection both to the conditions prior to drafting tax regulation and to the taxing regulation itself and its abilities to strengthen democracy. Therefore, there have been opinion in the literature that the procedural—as well as substantive—essential of a national symbiosis between taxation and democracy is affected (Jaakkola, Jussi, 2019).

Member States are subject to the effects of transnational policy, which may act in two basic ways. In the situation of tax externalities, it is possible that the tax bases migrate from the jurisdiction with more severe tax system to another, where the tax liability is lower. In the situation of regulatory externalities, the Member State are confronted with the necessity to avoid the transfer of existing tax bases and, if possible, to attract revenues from activities abroad. Consequently, the states adjust their tax systems according to the tendencies of the mobile capital and the option of the corporations. In other words, Member States respond to the requirements of actors whose flexibility on the market has been influenced by the fiscal advantages of a certain location, in the context of the transnational economic order and who have consequently been given the option of judicial exits and entrances. In this

conduct, states use a competitive regulatory process, which is alleged to have turned Keynesian welfare regimes into competition states (Jaakkola, Jussi, 2019). The asymmetric European integration (Hagen and Hammond, 1998) that has advanced trans-nationalization of cross-border market order but preserved income taxation under national political authority has established fiscal interdependence between Member States of the EU and exposed them to transnational regulatory effects (Mihaela Tofan, 2008, pp.315).

In accordance with the European primary law, the EU institutions conduct operations and activities in taxation area in respect to the subsidiarity principle, acting only if the Member State is unable to resolve the problems effectively. Usually, the problems arise from the inadequate level of coordination for the tax systems of the EU Member States. According to Article 5 of the Treaty on European Union, the principle of the assurance of competence determines the limits of the competence of the Union and the principles of subsidiarity and proportionality limit the exercise of this competence. The Union shall act only within the limits of the powers conferred upon it by the Member States in the Treaties to attain the objectives set out therein and the competences not conferred upon the Union in the Treaties remain with the Member States (Kyle Richard, 2018). It is the precise case of the competence to rule fiscal system, which is yet one of the Member States exclusive prerogatives.

The Treaty on the Functioning of the European Union (TFEU) defines the internal market as an area without internal frontiers in which the free movements of goods, persons, services, and capital is ensured (Art. 26.2 TFEU). According to this forecast and for a true internal market, fiscal harmonization seems inevitable. This is especially true for income taxes, as international double taxation and international tax arbitrage have a strong impact on business and investment patterns. However, European legislation requires only a certain (but not complete) degree of harmonization of indirect taxes, in particular value added tax (Article 113 TFEU). Regarding income taxes, Art. 115 TFEU provides the European Council with a mandate to issue directives concerning the approximation of laws affecting the functioning of the internal market, stating that the council shall act unanimously. Given the requirement of unanimity, income tax remains essentially an autonomous prerogative for Member State (Ulrich Schreiber, Gregor Fuhrich, 2009). It is also important to observe that principle of unanimity, applicable when the Council has to decide on tax issues, shows the Member States prior option to maintain their possibility to act immediate and without limitation in situation that involve tax policy, expressing, at the same time, the option for limiting the role of the EU in this area (Pietro Boria, 2017).

Regarding the nature of interdependence between internal market construction and fiscal integration in the EU, certain characteristics which define this process have been outlined. The guarantee of economic freedoms using judicial control mechanisms proves the deconstruction of the internally established public authority, namely in the situation when the power of states to impose taxes is discussed. When the exercise of state authority to rule taxation creates disadvantages for cross-border operations, excessive tax burdens will be waived because of the judicial control, for the reasoning of unjustified taxing power (Jaakkola, Jussi, 2019). Cross-border investment by investment funds is still surrounded by an aura of uncertainty, stemming from the lack of harmonization of direct taxation in the European Union and the consequences of discrepancies in the treatment of these investments by different EU Member States. Uncertainty about the tax treatment of this type of situation, coupled with its complexity and constant evolution (derived from

continued competition in financial markets and the consistent creation of new investment "products"), especially in cross-border situations, tends to trigger tax issues that have not yet been analyzed, such as possible discrimination and restrictions on fundamental freedoms that may arise when such investments are cross-border, both on a fully EU scenario and in scenarios involving third countries (Antonio Calisto Pato, 2008, vol. 5).

Another challenge that has been identified in current taxation is regulating the option for the source jurisdictions to impose limited source taxation on certain related party payments subject to tax below a minimum rate (OECD/G20 – “Base Erosion and Profit Shifting Project. Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy”, 8 October 2021, available at <https://www.oecd.org/tax/beps/statement-on-a-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-october-2021.pdf>, accessed on the 24th of January 2024.). The issue seems to concern less European tax authorities, where the concept used in connection to the quite urgent need to draw a proper regulatory framework for the income generate in digital area of business is fair taxation. The efforts to harmonize the Member States vision on this topic are supported by the proposal of two directives. On 21 March 2018, the European Commission proposed new rules to ensure that digital business activities are taxed in a fair and growth-friendly way in the EU, respectively Proposal for a COUNCIL DIRECTIVE laying down rules relating to the corporate taxation of a significant digital presence („Proposal for a COUNCIL DIRECTIVE laying down rules relating to the corporate taxation of a significant digital presence”, available at <https://www.oecd.org/tax/beps/statement-on-a-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-october-2021.pdf> , accessed on the 20th of December 2023) and Proposal for a COUNCIL DIRECTIVE on the common system of a digital services tax on revenues resulting from the provision of certain digital services („Proposal for a COUNCIL DIRECTIVE on the common system of a digital services tax on revenues resulting from the provision of certain digital services”, available at https://ec.europa.eu/taxation_customs/system/files/2018-03/proposal_common_system_digital_services_tax_21032018_en.pdf , accessed on the 20th of December 2023.).

It is not easy to respect the rules of unique European market and simultaneously respect the sovereignty in taxation, especially if we think about the freedom of the market and the need of the legal person to expand their business in the most profitable area. This generates the need to align the regulation for all the company’s activity, including the fiscal aspects. While the approximation of the corporate tax may be easily justified to facilitate the proper functioning of the internal market, the legislation has yet to be adopted unanimously. The unanimity in the Council is a difficult rule to comply to, in the EU 27. It is, on the one hand, constitutionally reasonable to protect the general legal basis of Article 115 TFEU with strict legislation to avoid any competence by the EU. On the other hand, it is also clear that this special legislative procedure contrasts sharply with the ordinary legislative procedure, which requires only a qualified majority vote (QMV), albeit with the consent of the European Parliament (Anna Sting, 2014). It is reasonable to estimate that the Member States are most unlikely to agree on anything, because their taxation systems differ considerably, and they have the tendency to protect their prerogatives.

The general rule provided by art. 115 TFEU (formerly Article 94 of the Maastricht Treaty and Article 100 of the Treaty of Rome), gives the Council the power to decide

unanimously, after consulting the Parliament and the Economic and Social Committee, on certain directives for the approximation of national laws, as the common market integration process develops (Pietro Boria, 2017.). Although this prevision has led some to call for further tax integration beyond the national state, others have remained skeptical about the democratic legitimacy of Europeanized taxation (Jaakkola, Jussi, 2019). In order to respect the principle of unanimity, any tax specifically targeting a cross-border transaction could be seen as an unlawful restriction; this broad understanding of the sphere of potential obstructive regulation on the internal market would indirectly suggest that the full harmonization of European tax rules and regulations is able to solve any misunderstanding between concurrent legislation of the states. As a result, Member States' performance in supporting the symbiosis between democracy and taxation has been eroded. But things did not move so far until now, although there is unlimited support for unrestricted regulation of free movement on the European market, both in terms of entry and exit transactions.

The CJEU has repeatedly stated that EU Member States have the power to regulate in the field of taxation. The assertion of the role of national parliaments in relation to a regulatory proposal at EU level, before the adoption of the normative act and in accordance with the requirements of the principles of subsidiarity and proportionality, can be achieved through the yellow card procedure (Mihaela Tofan, 2019). For the legal exercise of state regulatory prerogatives, national parliaments may require a revision of a draft regulation and the European Commission is obliged to amend its proposal when at least 19 yellow cards (votes) are issued. This threshold is equal to 1/3 of the total votes available, as each of the 27 national parliaments holds two votes, and if there are two parliamentary chambers in a Member State, each chamber has one vote allocated / yellow card. If the number of yellow cards cast is insufficient to lead to a formal review but exceeds 12 cards, the proposal is deemed not to be welcome. This happened with the 2011 proposal, in response to the increased administrative burden that Member States' tax authorities will have to bear by maintaining several tax systems (namely the local income tax system, the CCTB system and the CCCTB system). Interpretation of the results of the expressed cards can provide a broad perspective of the national support for the CC(C)TB project, in the 2016 version, compared to the expressed cards against the 2011 proposal.

When assessing the restrictive nature of a regulation, it is necessary to compare similar operations: cross-border economic activity is compared to a fully domestic transaction in terms of its tax treatment and when a tax treatment is considered less favorable, the taxpayer suffers

an objective disadvantage, with respect to a cross-border activity (Ulrich Schreiber, 2009). The value of harmonization does not necessarily apply in the same way as the other values set out in the primary law, but it requires the formation of a political consensus in the relevant EU institutions for the adoption of tax rules. When observing this value into practice, the principle of unanimity is needed to ensure the recognition of the fiscal sovereignty of each Member State (Pietro Boria, 2017).

Still, there are situations when exercising its sovereign right in ruling taxation, the state may impose a legitimate restriction. For instance, when group taxation is addressed, most group tax regimes are applicable to group companies that are in the same country as the parent company, excluding foreign group companies from the tax group. Group taxation imperative rules are addressed to centrally controlled groups, when sharing a common

business objective. Usually, the group taxation is applicable if two conditions are fulfilled, addressing requirements in connection to the tax residence of the group members and their participation in shares, i.e.:

the affiliate companies are domestic corporations owned by a domestic parent, the subsidiaries are controlled by the parent; the control is assumed if the shareholding exceeds 50% or 75% (Ulrich Schreiber, 2013).

In such a case i.e., transfer of assets from a head office to its permanent establishment abroad, taxes should only be levied insofar as the exemption method applies between the state where the company resides and that of the permanent establishment. When credit method is applied, insofar as assets are moved to the state of the permanent establishment, then consistency could only be achieved by obliging the state of the head office to keep record of the hidden reserves (difference between the fair market value of the assets at the time of the transfer and its historical cost) and by postponing the collection at the time such assets are sold. In both cases, either when assets are moved from the permanent establishment state or from the head office state, the state of departure will tax only capital gains accrued before the intra-company transfer was deemed to take place (Mario Tenore, 2006).

Group taxation is ruled using different options. The analyses of the used possibilities to set out the tax system for group taxation shows that few states use the full consolidation of intra-group profits and losses in line with the terms of active financial accounting, so the group are not treated as a single taxpayer. Most states have regulated tax regimes for groups, which consider the additional revenues of the group members, weighting it in different manner. These methods are called group tax schemes, and they are considering the transfer of taxable income from one member of the group to another. In practice, the following group taxation systems have been identified:

Partially tax consolidated system, including aggregation systems, group relief system and group contribution system, all of them do not fully consolidate the group's profits and losses.

Full tax consolidation systems (e.g., the Netherlands), which seek to tax the domestic group as a single economic unit (Ulrich Schreiber, 2013).

For the taxpayer, the regulation of the integrated tax group for the calculation of the profit tax has the considerable advantage of consolidating the income and losses within the company and its subsidiaries, leading to edifying end-result for the whole group and without complicated artifices to implement tax planning strategies. Without group taxation, corporate taxpayers are encouraged to use aggressive tax planning methods (division of companies or mergers) to group profits and losses between groups from very different economic activities, only for reasons of fiscal efficiency (Dover, Ferrett, Gravino, Jones and Merler, 2015). Until the issue is uniformly regulated at the EU level, the unilateral regulation is the within reach solution considered by the Member States to benefit of the group taxation advantages, among which reducing the use of separate legal entities, without economic substance, for the purpose of tax evasion. For instance, Romania has adopted law no. 301/2021 establishing procedural criteria for group consolidated corporate tax, observing the imperatives of the EU legal order.

Although the sovereignty in ruling taxation of the EU members states is guaranteed by the primary regulation, the evolution of the community law and the European integration generated a tight connection for the rule of law in the field of implementing fiscal policies.

The cooperation among the European states evolved in an unpredictable way from its beginning, when the economical declared purposes prevailed, to the actual status of *sui generis* integration. Professor J.H.H. Weiler has wonderfully characterized the federalism in the EU (Weiler, 2001): the EU is neither a confederation, nor a federation in the traditional sense of these words, but at the same time it has its own “brand of constitutional federalism”. In organizing the internal relations of the EU member states, the taxation plays an important role, in direct connection to the market regulation. Prof. Graine de Burca presents the broader legal perspective and the political perspective on EU taxation (Craig, Paul De Burca, Graine, 2011, p.533), confirming the analysis carried-out in the previous subsections and showing that the fiscal sovereignty is still under the ruling competence of the Member States in the EU and it was not transferred to the EU. The direct result is that the tax union is only a future possibility, not yet a present reality. Still, we take into consideration that one of the directorates of the European Union is entitled Tax and Custom Union, which reminds us that the whole European cooperation was built on a fiscal ambitious project (custom union) and, at the same time, open the floor for discussions on the possibility to create a true and functional tax union.

Taxation may generate positive or negative impact on economy (Michael Herb, 2005), pp. 297-316) and its mechanisms may be regulated in a positive or negative manner. The “*positive taxation*” implies that the institutions of the European Union can regulate, independently, a tax system applicable within the union, because of the partial transfer of fiscal sovereignty from the national states. Opposite from the “*positive taxation*”, used when the legislation in force is active, legitimate, and able to establish certain liabilities and procedure to follow, the “*negative taxation*” refers to limiting the fiscal sovereignty of another state, still member of the EU. The adjustment of taxes to ensure single market functioning took place through negative integration. Instead of building positive supranational tax rules, the Court of Justice of the European Union (CJEU) and the Council sporadically banned certain tax arrangements, which were to be removed from national regulatory orders. Although the promotion of markets through tax consolidation has made national tax authorities subject to national tax orders, it still leaves Member States some discretion. While few directives certainly prohibit specific tax arrangements that may not be supportive for the single market, the CJEU's judgments give Member States ample leeway to decide how to reconfigure their tax systems to eliminate the disadvantageous treatment of cross-border economic activities (Jaakkola, Jussi, 2019). For instance, in case Judgement of the Case C-375/12, par. 63, the CJEU considered the national Court's case-law, competent to assess a domestic tax provision which distinguishes between taxpayers depending on the place where their capital is invested, namely if it is capable of being regarded as compatible with the Treaty provisions on the free movement of capital (Judgement of the Court (Fifth Chamber) from 13 March 2014 in Case C-375/12, available at

<https://curia.europa.eu/juris/document/document.jsf?text=company%2Btaxation&docid=149134&pageIndex=0&doclang=EN&mode=req&dir=&occ=first&part=1&cid=1368081#ctx1> , accessed on the 20th of March 2024.). More recent, (Judgement of the Court (Seventh Chamber) from 25 November 2021 in Case C-334/20, available at <https://curia.europa.eu/juris/document/document.jsf?text=company%2Btaxation&docid=250047&pageIndex=0&doclang=EN&mode=req&dir=&occ=first&part=1&cid=1368081#ctx1> , accessed on the 20th of March 2024.) in Judgement of the Case C-334/20, par. 5

CJEU specifically stated that to prevent tax evasion or avoidance, Member States may take measures to ensure that, in respect of the supply of goods or services involving family or other close personal ties, management, ownership, membership, financial or legal ties as defined by the Member State, the taxable amount is to be the open market value.

Reinforcing European integration using tax regulation

The global COVID-19 pandemic crisis has generated two contradictory yet simultaneous reactions, determining both slowness for each collaborative process and revival of the global projects for future successful developments. Especially within EU space, the global challenges have generated additional constraints for the integration process, which had recently suffered many obstructive inputs, from the previous financial crises to the budgetary entanglements, waves of immigration and BREXIT. In this complicated landscape, it seems rather justified that the integration process slowed down like never before and its reinforcing might be anything but a facile phase. At EU level, the complexity of the integration process and the cooperation between Member States necessarily require the adoption of harmonized tax rules for the single market to function properly. A form of tighter fiscal cooperation is inevitable, targeting fiscal harmonization and integration. Regarding direct taxes, in general, limited harmonization is justified in the current context, while avoiding discrimination, double taxation and tax evasion. Equally, closer coordination is needed to counteract the distortions generated by the allocation of resources.

Considering the taxation situations manifested on the European free market in the past and the arguments for the development of the European project, the EU Member States could use the tax regulation to relaunch the cooperation among them, in the same manner like they have used the custom union at the beginning of the communities and the progressive tax approximation during the last decades. The path to facilitate greater coordination between Member States describes the scenario for preventing tax avoidance using well-targeted corporate tax reform. Consequently, the EU Member States have taken into consideration important measures aimed at stopping profit shifting and preventing the erosion of national tax bases (Alicja Brodzka, 2017). Analyzing the previously used mechanisms for further tax integration in the EU, the literature observes the positive results of some solutions, such are the Enhanced Cooperation, Soft Law, Indirect Harmonization through EMU Reform Legislation, Non-EU Legislation (Anna Sting, 2014).

As it has been analyzed in the previous sections of this publication, European fiscal cooperation is framed by the rule of fiscal sovereignty, but it has benefited from the effects of soft law mechanisms, namely the recommendations addressed to the Member States by EU institutions, regarding the everyday development of the national provisions relating to the taxation of income (especially to the taxation of business income). It is expected that the level of approximation of national legislation generated by the soft law is lower than the harmonization of indirect taxes, and the literature designated for it the figurative concept of "elastic convergence" (Pietro Boria, 2017).

In some situations, the harmonization of EU taxation takes the opposite site from the principle of self-determining the tax system, to eliminate the possible mismatches between national taxation systems. In the field literature, the principle of harmonization expresses a "positive taxation" i.e., whether the fiscal power exercised by Member States will be directed towards uniform models and agreed objectives, generally compatible with

European Union objectives, as opposed to the principle of non-discrimination and other values, which proves "negative taxation" (*idem*).

The concept of fiscal integration has designed most of the key aspects of the income tax system architecture. The structures of the tax base have been shaped by both negative and positive trends of regulatory mechanism. Despite the updating of the draft tax base, the level to which these limitations and negotiations took place is surprisingly narrow. Additionally, the Member States manifest a great deal of leeway in deciding how to eliminate discriminatory and selective tax measures, because the income tax rates have kept their autonomy, outside the limit of the European harmonized measures. It is the effect of the lack of provision for revenue taxation in the EU primary law, the aspects being regulated predominantly under the formal sovereignty of the Member States (Jaakkola, Jussi, 2019).

As one of the direct results of the LuxLeaks scandal, the European Parliament started an investigation into the tax ruling practices, which was not positively supported by the multinational company. Eventually, the Parliamentary Commission published a report, proposing country-by-country reporting system, a common consolidated corporate tax base (CCCTB), increased transparency by Member States, a broader role for the European Commission in reviewing tax ruling practices, and better protections for whistle-blowers (Special Committee of the European Parliament on Tax Rulings and Other Measures Similar in Nature or Effect, Co-rapporteurs: Elisa Ferreira and Michael Theurer – "Report on tax rulings and other measures similar in nature or effect no. 2015/2066", available at https://www.europarl.europa.eu/doceo/document/A-8-2015-0317_EN.html , retrieved on the 10th of March 2024.). At the same time, the European Commission proposed a measure for the exchange of tax rulings by Member States, which was unanimously approved by member states two days before the Parliamentary Commission published its report. During the European Commission investigations, numerous NGOs have published concerning reports on the tax avoidance practices of multinational enterprises and on the low-tax jurisdictions, before and after the Commission published its Decisions. For example, Oxfam's Tax Battles report ranked the Netherlands, Ireland, and Luxembourg among the world's worst tax havens. The Netherlands ranked as the third, Ireland as the sixth (Kyle Richard, 2018). Still, fiscal harmonization shows the belief that economic and trade integration is the main driver of political and social integration common ideological background, in accordance with the general principles applicable to fiscal issues, namely the acceptance of the values of freedom and economic development of the common market, in line with the principles which guarantee the competitive market (Pietro Boria, 2017).

The action taken unilateral by the states are within easy reach, involve less energy and political action for adopting and generate short term results. Still, the unilateral actions are not preferable on the global context, where the national fiscal systems are easily colliding, and the alignment of the provisions is very arguable. In order to achieve the EU tax harmonization objectives, there is a doctrine proposing a Directive on the Allocation of Taxing Rights (ATRID), (Paolo Arginelli, 2018) that would be the most efficient and widely accepted solution, which could fit best in the framework elaborated by the European Commission in the Action Plan for a Fair and Efficient Corporate Tax System and could happily complete the CC(C)TB Proposal for reinforcing the European measures to fight aggressive tax planning and tax avoidance.

The literature presents ATRiD potential to properly coordinate the applicable rules in member States regulation to avoid antinomies (Paolo Arginelli, 2018). The ATRiD would not fix the difference in the applicable income tax rates, which would remain within the exclusive competence of EU Member States, except for the establishment of minimum tax rates (ideally between 25% and 30%) for taxation at source of dividends, interest, royalties, and certain types of capital gains (capital gains on financial assets and intangible properties). This would help counteract phenomena of directive and tax-treaty shopping, aimed at channeling income flows through specific Member States for the purpose of avoiding or substantially reducing the tax to be paid in the EU Member State of source.

The design of the actual sovereignty right to rule taxation within EU has evolved together with the fiscal cooperation among Member States. National initiatives of each country could eventually sustain the actual status-quo, which has been applicable for half a century and protects the domestic complete autonomy for ruling taxation, stimulating aggressive tax planning, and allowing multiple scenarios for tax avoidance. It is in this way proven that law coordination is a slow process, and past results have been constantly evolving, although not very dynamic, nor particularly ambitious. One of the steps for tighter fiscal cooperation was directed towards building a fairer and more transparent corporate taxation. The proposal for Country-by-Country Reporting (CbCR) between tax administrations targeted the identified need for transparency between fiscal administrations, aiming at facilitating the exchange of tax-related information regarding the MNE with activity within the EU territory, regardless their field of operation, for better results in tax auditing operations. Increased transparency could also help to deter multinationals from engaging in aggressive tax planning schemes (Alicja Brodzka, 2017). Country-by-Country Reporting is one of the initiatives of the European package issued in the fight against tax avoidance and evasion which explicitly proves the modification of the approach towards corporate taxation. It seems that the overall aim is not limiting to protecting national tax bases, but creating a wider fiscal perspective of European market (Pierre Moscovici, European Commissioner for Economic and Financial Affairs, Taxation and Customs in office at that time, said at the Tax Congress of the Berlin Tax Forum 2016: „I must stress that it is not just our Member States that benefit from the new EU approach to corporate taxation. Businesses will benefit too. I want to shatter the myth, that fighting corporate tax avoidance and creating a competitive business environment are mutually exclusive goals. In fact, they are two sides of the same coin”, available at https://www.europa-nu.nl/id/vk53kpc3psz8/nieuws/speech_by_commissioner_pierre_moscovici?ctx=vk5qdkqbp5io , retrieved on the 4th of April 2024).

Last decade has brought an intensification of European initiatives aimed at fighting tax avoidance and evasion, i.e. on 25 May 2016, ECOFIN decided on the amendments to the EU Directive on the Automatic Exchange of Information, extending the CbCR scope in respect to the requirements of the Single Market and EU law, yet in line with international actions in fighting Base Erosion and Profit Shifting (Alicja Brodzka, 2017, p. 9-22). There is also the issues of taxing the dividends, which can be treated similar to the misfunctions arising from the simple interaction of two tax systems within EU, using the different treatment of incoming and outgoing dividends, the choice of the state to offer exemption from double taxation (home - host or none), compatibility with the method of exemption from double taxation (without the possibility of applying both the credit and the exemption

methods simultaneously) and subsequently the most desirable neutrality to be achieved (Katerina Pantazatou, 2013, p.77, 118).

At the OECD level, the members agreed on 15 actions targeting Base Erosion Profit Shifting (BEPS), including the CbCR for fiscal authorities regarding important financial information about multinationals activity. The European perspective is wider, because implementing country by country reporting on the European market in a uniform manner is important, especially if we consider that some states were prepared to adopt the necessary legal provisions in accordance with the OECD BEPS initiative, while some were not willing to implement it all. Strengthening these requirements in EU law would prevent gaps in the EU's tax transparency network and administrative burdens for businesses (Alicja Brodzka, 2017, p. 9-22).

In addition to the OECD initiative, EU Directive 2016/881 provides the legal grounds for Member States to implement CbCR between tax authorities, including the possibility to make the CbCR available to the public. However, regarding the Commission proposal for a common consolidated corporate tax basis (CCCTB Directive), parliaments have been much more active, which illustrates their strong opposition to more tax harmonization (Anna Sting, 2014). The so-called Anti-BEPS Directive 2016/1164/EU aimed at designing harmonized national regulation for the protection of the domestic corporate tax bases. Still, it covered few topics in the targeted field of application, namely interest limitation, exit taxation, a general anti-abuse rule, controlled foreign company rule to deter profit shifting and a loose rule on hybrid mismatches in the tax treatment of entities or income categories (Thomas Jaeger, 2017).

The negative effects of the tax system disparities on the internal market are constructively solved when the effective harmonization is accomplished. Moreover, the past decades proved that the European Commission efforts for various coordinating actions were ineffective or insufficient to erase the negative effects created by the tax rules elaborated individually by the Member State. In response to the obligation to eliminate possible double taxation, the countries tax the profits attributed to subsidiaries and permanent establishments based on unlimited tax liability (subsidiary) or based on limited tax liability (permanent establishment). In either case, the overall profit of a multinational company must be apportioned to the countries where its subsidiaries or permanent establishments are located (Ulrich Schreiber, 2013).

It was also observed that Member States unilateral actions to fight effectively against aggressive tax planning are not successful and the international community looked for wide supported actions. It is the justification for G20 and the OECD launching of the BEPS Project and the EU Council adoption of the ATAD and double amending the Parent-Subsidiary Directive (Paolo Arginelli, 2018). One of the current concerns in taxation is the relocation of companies' headquarters, with the intention to benefit of the residence rights in a low tax member state. The exit state is entitled to prescribed exit taxation, which most likely breaks the European law and is likely to be rejected by the Court of Justice of the European Union (Ulrich Schreiber, Gregor Fuhrich, 2009).

The regulation on common consolidated tax base CC(C)TB in the European Union (EU) will radically change the company's taxation, a necessary measure to diminish aggressive tax planning strategies and to eliminate the difficulty in determining transfer pricing. Although the applicability of the territorial source taxation principle will be abolished, the European Commission (EC) proposal for CC(C)TB is welcome in terms of reducing

bureaucracy for taxpayers but also for tax authorities. The EC project allocates the consolidated profits of multinationals based on an apportionment formula, based on the volume of sales, the number of employees and the capital invested. We estimate that the effects of the proposal, as amended in the European Parliament in March 2018, are even wider than the previewed effects of the recommendations formulated by the OECD. The document incorporating the CC(C)TB proposal is under negotiation and the final text is subject to unanimous approval by the Council of the European Union, the current challenge being to reach the political agreement. Application of the CC(C)TB will redistribute corporate profits in EU Member States, and some of the founding states will suffer tax revenue losses as part of the taxable profits will be allocated to other states. In our opinion, the CC(C)TB project will only succeed if the proposed calculation method is applied globally, as the effects of the new regulation will occur outside the EU borders (Mihaela Tofan, 2019).

The CCCTB represents a comprehensive reform of the current tax regime in the EU, through deeper tax harmonization methods and mechanisms than the international taxation recommendations of the G20 and OECD anti-BEPS initiatives. From a global perspective, the competitive tax environment in the EU could be disadvantaged by the introduction of stricter measures than those recommended by the OECD / BEPS, but the proper functioning of the internal market requires a more comprehensive solution, combating tax evasion. Moreover, anti-avoidance tax rules concerning non-EU countries must be harmonized to prevent negative tax revenue spillover effects (Ulrich Schreiber, Gregor Fuhrich, 2009).

In 2018, it was estimated that one year delay to the previous implementation agenda would be sufficient to address all the issue, so the regulation would be adopted and published in/by 2019, application starting by 2020. The “Common Consolidated Corporate Tax Base” (CCCTB) - part of a wide-ranging proposal to create a single, clear, and fair EU corporate tax regime - was backed by MEPs (Press release at <https://www.europarl.europa.eu/news/en/press-room/20180309IPR99422/meps-approve-new-eu-corporate-tax-plan-which-embraces-digital-presence>). Although the previewed deadlines were not respected, the failure of the CC(C)TB proposal was not acknowledged, because the global COVID-SARS2 pandemic crises emerged in 2019 and it has changed the agenda for every regulatory project, justifying any delays. Consequently, a new proposal was not formulated, yet the previous project did not reach its end. The draft still under evaluation includes specific provisions for characterizing the “digital presence” in a country, outlining the features considered sufficient to determine taxable profits. The regulation is meant to reduce the gaps in taxation which have permitted for digital and global companies to innovate on their tax planning and to diminish in a spectacular way their tax bills, minimizing the tax liability in the country where they create profits. The European Parliament proposal for CC(C)TB gave specific mandate EU Commission to determine the parameters able to characterize digital presence (i.e. number of users, the volume of data collected by digital means). This includes personal data of the users, a highly valuable information managed by companies like Facebook, Amazon and Google (action designated as data mining operations) (Günther Schuh, Gunther Reinhart, Jan-Philipp Prote, Frederick Sauermann, Julia Horsthofer, Florian Oppolzer, Dino Knoll, 2019, Pages 874-879).

The proposal under revision observed the consolidation of the companies' income all over the UE, which are required to calculate their tax bills by adding up the profits and losses of all their European constituent companies. To stop the arbitrary movement of the companies in low tax jurisdiction, in line with the European freedom of movement on the internal market and freedom of establishment, the consolidation of the resulting profit would then be split for all member states where the companies' income was generated. It is the first time that the proposal aims at establishing a single set of tax rules would apply in all member states, taxpayers complying with a single tax procedure (a one-stop shop) instead of 27 different sets of domestic rules (OECD (2020), "One-Stop Shops for Citizens and Business", OECD Best Practice Principles for Regulatory Policy, OECD Publishing, Paris, <https://doi.org/10.1787/b0b0924e-en>).

Although the proposal was not adopted within the framework of the initially considered agenda, it is still appreciated as a fabulous opportunity to make a giant leap in the field of corporate taxation (Report on the proposal for a Council directive on a Common Consolidated Corporate Tax Base (CCCTB), COM (2016)0683 – C8, Alain Lamassoure, available at https://www.europarl.europa.eu/doceo/document/ECON-PR-608035_EN.pdf?redirect, accessed the 1st of March 2024). The effects of this regulation, when adopted, will generate a new model of taxation, in response to the today's digital economy challenges, in response to the unfair tax competition between corporate tax systems within the European single market, by taxing profits inside the jurisdiction where they are actually generated. There were acknowledge voices proposing even a tighter for of integration within the CCTB project, launching the uniform tax rate of 3% for corporate profits, a measure that would bring the European fiscal union much closer to nowadays reality (European Parliament rapporteur Paul Tang recommends a 5% tax on digital services, available at https://www.parlementairemonitor.nl/9353000/1/j9vvij5epmjley0/vksg5vngmwzh?ctx=vhekc59myknp&tab=1&start_tab0=40, accessed on the 1st of March 2024). The report of the European parliament reporter on the Commission proposal is still in favor of the threshold of the companies within the scope of the regulation, considering the total turnover greater than €750 million, a protectionist measure to reduce the negative impact on the small companies (start-ups included). European Parliament rapporteur Paul Tang recommended a 5% tax on digital services, in response to the 3% proposed by the Commission, explaining that this change would help to create a "level playing field", by bridging the gap between the taxation rate of traditional and digital enterprises. The Commission based its 3% proposed rate on the statistics of the estimated profits in digital economy, but in the rapporteur view, it did not consider the actual development of the digital sector in the global economy. When the rate was initially proposed (the European Commission proposed the CCTB project in 2016), a low profitability of 15% for these companies was presumed, while this rate increased constantly since, to the profit margin of 25% nowadays. For large and renowned digital multinational companies in the field of digital services like Facebook and Google, the profit margins have mounted up to 40% (European Parliament rapporteur Paul Tang recommends a 5% tax on digital services, available at https://www.parlementairemonitor.nl/9353000/1/j9vvij5epmjley0/vksg5vngmwzh?ctx=vhekc59myknp&tab=1&start_tab0=40, accessed on the 1st of March 2024). While the Council has expressed in December 2018 its option for limiting the scope of CC(C)TB proposal application (Council conclusions on

the Code of Conduct (Business Taxation), 14363/18 FISC 480 ECOFIN 1058, available at <https://data.consilium.europa.eu/doc/document/ST-15802-2018-INIT/en/pdf>, accessed on the 15th of March 2024), it observed the Austrian Presidency of the Council of the EU position on the possibility of excluding the sale of data, to the satisfaction of countries such as Germany, and reconfirmed the 2020 timeline for implementing the proposal. Although this timeline could not be accomplished, the action in 2018 and early 2019 proved that both national and EU leaders understand that the current corporate tax system is outdated, and it creates distortions in allocating the corporate tax between concurrent jurisdictions.

On 18 May 2021, the Commission adopted a Communication on Business Taxation for the 21st century. In it, it notes that a forthcoming proposal, the “Business in Europe: Framework for Income Taxation” (or BEFIT) will provide a single corporate tax rulebook for the EU, based on apportionment and a common tax base (Available at https://ec.europa.eu/taxation_customs/system/files/2021-05/communication_on_business_taxation_for_the_21st_century.pdf, accessed on the 20th of March 2024). This new proposal will replace the pending proposal of a Common Consolidated Corporate Tax Base (CCCTB), which will be withdrawn and, according to the Communication, the proposal was expected to be tabled in 2023. To ensure effective taxation, the communication launches the idea of the EU tax mix package that would be developed until 2050. It is a more ambitious plan, with a wider timeline but its success must be regarded with prudence, in the context of failure of the CCCTB proposal.

The context of the above presented communication corresponds to digital companies’ tendency to assume reduced fiscal liabilities, in comparison with other taxpayers and their option to choose the tax residency to benefit from the low tax regime, innovating on the tax planning mechanisms. The manifested intention of the European Commission is to prepare an EU corporate tax proposal with digital levy that will ensure fair contribution of the digital sector to the financing of the recovery in EU and to society at large, after the global pandemic crisis. Although the proposal will be technically independent of the forthcoming global agreement on international corporate tax reform, it is previewed that it will be compatible with other international obligations, it will coexist with the implementation of an OECD agreement on sharing a fraction of the taxable base of the largest multinational enterprises, once the latter is ratified and transposed in EU law (Tofan; Arseni, 2024). The communication on the future European corporate tax uses extensively the concept of fair taxation and fairness in allocating the taxable revenue between Member States jurisdictions. The prolonged experience with the CCCTB project determined the present option for the simplicity of the following proposal, to facilitate not only the investment and growth, thus reinforcing the Single Market and member states consensus.

The Digital Services Tax (DST) has been dubbed the “GAFA tax”, an acronym of the main US targets: Google, Apple, Facebook and Amazon) yet it applies not only to US MNES but also to other international groups from China, Germany, Spain and even France, the French tax administration estimating around 30 international groups under the scope of the provision. In response to the numerous opponents of this unilateral regulation, the tax was suspended to live room for mutual agreements on the topic. Since no agreement has been reached at the OECD on the taxation of the digital economy, the Minister of Economy announced that France would apply the Digital services Tax as from December 2020. Since the regulation came into force in France, the tax has brought in €375 million euros to the

French Treasury in 2020, €358 million in 2021 and €518 million in 2022 (Sophie Dorin – “Digital Services Tax in France”, available at <https://www.twobirds.com/en/news/articles/2019/global/digital-services-tax-in-france>, accessed on the 20th of March 2024).

Legitimate concerns about the effects of French digital service tax globally determined the G20 group to reach an agreement concerning the international tax, in July 2021. However, as the agreement is not yet implemented, the French Minister of Economic Affairs has stated that the digital service tax will be maintained in France and the multilateral agreement on this topic, endorsed by the OECD (G20 to back global corporate tax deal, says French finance minister, available at <https://www.reuters.com/business/g20-back-global-corporate-tax-deal-says-french-finance-minister-2021-07-06/>, accessed on the 20th of March 2024).

Conclusion and limits of the research

As our analysis points out, the continuous increase of the public spending asks for corresponding enlargement of the public revenue and the regulation to limit and, if possible, to eliminate tax avoidance by multinational companies is a priority both globally and for every state. The issue is yet on debate in the USA, when companies collect income in several states. The difficulties in establishing the taxation system entitled to collect taxes from revenue in digital trade over the frontiers of a particular state is another European and global challenge. Also, the fight against tax avoidance has been within the area of concern for OECD and EU, simultaneously. The need for harmonized regulation in tax sector within EU, if not uniform regulation, is supported by our work; the EU legislative actors have already issued some proposals for consolidating the profits of the companies which operate in many member states, addressing the allocation of the profits in accordance with specific criteria (situ taxation, virtual presence, employment, and number of consumers, volume of transferred data, etc.). The subject is addressed globally by current proposal to adopt a new concept of nexus, the OECD members analyzing the possibility and the effects of this new doctrine, while for the EU Member States and the US literature the characteristics of the new nexus raise critiques and require further clarifications.

The analysis undertaken in this study shows that currently the EU law seems to facilitate tax avoidance by both EU and non-EU taxpayers, rather than prevent this phenomenon. While some literature consider that EU is close to achieving a truly tangible shift towards an effective prevention of tax avoidance under EU law, so that the internal market functions properly, ensuring optimal and fair allocation of resources within the EU, there are serious impediments for the fiscal integration within the internal market. There is a constant concern of the Member States regulatory institutions to designing effective controlled foreign companies' rules, respecting their compatibility with EU law. The national legislative organisms must find the right rules to fight the taxpayers' abusive practices within the EU, while respecting their compliance with the EU primary sources of law. The individual approach towards this goal is often sanctioned by the European Commission or by the CJEU, so the need to cooperate arose naturally and evolved to the current level of coordination of the fiscal regulation, maintaining the rule of unanimity when adopting a particular tax measure in the Council. The sovereign right to rule taxation is still protected by the member states and it is expressly previewed in the EU primary law, as all member states are willing to preserve their right to rule taxation for unlimited time. Still, they are

simultaneously obliged to respond to the everyday challenges of harmonizing their taxation, in accordance with the fundamental rules of functioning of the internal market. Their regulation must address properly the tax avoidance conduct by applying uniform rules. All individual regulatory actions in the fiscal area of the Member States may significantly enhance the collaborative and common approach of various states across the world in preventing tax avoidance, redesigning the concept of sovereignty at least for the EU Member states, if not globally.

If we accept that sovereignty in taxation is untouchable and state right to decide completely autonomously on the public revenue is fundamental value for the tax systems, then our paper confirms the hypothesis that the unilateral regulation in tax field is still the formal legitimate method to rule today. Also, in response to the objectives of the research, other features and parameters were highlighted, justifying the approximation of the national tax systems. There are informal challenges in the adoption of EU tax legislation, particularly serving the sovereignty rule. The post-Lisbon EU law includes evidence for the tax uniform policy regime and, undoubtedly, there is a wide acknowledged goal to cooperate among the EU fiscal authorities for tax policymaking. The unique legislative fiscal regulation is possible only when the proper respect is paid to the unanimity rule, while European tax law is indeed building up a new legal environment using two different paths (i.e. positive and negative integration) at an unprecedented speed.

We are moving towards European fiscal integration towards a better functioning single market, a legal framework in which Member States will act gradually self-deprived of their national tax sovereignties and European nationals will enjoy a full and immediate protection of their individual rights, under the jurisdiction of the Court of Justice of the European Union, with limited space for tax arbitrage and a substantial simplification of issues raised by cross-border taxation, both within Europe and in the relations with third countries.

If symbiosis will not be achieved by European primary law or through favorable regulatory frameworks, then it is our conclusion that the unilateral regulation will lead the integration process. The sovereign right to rule taxation, protected in the national constitution, will no longer be justified, in connection to the precise provision in the national tax system which have moved and will evolve towards unified approach.

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STUDENT HOSTEL ACCOMMODATION CHALLENGE IN NIGERIAN UNIVERSITIES AND THE PUBLIC-PRIVATE PARTNERSHIP OPTION

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Abstract: One of the most cherished educational assets for students in tertiary institutions in Nigeria and the world is hostel accommodation. This asset provides students with an environment for intellectual development and easy interaction with fellow peers and fosters teamwork and communal spirit among students. Hostel accommodation in most Nigerian tertiary institutions is problematic and scarce too; as such, many students tend to be affected academically and psychologically; this study investigated the challenges of hostel accommodation in Benue State University, Makurdi and suggested the Public Private Partnership (PPP) option. The objectives of the study are to ascertain the causes of hostel accommodation challenges in Nigerian tertiary institutions with Benue State University, Makurdi, in sight, to ascertain the impact of hostel accommodation problems on students' academic performance and welfare and to suggest options best for hostel accommodation challenge in Nigeria tertiary institution. Three research questions guided the study. The study is anchored on the stakeholders' theory by Edward Freeman (1983). A mixed-method research design was adopted for this study. Simple random sampling was used, and questionnaire administration and Oral interviews were conducted to obtain information from 45 respondents. The study found out, among other things, that the over-enrollment of students causes a shortage in student hostel accommodation, inadequate hostel facilities, and a lack of maintenance culture by management/government, which are identifiable sources of accommodation challenges. The study recommends the PPP option and privatization of hostel facilities as the way forward for the best quality and quantity of accommodation in tertiary institutions in Nigeria.

Keywords: Benue State University, Tertiary institutions, Hostel, Accommodation, Public-Private Partnership, Privatization

Introduction

Invariably, one of the pressing assets for students of tertiary institutions in Nigeria is accommodation. This asset is considered critical because of the nature of what it portends to their academic success. By Maslow's conceptualization of fundamental life necessities, wherein shelter holds a significant place, Odaudu and Yahaya (2019) emphasize the pivotal role of student accommodation in influencing the selection of educational institutions. Accommodation is considered a basic human need essential for survival and ranks alongside food provision (Adebamowo, 2009). Consequently, the contemporary educational landscape has witnessed the hostel system emerging as a crucial component, offering students affordable lodging and fostering a social environment conducive to academic interactions. Providing on-campus housing, next only to disseminating specialized knowledge, is integral to tertiary institutions (Aigbavboa & Thwala, 2012). Traditionally, Nigerian universities have primarily housed students on campuses and in hostel facilities, reflecting the intrinsic connection between student accommodation and the university experience. However, financial limitations and the burgeoning student population have posed challenges for universities to provide extensive on-campus housing. This predicament has resulted in overcrowded hostels, continual deterioration of facilities,

and a surge in criminal attacks on students residing off-campus, exacerbating absenteeism and poor academic performance (Onyike & Uche, 2012). In the context of Nigerian universities, such as Benue State University, the condition of most hostels needs to be more consistent with students' academic pursuits, which are experiencing a concerning decline. Muhammad, Dodo, and Adamu (2014) assert that overcrowding is the primary challenge plaguing university hostels, contributing to many issues adversely affecting students' well-being and academic engagement.

Statement of the Problem

The demand for tertiary education is also growing at an alarming rate and speed. Today, university education stands tall as a critical building block for the development of any nation-state. Over the years, this critical societal edifice has undergone many challenges, ranging from the non-payment of teachers and non-teacher remuneration to infrastructural decay and the non-existence of such. This has become a heavy burden on the government and other stakeholders in tertiary education. Hostel accommodation is one of Nigeria's main infrastructural challenges today in tertiary education. Recently, the state of hostels in Nigerian tertiary institutions contrasts starkly with their original purpose due to a substantial surge in prospective candidates seeking admission. This influx has compromised the hostels' ability to maintain an environment conducive to academic pursuits and social integration. As underscored by Usman (2021), institutional hostels grapple with overwhelming demand, resulting in unacceptable levels of overcrowding, increased stress on existing facilities, frequent service breakdowns, and the fostering of undesirable activities such as cultism.

The challenges surrounding hostel accommodation in Nigeria are multifaceted, centring on insufficient hostel numbers, limited facilities, and substandard building structures. The scarcity of hostel spaces triggers intense competition for available accommodations, exacerbating overcrowding issues and contributing to the frequent breakdown and deterioration of essential amenities. These problems, as noted by Usman (2021), give rise to social consequences manifested in the form of crime syndicates, prostitution, and other vices that find a breeding ground in the deteriorating conditions of these hostels. The study in question delves into a comprehensive assessment of the challenges posed by hostel accommodation at Benue State University, Makurdi, explicitly focusing on exploring potential solutions through public-private partnerships. The overarching objective of the study is to shed light on the intricate issues surrounding hostel accommodation at the university and to propose viable strategies that leverage collaborative efforts between public and private entities to address the pressing challenges.

The study's main objective is to examine the menace of accommodation challenges in Benue State University Makurdi vis-à-vis the need for PPP options. Other objectives of the study are to:

Investigate the causes of hostel accommodation challenge in Nigerian tertiary institutions, with Benue State University, Makurdi, in sight

Ascertain the impact of hostel accommodation problems on students' academic performance and welfare;

Determine the effects of accommodation challenge in Benue State University Makurdi;

Determine vices associated with accommodation challenges on Benue State University Campus;

To suggest the best option for the Benue State University Makurdi hostel accommodation challenge.

Study Question

The following questions were formulated in line with the objectives to guide the study.

What are the causes of hostel accommodation in Nigerian tertiary institutions?

Does the hostel accommodation challenge impact students' performance and welfare?

Is adequate accommodation on campus a panacea for eradicating vices on the Benue State University Makurdi campus?

What is the possible solution for the Benue State University Makurdi hostel accommodation challenge?

Literature Review

Conceptual Review

Hostel Accommodation

Universities are responsible for facilitating academic endeavours such as teaching and research and providing suitable living facilities for students, recognizing the integral role of accommodation in stimulating their learning capabilities (Alaka, Pat-Mbano & Ewulum, 2012). The importance of proper accommodation in the educational context is emphasized by Ozioko (1997), who contends that adequate living spaces contribute significantly to achieving educational objectives within an institution. Furthermore, Ajayi, Nwosu, and Ajani (2015) emphasize the pivotal role that student housing plays in the decision-making process for students and their parents during the university enrollment phase. The Oxford Advance Learner's Dictionary defines housing as not merely a physical space but encompasses privacy, personal space, and territoriality. According to Chiguvi and Ndoma (2018), accommodation extends beyond the physical realm and involves an individual's freedom of choice within a given setting. In the educational context, hostel accommodation is crucial, serving as the student's place of abode within the university premises. Beyond shielding students from environmental elements, hostels serve as learning environments profoundly influencing comfort, safety, and academic performance.

Student accommodation, often synonymous with student hostels or housing, serves as a place of residence for students, particularly those whose homes are distant from the educational institution. Khozaei, Ayub, Hassan, and Khozaei (2010) categorize student accommodation as a hostel with institutional characteristics that provides access to university recreational facilities. Living in a sustainable on-campus hostel environment fosters independence, as students share accommodations with a limited number of peers. This lifestyle cultivates qualities such as smartness, discipline, tolerance, and socialization with roommates, contributing to a well-rounded student experience. Moreover, the safety and security afforded by on-campus housing alleviate parental concerns, distinguishing it from off-campus alternatives. Providing suitable accommodation is not just a logistical necessity but a crucial factor in shaping students' holistic experiences and fostering an environment conducive to academic achievement and personal development.

According to Jennifer (2011), the primary objectives of tertiary education encompass the acquisition, development, and instillation of proper values essential for individual and societal survival. Additionally, it aims to cultivate intellectual capacities to enable individuals to comprehend and appreciate their surroundings. However, achieving these

goals in tertiary institutions becomes challenging without adequate student accommodation, safe drinking water, sanitation facilities, consistent electricity supply, and affordable transportation options.

Insufficient or inadequate accommodation for students poses a host of challenges, including psychological difficulties and a heightened propensity for aggression among students. Aggressive behaviour may emerge when the living environment is unconducive, influenced by the occupants' surroundings. The physical environment of a student's residence, encompassing the condition of the place and the transportation system, significantly affects behaviour, either positively or negatively. Shortages in student accommodation contribute to students sacrificing academic commitments, such as missing lectures, examinations, and practicals, due to the relentless search for suitable housing. Moreover, overcrowded living conditions lead to friction, conflicts, and open confrontation among roommates, negatively impacting the student experience. Living in crowded, poorly built spaces with inadequate water supply can lead to health issues and negatively affect academic performance.

Jennifer (2011) proposes that involving the private sector in providing student hostels is a potential solution to address the shortage of student accommodation (Oyeleran & Adeoye, 2013). Student housing goes beyond merely providing shelter; it creates an environment that stimulates intellectual development, encourages peer interaction, fosters a sense of community, and reinforces the notion that studying is a primary occupation. Olutuah (2003) emphasizes the benefits of hostels, noting that they facilitate a conducive reading environment by minimizing distractions. Hostel students have more opportunities to engage in extracurricular activities, including sports, games, clubs, and social events. Hostel life also provides greater security, as institutions typically have on-campus security personnel, ensuring a safer environment than off-campus living. Despite the evident advantages, the provision and maintenance of hostel accommodation face various challenges. Ndu, Ocho, and Okeke (1997) trace the root of the accommodation problem to governmental policies that overlooked the implications of establishing new tertiary institutions without sufficient consideration for accommodation needs. Challenges such as overcrowded rooms, the struggle for bed space and room accessories, inadequate funding, and insufficient management skills exacerbate the accommodation problem in tertiary institutions. Therefore, addressing the challenges associated with student accommodation is crucial for achieving tertiary education goals. It involves providing a physical shelter and creating an environment that supports intellectual growth, social interaction, and overall well-being. Collaborative efforts between the public and private sectors, proper funding, and effective management are essential components of a sustainable solution to the accommodation predicament in tertiary institutions.

Public-Private Partnership in Perspective

Public-Private Partnership (PPP) represents a contemporary approach to public sector management, particularly in developing nations such as Nigeria. This concept emerged in response to the reforms implemented in recent years to enhance the effectiveness and efficiency of the public sector. The primary motivation behind these reforms was to improve public service delivery, making PPP a pivotal strategy in the evolving landscape of public sector management. Various scholars have offered diverse definitions of Public-Private Partnership. Anayo and Okon (2011) define PPP as a contractual arrangement

between a public-sector agency and a profit-driven private-sector entity. This collaboration involves allocating resources and risks to deliver public services or develop public infrastructure. Hodge and Greve (2007) describe PPP as a cooperative arrangement between two or more public and private sectors, typically of a long-term nature. Kwan (1995) and Bagal (2008) emphasize that PPP entails an arrangement between the government and private sector entities to provide infrastructures, community facilities, and related services. These partnerships involve sharing investments, risks, responsibilities, and rewards between the public and private partners. The reasons for establishing PPPs often revolve around financing, design, construction, operation, and maintenance of public infrastructure and services, with the private sector assuming a significant role in these functions.

PPP is a collaborative relationship between public sector organizations and private sector investors, aiming to procure essential infrastructural facilities for a country. The increasing population and rural-urban migration amplify the demand for new and existing facilities, leading to higher building and maintenance costs. Recognizing that the government alone cannot bear this burden, PPP schemes have become instrumental in various countries, both developed and developing. Governments worldwide are turning to the private sector as an additional funding source, acknowledging the crucial role of PPP initiatives in economic and infrastructural development. In Nigeria, properly formulating and implementing policies surrounding PPP is a valuable tool. This approach can elevate infrastructure development, stimulate private sector growth and stability, and ensure the prompt completion of projects (Seibert, 2006). The relationship between the government and private sector organizations engaged in PPP is symbiotic, with each partner anticipating benefits aligned with its objectives and goals for participating in such partnerships. Okoye and Oghoghomeh (2011) state that PPP involves a contractual agreement between a public-sector institution or municipality and a private party. In this arrangement, the private party assumes financial and technical risks in constructing and operating a public project. Ferreira and Khatami reinforce this perspective, cited in Okoye and Oghoghomeh (2011), who highlight PPP as a promising option for enhancing public service delivery in developing countries like Nigeria. The endorsement of PPP as a means to bridge the gap in infrastructure development and improve public services underscores its importance in the contemporary landscape of public sector management.

Theoretical Framework

This paper relies on the Stakeholder Theory as its theoretical framework. Originating from a 1963 Stanford Research Institute internal memorandum, Stakeholder Theory defines stakeholders as groups supporting an organization's needs for its continued existence. Edward Freeman championed the development of this theory in the 1980s (Freeman & Reed, 1983). The core tenet of the Stakeholder Theory posits that a corporation possesses stakeholders, representing groups and individuals either benefiting from or being adversely affected by the actions and inactions of an organization or enterprise. The Stakeholder Theory offers a robust approach when applied to Public-Private Partnerships (PPPs) in infrastructural development within tertiary institutions. This framework guides tertiary institution management in engaging the private sector for targeted investments in critical areas like hostel accommodation, lecture theatres, and offices through PPP strategies. Stakeholder Theory underscores the importance of involving various stakeholders to

address infrastructural development deficits in tertiary institutions. If properly leveraged, the PPP arrangement serves as an effective platform for holistic infrastructural development. Recognizing the private sector's vital role, Egonmwan (2018) emphasizes its contribution to innovation, modernization, cost-effectiveness, and service delivery in public settings. Negligence of duties by stakeholders has been identified as a contributing factor to the worsening infrastructural development in the country, particularly within tertiary institutions (Itu & Kenigua, 2021). This shows the significance of Stakeholder Theory in guiding the collaborative efforts between the public and private sectors to address infrastructural gaps and ensure the overall progress of tertiary institutions. The engagement of stakeholders, especially the private sector, becomes imperative for fostering innovation, efficiency, and the successful implementation of PPPs in infrastructural development.

Build Operate Transfer in providing Student Hostel Accommodation

Private sector participation refers to the engagement of both formal and informal private enterprises in providing and managing accommodations within tertiary institutions (Asare-Kyire & Osia, 2012). The rationale behind encouraging robust private sector involvement in infrastructure provision, including hostels and offices, stems from the prevailing challenges the government faces regarding budget constraints and public finance difficulties. Tertiary institutions, particularly universities, grapple with financial limitations, leading to inadequate funding for critical aspects such as student accommodation. The Federal Government of Nigeria, historically responsible for the capital and recurrent expenditures of federally owned universities, has witnessed a steady decline in capital allocations over the years, reaching about 50% of the total budgetary allocation in previous years. This decline has rendered government entities at various levels incapable of providing sufficient funding to effectively address the diverse needs of universities. In response to these challenges, the federal government initiated policies encouraging private sector involvement in university accommodations. In 2004, university authorities were directed to hand over hostels on campuses to private managers, with a parallel encouragement for private investors to venture into building hostels for students. Despite these directives, the policies still needed to be fully implemented. Subsequently, in 2006, the Federal Government issued a policy statement specifying that new hostels should be constructed exclusively through Public-Private Partnership (PPP) arrangements based on the Build, Operate and Transfer (BOT) model.

According to Okebukola, Abdullahi, Balogun, and Bankole (2004), the overarching objective of this policy shift was to stimulate private sector participation in the provision of hostel facilities within universities. Additionally, the policy aimed to motivate the private sector to reinvest some of its profits into critical national needs. The involvement of the private sector in providing hostel facilities allows universities to redirect their resources toward core activities like teaching and research, alleviating the burden of managing municipal functions. This strategic collaboration addresses funding challenges and enhances the efficiency and effectiveness of infrastructure development within tertiary institutions. The integration of private sector expertise and resources serves as a valuable complement to the public sector's efforts, fostering a more sustainable and dynamic approach to meeting the evolving needs of tertiary education.

Public-Private Partnership and Infrastructural Development in Nigeria

It is undeniable that the responsibility for providing public services and infrastructure has traditionally rested solely with the government. However, factors such as population growth, urbanization, and increasing developmental aspirations have constrained the government's ability to adequately address the anticipated infrastructural needs of the populace (Dominic et al., 2015). Consequently, the Nigerian government has embraced the Public-Private Partnership (PPP) policy as a strategic tool for national infrastructure development. Practitioners have widely recognized the merits of PPPs, as they mobilize additional financing sources, defer payments to the future, and allocate the risk of funding public infrastructure projects to the private sector for profit (Fadeyi, Adegbuyi & Ifeanye, 2016). The advantages of PPPs in terms of infrastructural development are noteworthy. They offer superior infrastructure solutions compared to entirely public or private initiatives, allowing each participant to leverage its strengths. The positive impacts include accelerated project completion, reduced delays, and enhanced performance and accountability measured by time-to-completion. The return on investment (ROI) for PPPs surpasses that of projects with traditional, all-private, or all-government fulfilment. Collaborating entities can adopt innovative design and financing approaches, assess risks early in the process, and ensure project feasibility. Private partners check against unrealistic government promises or expectations, while operational and project execution risks are transferred to the private sector, which typically excels in cost containment and management.

PPPs incentivize early completion, increasing efficiency and reducing change order costs. The government's investment efficiency allows funds to be redirected to other socio-economic priorities, consequently lowering government budgets and deficits. Maintaining high-quality standards throughout the project's life cycle is more achievable with PPPs, potentially resulting in lower taxes. However, the benefits of PPPs can vary based on assumed risks, competition levels, and project complexity. The expertise within PPPs predominantly lies with the private sector, placing the government at an inherent disadvantage, particularly in accurately assessing proposed costs. Following the Nigeria Infrastructure Concession Regulatory Commission (ICRC, 2010), governments engage deeply in PPPs for infrastructural development and service propagation to achieve optimal resource utilization, improve organizational plans and policies, attract skilled forces with competitive efficiency, and reform sectors through the reallocation of roles, incentives, and enhanced accountability.

Methodology

A mixed-method research design was adopted for this study. Simple random sampling was used, and questionnaire administration and oral interviews were carried out to obtain information for this study. Thirty-five questionnaires were administered to students and staff of Benue State University Makurdi; out of the thirty-five, five of the respondents were interviewed orally. The data collected was analyzed through percentages and tables to understand the result better.

Data Analysis and Discussion

Presentation of Results based on Percentages

Table 1: Respondents by Gender

| Variable | Frequency | Percentage |
|----------|-----------|------------|
| Male | 20 | 44.4 |
| Female | 25 | 55.5 |
| Total | 45 | 100 |

Source: Field Survey, 2023

Table 1 shows the gender of the respondents in the study. 44.4% of the respondents were males, while 55.5% were females.

Table 2: Cadre of Respondents

| Variable | Frequency | Percentage |
|--------------------|-----------|------------|
| Academic Staff | 10 | 22.2 |
| Non-Academic Staff | 10 | 22.2 |
| Students | 25 | 55.5 |
| Total | 45 | 100% |

Source: Field Survey, 2023

Table 2 shows the category of respondents. 55.5% of the respondents were students, 22.2% were Non-Academic staff, while the academic staff of the respondents were 22.2%. The result implies that the respondents of this study cut across the stakeholders in the university environment, which is suitable for this study.

Table 3: Hostel Accommodation Challenges by Over enrollment of Students

| Variable | Frequency | Percentage |
|-----------|-----------|------------|
| Agree | 30 | 88.8 |
| Undecided | 7 | 15.5 |
| Disagree | 8 | 17.7 |
| Total | 45 | 100% |

Source: Field Survey, 2023

The result presented in Table 3 provides insights into respondents' perspectives on the challenges associated with hostel accommodation in the university, specifically focusing on the phenomenon of over-enrollment of students in an academic year. A significant majority of respondents, amounting to 88.8%, expressed the view that the hostel accommodation challenges observed in tertiary institutions, particularly at Benue State University, stem from the issue of over-enrollment. In contrast, 15.5% of respondents remained undecided, and 17.7% disagreed that the challenges related to hostel accommodation in tertiary institutions result from over-enrollment. This finding aligns with the observations made by Chukwu (2001) regarding the state of hostel accommodation in Nigerian tertiary education environments. Chukwu emphasized that many students are admitted beyond the planned capacity, leading to overcrowded living conditions and fierce competition for bed spaces and room accessories. The over-enrollment phenomenon exacerbates accommodation problems, with the number of admitted students surpassing the available facilities provided by the institutions.

Jennifer (2011) supports this perspective by attributing the shortage of student hostel accommodation to the continual increase in student enrollment. In Nigerian public tertiary institutions, there is a recurring trend of rising student numbers each year, contributing to a shortage of hostel accommodation. This shortage forces many students to seek housing off-campus, exposing them to various dangers and threats. Even those fortunate enough to secure private accommodation within secured environments often face exorbitant rents and uncertainties regarding safe drinking water and affordable transportation. These challenges, in turn, adversely affect students' academic achievements.

The result further shows that poor funding from the government, insufficient maintenance by government bodies, individuals, and organizations, and a shortage of space for constructing student housing constitute additional factors contributing to students' accommodation problems. It is imperative for the school authorities, in collaboration with the government, to address these multifaceted challenges. A holistic examination of factors such as increased student enrollment should guide admission policies to prevent overpopulation. Collaborative efforts between the school authority and the government to construct additional hostels are crucial to mitigating the persistent problem of student accommodation shortages.

Table 4: Inadequate Hostel Facilities

| Variable | Frequency | Percentage |
|-----------|-----------|------------|
| Agree | 40 | 88.8 |
| Undecided | - | - |
| Disagree | 5 | 11.1 |
| Total | 45 | 100% |

Source: Field Survey, 2023

Table 4 above shows another cause of hostel accommodation: the inadequate hostel facilities. 88.8% of the respondents said that the lack of hostel facilities is a significant challenge, while 11.1% disagreed. The preceding result is in line with the assertion by Aluko (2011), where he averred that the rise in the population of students in tertiary institutions is considered a big problem due to the shortage of students' hostel accommodation, which in effect ranges from inadequate infrastructure facilities to overcrowding. Therefore, tertiary education managers need to provide the basic housing and infrastructural facilities the students need. Such facilities must include toilets, running water, electricity, a reading room, a canteen, a buttry, a kitchenette and a recreational area and these facilities must be in good working condition.

Table 5: Lack of Government/ Management Maintenance Culture

| Variable | Frequency | Percentage |
|-----------|-----------|------------|
| Agree | 36 | 80.0 |
| Undecided | 3 | 6.6 |
| Disagree | 16 | 35.5 |
| Total | 45 | 100% |

Source: Field Survey, 2023

Table 5 above highlights another causes of hostel accommodation in Nigeria's tertiary institutions: the government/management's lack of maintenance culture. 80% of the respondents agreed that the lack of maintenance on the existing hostel facilities had caused

their dilapidated state, making it practically impossible for such structures to be effectively implemented; 6.6% were optionless. In comparison, the remaining 35.5% disagreed that the cause of the hostel accommodation challenge, especially at Benue State University, could not be attributed to the lack of maintenance culture by the handlers/owners of the tertiary institution.

Impact of Hostel Accommodation Problem on Students' Performance and Welfare

The role of shelter in the academic well-being of students cannot be overstated. Joan (2010) emphasizes that the environment in which students live significantly influences their academic performance. Poor living conditions are closely linked to a negative impact on academic outcomes. Notably, the security of students is a crucial aspect of their accommodation. Students residing in insecure areas are often plagued by the constant fear of theft, adversely affecting their academic performance. Establishing a secure environment enhances students' reading experiences and contributes to potential academic excellence. Joan highlights that noisy, overcrowded residences with inadequate security and nighttime lighting are typical examples of physical environments undermining students' ability to engage effectively in their studies. The combination of overcrowded living spaces, minimal supervision, and insecurity emerges as a significant factor affecting students' welfare and academic performance. Oladiran (2013) further underscores the impact of hostel facilities on students' performance, with the state of the building playing a pivotal role. Poor facilities and overcrowding have a detrimental effect on academic outcomes. The challenges associated with on-campus hostel accommodation often compel students to seek shelter outside the school environment. This, in turn, results in missed lectures, examinations, and laboratory practicals, stemming from the inadequacy or non-existence of student accommodation on campus. Additionally, overcrowded student hostels contribute to frequent frustration, conflicts, antagonism, and open confrontation among roommates, especially concerning wardrobes, corners, and other facilities within the room (Joan, 2010). Recently, the inadequacy of student hostel accommodation has become more apparent, with existing facilities often needing to be more dilapidated and posing risks to the health of students and the entire university environment. Tertiary institutions in Nigeria, including Benue State, are grappling with hostel conditions that need to be more adequate and deplorable, significantly impacting students' academic performance and overall development.

Moreover, the health implications arising from overcrowded hostels constitute a substantial challenge affecting academic performance in most tertiary institutions. The lack of effective sanitary measures, exacerbated by overcrowding, negatively impacts students' overall well-being and hampers their academic performance. The hostel accommodation challenge in tertiary institutions, particularly in Benue and across Nigeria, thus presents a multifaceted issue with implications for both the physical and mental health of students and their academic pursuits. Addressing these challenges is essential to fostering a conducive environment that supports students' holistic development and academic success.

Remedies to Hostel Accommodation Challenge in Tertiary Institutions in Nigeria

For a purposeful solution to the prevailing challenges of student accommodation in Nigeria's public tertiary educational sector. The following are considered viable options for eliminating such challenges.

Public Private Partnership
Privatization of hostel facilities

Table 7: Public-Private Partnership in Hostel Provision and Management

| Variable | Frequency | Percentage |
|-----------|-----------|------------|
| Agree | 42 | 93.3 |
| Undecided | - | - |
| Disagree | 3 | 6.6 |
| Total | 45 | 100% |

Source: Field Survey, 2023

The findings presented in Table 7 shed light on the proposed solutions to the persistent challenges of hostel accommodation in tertiary institutions in Nigeria. A striking 93.3% of the respondents believed that Public-Private Partnership (PPP) is the most effective solution to address the ongoing hostel accommodation challenges. Only a small fraction, 6.6% of the population, disagreed with this perspective. This overwhelming support for PPP underscores the belief that private sector involvement is the optimal strategy to overcome infrastructural deficits in developing countries like Nigeria. This aligns with the insights provided by Asare-Kyire and Osie (2012), who argued that private sector participation in basic infrastructure provision is a response to the financial difficulties faced by governments globally. In parallel, university authorities have consistently voiced concerns about the lack of funds to address student accommodation needs adequately. Historically, the Federal Government of Nigeria has shouldered the responsibility for providing capital and recurrent expenditure for federal universities, partly intervening in infrastructure through bodies like TETFUND for state tertiary institutions. However, the capital allocations to universities have declined over the years, rendering the government incapable of meeting the comprehensive financial needs of universities. In recognition of this challenge, the Federal Government issued directives in 2004 and 2006, advocating the involvement of the private sector in student accommodation. The 2006 directive specifically emphasized the adoption of Public-Private Partnership (PPP) on a Build Operate and Transfer (BOT) basis for new hostel construction.

The PPP option, therefore, emerges as a strategic response to the funding shortfall and challenges in providing adequate hostel accommodation for tertiary institution students. Given the financial constraints faced by the government, this approach has gained traction as a panacea for the hostel challenges. It underscores the need for collaboration between the public and private sectors to bridge the infrastructural gap in educational institutions. Addressing the inefficiencies in managing student accommodation, most respondents proposed the privatization of student hostels. This involves entrusting private individuals responsible for building, operating, and maintaining hostel facilities within the university setting. Concurrently, university management and government oversight would regulate the operations of these private investments. According to respondents, this privatization approach holds the potential to significantly alleviate student hostel accommodation challenges by ensuring both quality and quantity in the nation's tertiary educational sector. The consensus among respondents highlights the perceived efficacy of private sector involvement and proactive management strategies to enhance students' overall hostel accommodation experience.

Conclusion and Recommendations

In the current context, there is a growing apprehension regarding the deficiency in infrastructural development across diverse sectors of the country, compounded by the limitations of the government's budget. A predominant challenge confronting tertiary institutions in Nigeria is the need for more student accommodation. Private Public Partnership (PPP) emerges as the most favoured and practical alternative to address the extensive challenges burdening the educational sector, offering the prospect of involving the private sector in the provision of hostel accommodation for students and other critical infrastructures crucial for the development of our educational sector and national life at large. This study meticulously examined the challenges associated with students' hostel accommodation in Benue State University, Makurdi, with a focused exploration of the PPP option. The findings elucidate that the over-enrollment of students in tertiary institutions, especially in the study area, constitutes a paramount challenge for student accommodation. The acute shortage of hostel facilities is a well-acknowledged concern by both the management and the government. Additionally, the lack of a maintenance culture by the government and institutional management has further hindered the availability of student hostels in the study area and numerous tertiary institutions across Nigeria. In the face of governmental financial constraints, the most viable options are the public-private partnership and the build-operate-transfer models, which have proven transformative in other national contexts.

It is underscored that the imperative for an effective and conducive student housing facility in universities and tertiary institutions in Nigeria cannot be overstated. A robust student housing system becomes crucial because students are expected to be in a sound state of mind to excel in their academic endeavours. Since student housing contributes not only to physical protection but also to healthy social and behavioural stability, the productivity of students is inherently linked to their housing conditions. Consequently, it is recommended that tertiary institution authorities proactively build hostels to accommodate all enrolled students, ensuring inclusivity. The government is urged to engage in partnerships with private entrepreneurs, utilizing the Build Operate and Transfer (BOT) option, where funding and management are entrusted to private entities, with the government maintaining a supervisory role to monitor and regulate safety as needed. The challenges associated with hostel accommodation in Nigerian tertiary institutions extend beyond overcrowding to encompass a range of issues, such as mounting pressure on infrastructure, social amenities, and the rapid deterioration of the environment. Existing hostel facilities in public tertiary institutions are strained, leading to decreased lifespans and the sharing of a single space for four students among ten. Moreover, the unsanitary environment in overcrowded hostels often results in disease outbreaks and socio-disorder on tertiary institution campuses.

To pave the way for improved student hostels, a comprehensive approach is necessary to address the multifaceted problems impeding various fields of study. Notably, inadequate funding of the educational sector emerges as a significant factor hindering the construction of student hostels by institutions. Consequently, the study recommends that the government entrust the provision of hostel facilities to private bodies or individuals to construct, operate, and maintain such facilities on its behalf.

Given the myriad challenges faced by students living off-campus due to the shortage of on-campus accommodation, this study emphasizes the urgency for government and institutional management to collaborate with various stakeholders in tertiary education to

address the problem comprehensively. Consequently, this research study fervently recommends the PPP option as a strategic and transformative solution. In tandem with private entities, the government must make concerted efforts to implement PPP initiatives to revitalize and transform the landscape of student accommodation, fostering an environment conducive to academic excellence and overall student well-being.

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TRANSACTIONAL MEMORY SYSTEMS: A BIBLIOMETRIC ANALYSIS

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Abstract: This paper explores the relationship between transactional memory systems (TMS) and organizational performance through a bibliometric analysis. The analysis examines publications in the Web of Science database from 1975 to 2023, focusing on those that connect TMS with knowledge and performance in an organizational context. The results reveal a growing interest in TMS research, particularly since 2010. The analysis identifies key concepts such as team performance, knowledge management, and intellectual capital. It highlights the increasing importance of managing intangible resources like knowledge in the digital age. The findings suggest a strong link between well-developed TMS and improved organizational performance. TMS facilitates knowledge sharing, expertise utilization, and team coordination, ultimately leading to better outcomes like innovation, efficiency, and creativity. The paper concludes that TMS represents a strategic management resource, especially for knowledge-intensive organizations. It emphasizes the need for further research to fully understand the potential of TMS in supporting such organizations.

Keywords: TMS, transactional memory system, technology, knowledge, performance.

Introduction

Transactional memory system (TMS) has been defined by Wegner (1987) as the group-level equivalent of the individual memory system, plus shared meta-knowledge about "who and what knows". As Wegner (1995; 1987) cited in Andrei (2021, p. 394) indicated, TMS consists of the knowledge housed within the minds of individual team members combined with metamemory indicating each member's particular areas of expertise and the established division of responsibilities that governs how information is acquired, retained, and retrieved across the team. Consequently, "team functioning relies on knowing who the knowledge experts are, what their specific expertise is, and how to access and integrate this expertise via communication, interaction, and collaboration to create added value." Although in the last 20 years TMS have attracted the attention of many researchers in the fields of cognitive psychology, organizational psychology, information systems and management (Peltokorpi & Hood, 2019), the exploration of the topic in the literature in Romania is still in a nascent stage, references to TMS being found only in the study of the performance of teams (Andrei, 2021) and in the field of cognitive psychology (Curşeu et Rus, 2005).

Considering the literature (Ren & Argote, 2011; Cao & Ali 2018; Peltokorpi & Hood, 2019, Levi & Askay 2020) showing that a functional TMS serves as a comprehensive repository of diverse knowledge that, when leveraged strategically, possesses the capability to yield favourable impacts on organizational performance and success metrics (Madison et. al, 2021), we considered the topic of particular interest and conducted a bibliometric analysis research, which we present below.

Bibliometric analysis: method and results

A bibliometric analysis research was conducted to perform a statistical evaluation of TMS-related literature published between 1975 -2023 and indexed in the Web of Science.

The analysis started with an inventory of all studies indexed in the Web of Science that dealt with the concept of transactive memory, gradually narrowing down the area of investigation to the studies that considered TMS in the knowledge fructification equation and focused on performance achievement in the organizational context. The bibliometric analysis was carried out in February 2023 and considered the use of information obtained from the Web of Science (WoS) Core Collection as a data source, using the search function provided by WoS.

The results returned by the WoS search were analysed in 3 successive phases.

In a first phase, WoS indexed documents published between 1975 -2023 in English language and containing the words "transactive memory" in the topic were considered in our search. The search results showed that the first publications that addressed the topic "transactive memory" appeared in WoS in 1985, with only a few other papers appearing in the following years until 2010, the year in which the topic began to gain momentum, with 78% of the total of 724 WoS indexed articles that included the keyword "transactive memory" being published in the period 2010-2022 (see Table 1).

In the second step a simultaneous search was made in the topic articles for the keywords "transactive memory AND knowledge". This search indicated 1988 as the year of the first articles. Of the total of 643 WoS indexed articles that included "transactive memory AND knowledge" in the topic discussed, 83% were published between 2010-2022. Furthermore, the WoS search for the period 1975 -2023 for "transactive memory AND knowledge" showed a total of only 241 published papers including both keywords in the abstract of the paper.

In step 3, we narrowed the area of investigation by searching WoS for the period 1975 -2023 for papers containing 3 keywords - "transactive memory AND knowledge AND performance" in the abstract.

Table 1. Papers on TMS topic indexed in Web of Science between 1975-2023

| Keywords | No. of papers | Year of 1 st paper | % published after 2010 |
|--|---------------|-------------------------------|------------------------|
| Transactive memory (in Topic) | 724 | 1985 | 78% |
| Transactive memory AND Knowledge (in Topic) | 643 | 1988 | 83% |
| Transactive memory AND Knowledge AND Performance (in Abstract) | 93 | 2006 | 80.64% |

(Source: Web of Science, Feb 2023)

Narrowing the search by using 3 keywords - "transactive memory AND knowledge AND performance" - we obtained a total of 93 papers indexed in Web of Science (WoS) for the period 1975 -2023, with first publication in 2006, and over 80% of the papers being published after 2010. Of the 93 papers containing in abstract all 3 keywords - transactive memory and knowledge and performance - more than 80% belong to management and

business-related categories (see Table 2). More than 50% of the 93 papers are indexed in the Management category of Web of Science - see Table 2).

Given the increasing concentration of articles in recent years (Table 1), and the framing of most of them in the MANAGEMENT category (Table 2), it can be concluded that the literature points to the opportunity for a comprehensive analysis of the transactive memory system as a strategic management resource.

Therefore, the bibliometric analysis considered papers indexed in WoS that have in the abstract the keyword "transactive memory" as well as the words "knowledge" and "performance", setting 1975-2023 as period, and articles written in English as type of paper.

Table 2. Web of Science category

| Web of Science category | No. of articles | % of the total of 93 |
|---|-----------------|----------------------|
| Management | 50 | 53.763 |
| Business | 17 | 18.280 |
| Information Science Library Science | 17 | 18.280 |
| Psychology Applied | 12 | 12.903 |
| Computer Science Information Systems | 10 | 10.753 |
| Engineering Industrial | 9 | 9.677 |
| Operations Research Management Science | 8 | 8.602 |
| Education Educational Research | 6 | 6.452 |
| Computer Science Interdisciplinary Applications | 5 | 5.376 |
| Computer Science Software Engineering | 5 | 5.376 |
| Psychology Experimental | 5 | 5.376 |
| Psychology Multidisciplinary | 5 | 5.376 |
| Psychology Social | 5 | 5.376 |
| Social Sciences Interdisciplinary | 4 | 4.301 |
| Engineering Electrical Electronic | 3 | 3.226 |
| Ergonomics | 3 | 3.226 |
| Psychology | 3 | 3.226 |
| Behavioral Sciences | 1 | 1.075 |
| Business Finance | 1 | 1.075 |
| Computer Science Artificial Intelligence | 1 | 1.075 |
| Economics | 1 | 1.075 |
| Education Scientific Disciplines | 1 | 1.075 |
| Environmental Sciences | 1 | 1.075 |
| Health Care Sciences Services | 1 | 1.075 |

(Source: WoS, Feb 2023)

The result of the search for "transactive memory AND knowledge AND performance" in the abstracts of the WoS indexed papers was exported from the Web of Science as a text file (.txt) with the option "complete records and cited references" for further analysis using the bibliometric analysis software VOSviewer (van Eck & Waltman, 2023). The text file exported from Web of Science containing all information on authors, titles, abstracts, sources, topics covered, years of publication and references for each article, was then loaded into VOSviewer to perform data analysis and generate visualization maps of keyword co-occurrence, citations and source co-citation, bibliographic linkages, prominent authors and countries of origin.

Table 3 provides a summary of the search protocol underlying the bibliometric analysis carried out using VOSviewer software (van Eck & Waltman, 2023).

Table 3. Bibliometric analysis protocol

| | |
|-----------------------------|---|
| Source of data extraction: | Web of Science (WoS) |
| Keywords: | <i>transactive memory AND knowledge AND performance</i> |
| Categories: | all categories |
| Type of document: | articles |
| Perioda: | 1975 – 2022 |
| Language: | English |
| Software for data analysis: | VOSviewer |

The data extracted from Web of Science were analysed with the VOSviewer software which allowed the inventory and visualisation of similarities, keyword co-occurrence (Table 4 and Fig. 2), citations and co-citation of sources with bibliographic linkage highlighting, prominent authors and their countries of origin. The analysis of bibliographic couplings indicated overlap in reference lists based on the acceptance that two papers are bibliographically coupled if there is a third paper cited by both papers (Kessler, 1963). Thus, the co-citation analysis led to the detection of the most prominent co-cited sources (both authors and journals) as shown in Table 5 and Table 6.

Moreover, the co-citation analysis showed how ideas are interlinked between the contributions of different authors.

The first VOSviewer analysis was based on the text in the article titles and abstracts (Fig.1) which showed the prominence of the keyword 'performance' and 'group performance' for cluster 1, 'transactive memory', 'team performance', 'trust' and 'knowledge sharing' for cluster 2, respectively 'TMS', 'team', and 'communication' for cluster 3. "Communication" is the keyword with the highest number of occurrences and the highest link strength in cluster 1, followed by the keyword "expertise", "transactive memory", "knowledge", "performance" and "team performance". "Transactive memory system" is the keyword with the most occurrences and the highest link strength in cluster 2, followed by the synonyms "transactive memory-systems" and "transactive memory systems" and the keyword "information-technology". "Trust", "coordination", "knowledge management", "knowledge transfer" are the keywords with the highest occupancy and link strength in cluster 3 (details Table 4 and Fig. 2).

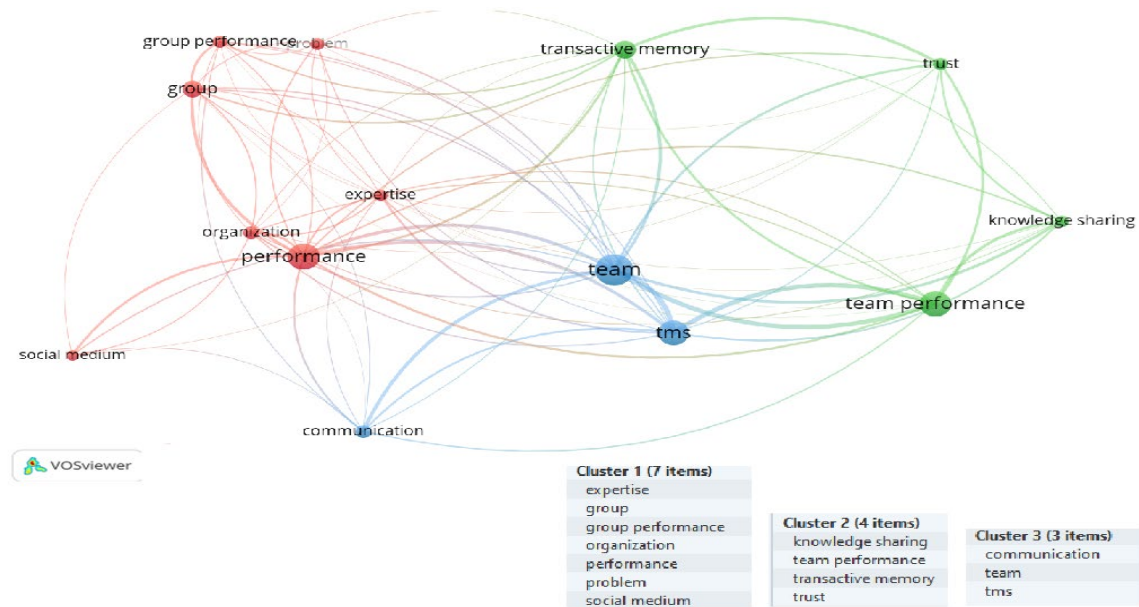


Fig.1. Clusters

The results of the analysis of keyword co-occurrence are presented in Table 4 .and Fig. 2.

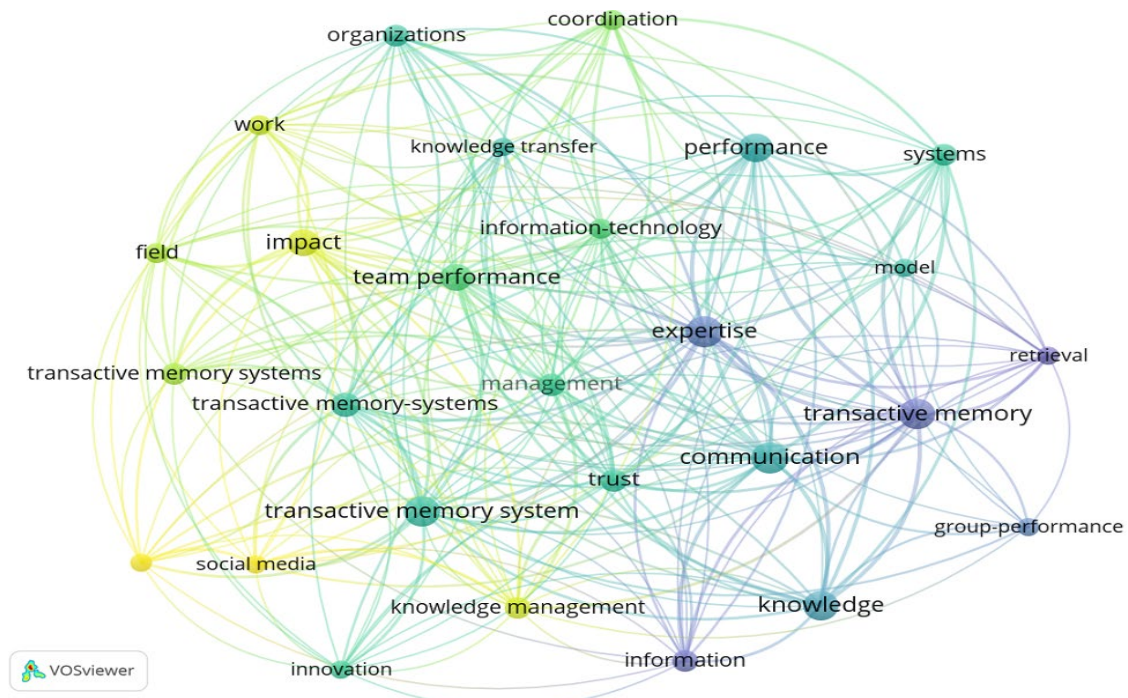


Fig 2. Co-occurrence of keywords

Table 4. Co-occurrence of keywords

| Keyword | Cluster | Occurrences | Total link strength |
|---------------|---------|-------------|---------------------|
| communication | C1 | 15 | 74 |
| coordination | C3 | 6 | 32 |

| | | | |
|-----------------------------|----|----|----|
| expertise | C1 | 15 | 66 |
| field | C1 | 6 | 24 |
| group-performance | C1 | 5 | 14 |
| impact | C2 | 11 | 50 |
| information | C1 | 7 | 28 |
| information-technology | C2 | 6 | 35 |
| innovation | C2 | 5 | 21 |
| knowledge | C1 | 13 | 50 |
| knowledge management | C3 | 7 | 29 |
| knowledge transfer | C3 | 5 | 26 |
| management | C3 | 8 | 36 |
| model | C1 | 5 | 18 |
| organizations | C3 | 7 | 31 |
| performance | C1 | 12 | 54 |
| retrieval | C1 | 5 | 25 |
| social media | C2 | 5 | 25 |
| systems | C1 | 7 | 38 |
| team performance | C1 | 11 | 54 |
| transactive memory | C1 | 14 | 59 |
| transactive memory system | C2 | 14 | 51 |
| transactive memory systems | C2 | 16 | 65 |
| transactive memory-systems | C2 | 9 | 40 |
| transformational leadership | C2 | 5 | 24 |
| trust | C3 | 8 | 42 |
| work | C2 | 6 | 27 |

In order to identify the most important authors who contributed to TMS literature, a co-citation analysis was carried out considering the authors of the articles as the unit of analysis. VOSviewer software was used to inventory co-citation links, considering that “a co-citation link is a link between two articles that are both cited by the same paper” (Van Eck & Waltman, 2023 p. 27).

Table 5 and Fig 3. detail the results of the analysis, showing Lewis (94 citations; 935 total link strength) and Wegner (89 citations; 864 total link strength) - the one who introduced the concepts of transactive memory and TMS - as the most cited authors, followed closely by Hollingshead (70 citations and 855 total link strength) and Moreland (63 citations; 733 total link strength).

Table 5. Most cited authors

| Author | Citations | Total link strength |
|--------------------|-----------|---------------------|
| "Akgun, AE" | 29 | 303 |
| "Austin, J" | 22 | 301 |
| "Brandon, DP" | 21 | 243 |
| "Faraj, S" | 22 | 267 |
| "Hollingshead, AB" | 70 | 855 |
| "Lewis, K" | 94 | 935 |
| "Liang, DW" | 30 | 358 |
| "Moreland,RL" | 63 | 733 |
| "Peltokorpi, V" | 25 | 312 |
| "Ren, YQ" | 20 | 238 |
| "Stasser, G" | 28 | 381 |
| "Wegner, DM" | 89 | 846 |

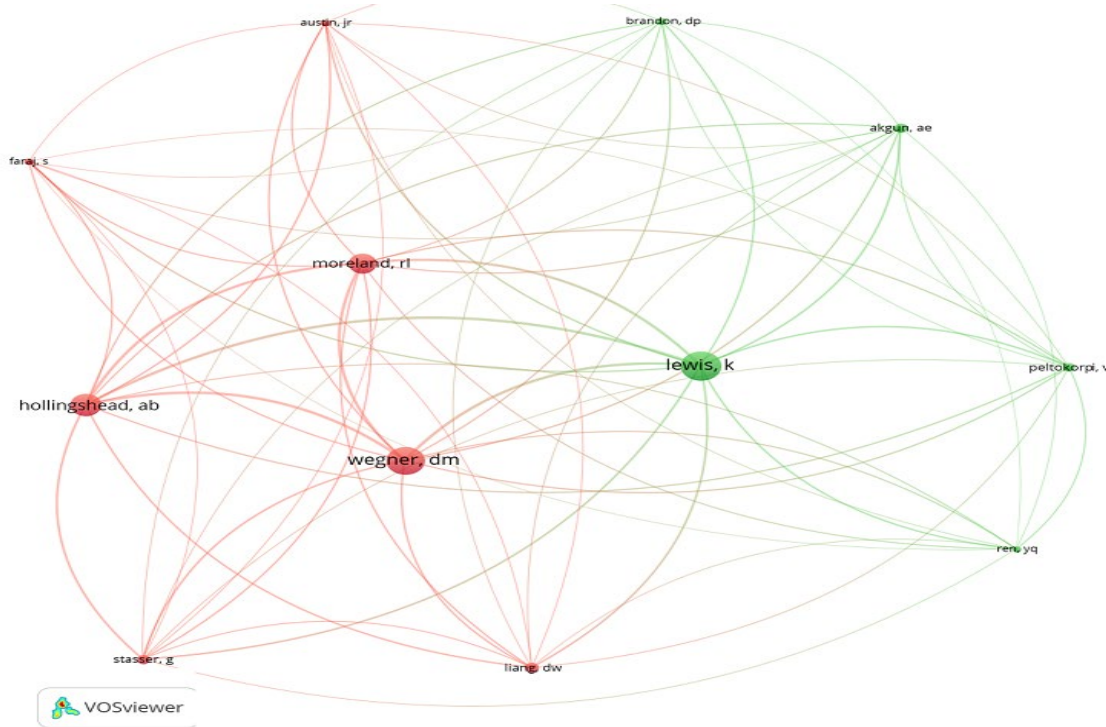


Fig.3. Co-citations: most cited authors

Similarly, in order to identify the most important sources co-cited in articles retrieved from the Web of Science, a co-citation analysis was performed considering the cited journals as the unit of analysis.

Table 6 and Fig 4. detail the results of the co-citation link analysis carried out using VOSviewer, indicating that the Journal of Applied Psychology (209 citations; 6959 total link strength) leads the ranking, followed by Organization Science (140 citations; 4654 total link strength) and slightly below: Management Science (100 citations and 3264 total link strength) and Academy of Management Journal (90 citations; 3494 total link strength).

Table 6. Co-citation sources: journals

| Source | Citations | Total link strength |
|-----------------------|------------|---------------------|
| acad manag ann | 20 | 754 |
| acad manage j | 90 | 3494 |
| acad manage rev | 61 | 2247 |
| admin sci quart | 77 | 2724 |
| commun res | 22 | 746 |
| comput hum behav | 40 | 1482 |
| group organ manage | 20 | 770 |
| inform manage-amster | 38 | 1487 |
| inform syst res | 25 | 953 |
| int j inform manage | 22 | 936 |
| j appl psychol | 209 | 6959 |
| j bus res | 28 | 1264 |

| | | |
|----------------------|------------|-------------|
| j exp soc psychol | 39 | 1340 |
| j knowl manag | 22 | 812 |
| j manage | 58 | 2222 |
| j manage inform syst | 27 | 1109 |
| j organ behav | 29 | 1052 |
| j pers soc psychol | 84 | 2579 |
| leadership quart | 22 | 1065 |
| manage sci | 100 | 3264 |
| mis quart | 72 | 2766 |
| organ behav hum dec | 84 | 2745 |
| organ sci | 140 | 4654 |
| pers soc psychol b | 37 | 1304 |
| psychol bull | 20 | 755 |
| small gr res | 25 | 942 |
| soc cognition | 22 | 582 |
| strategic manage j | 41 | 1437 |
| theories group behav | 46 | 1368 |

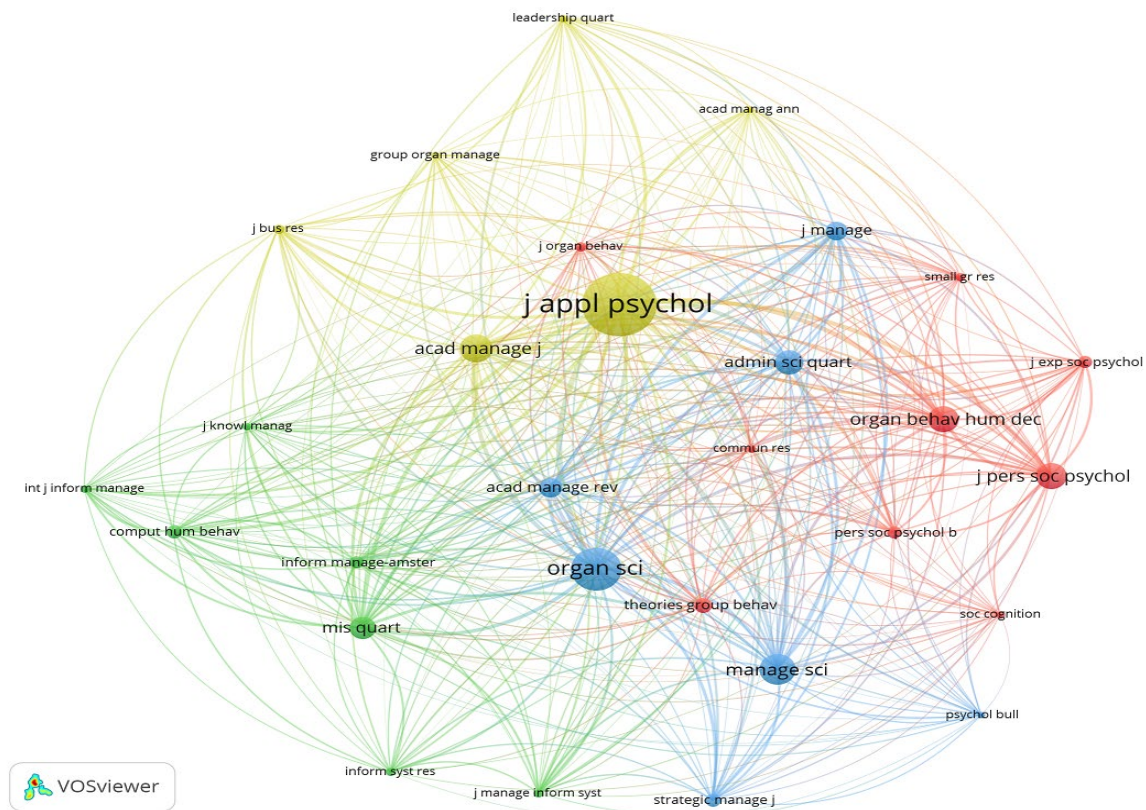


Fig. 4. Co-citation sources: main journals

Analysis of the countries of origin of studies and citations (Fig 5 and Table 6) shows only 8 countries, with USA (20 documents, 1509 citations, 57 total link strength) at the top, followed by China (15 documents, 537 citations, 57 total link strength).

Table 6. Countries of origin of studies and citations

| Country | Documents | Citations | Total link strength |
|-------------|-----------|-----------|---------------------|
| USA | 20 | 1509 | 57 |
| China | 15 | 537 | 57 |
| Taiwan | 8 | 277 | 24 |
| Netherlands | 3 | 212 | 15 |
| Germany | 3 | 108 | 6 |
| England | 2 | 132 | 6 |
| South Korea | 2 | 38 | 7 |
| France | 2 | 7 | 6 |

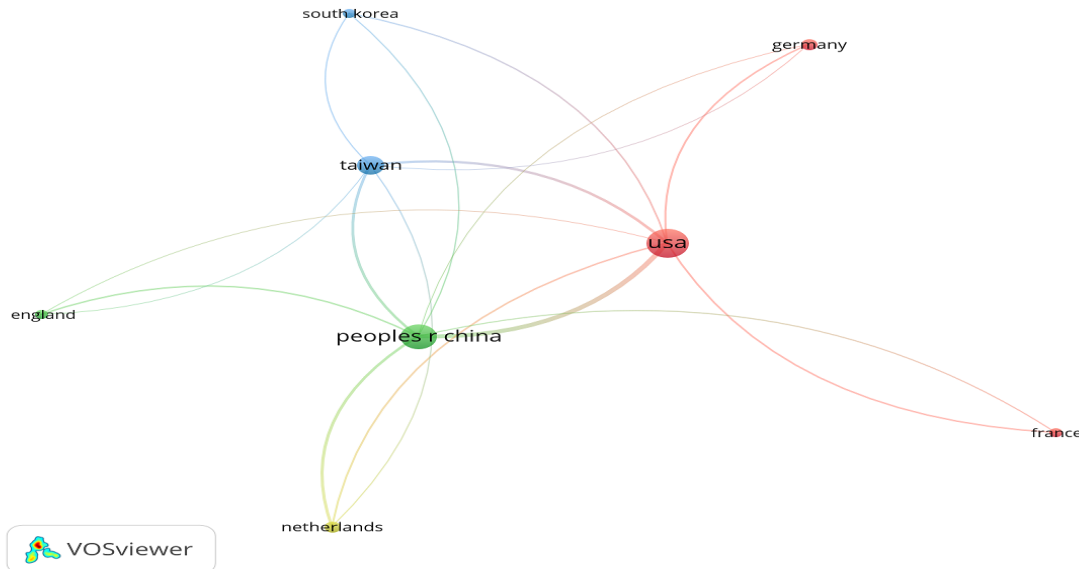


Fig.5. Countries of origin of studies and citations

Discussions

The result of the bibliometric analysis reveals a growing interest in TMS research, particularly since 2010. The analysis highlights key concepts such as team performance, organizational performance and knowledge management, as well as the increasing importance of managing intangible resources like knowledge in the digital age.

The analysis of the literature addressing these concepts has indicated that the transition from industrial to digital society has shifted the focus away from the management of tangible resources towards the management of intangible resources and the capitalization of knowledge - considered to be of prime importance in gaining competitive advantage in more and more fields (Subramaniam & Youndt, 2005; Pucci, Simoni, & Zanni, 2015; Dumay, Guthrie, & Rooney, 2020). Thus, the success of firms has increasingly come to depend on the proper management of intangible resources, knowledge, and intellectual capital (Bontis, 2000), the literature (Dean & Kretschmer, 2007; Sharabati, Jawad, & Bontis, 2010; Herremans, Isaac, Kline, & Nazari, 2011) showing that the three sub-dimensions of intellectual capital, i.e. human capital (i.e. employee attitudes, motivation, knowledge and skills), relational capital (i.e. customer loyalty, supplier relationships, distribution channels, etc.) and structural capital (i.e. process routines and appropriate organisational structures) are mutually reinforcing.

The literature indicate that successful organizations rely on intellectual capital to gain a

sustainable competitive advantage (Bratianu et al, 2020), using as their main resource the exploitation of knowledge assets generated by teams of knowledge workers whose members use their expertise and experience to solve problems and create added value through innovation and new products (Lewis, 2003), transactive memory system (TMS) being particularly relevant for understanding knowledge capitalization processes in teams, as described in the literature (Wegner, 1987; Hollingshead, 2001).

TMS enables organizations and their constituent teams to attain elevated levels of performance output (Peltokorpi & Hood, 2019). As Lewis (2003, 2004) indicated, the development of a robust transactive memory system becomes especially critical when task execution depends on both the use and the integration of expertise held by different team members. As team members need to pool and coordinate their knowledge to accomplish their tasks, team effectiveness grows increasingly contingent upon the successful establishment of a well-functioning transactive memory system (Lewis, 2003).

The literature highlights that specialization, credibility and coordination between team members are very important aspects of TMS, (Lewis, 2003; Schein, 2010; Levi & Askay, 2020), influencing task and project delivery, efficiency, creativity, innovation, performance (Lewis 2004; Zhang et al. 2007; Zheng 2012; Anderson 2014; Lee et al. 2014; Mell et al. 2014; Cao & Ali 2018; Peltokorpi & Hood, 2019, Levi & Askay 2020). TMS is essential for sharing and integrating information, leveraging specialized expertise in organizations and thus improving performance (Austin 2003; Leonardi 2014; Lewis and Herndon, 2011). A well-developed TMS leads to improved performance behaviours such as team learning and creativity, as well as outcomes such as team effectiveness and efficiency (Austin 2003; Lewis et al. 2005; Ren and Argote 2011).

We can conclude that the analysis of the literature indicates a strong connection between transactive memory system (TMS), knowledge management and organizational performance. It shows that TMS development is essential for addressing strategic aspects of an organization management such as teamwork efficiency, improving creativity, innovation, and knowledge capitalization. Therefore, TMS should be seen as a strategic management resource, especially by the organisations operating in knowledge-intensive fields of activity. Further research is needed to understand the full support TMS can provide to the organisation operating in knowledge-intensive fields of activity.

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EMOTIONAL RESPONSES TO SERVICE RECOVERY INITIATIVES IN THE BANKING INDUSTRY

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Abstract In many regular banking transactions, it is not surprising that occasional service failure is inevitable despite tremendous effort for zero-defect service delivery. Consequently, the outcome of service failure can be disastrous for the banks' short- and long-term existence. As a result, this study investigated the impact of service recovery justice (DJ, PJ, and IJ) on consumers' emotions (positive (PEM), and negative (NEM)) and post-recovery satisfaction (PRS), word of mouth (WOM) in the banking industry of Spain. Additionally, this study examined the mediating role of PEM and NEM between (DJ, PJ, and IJ) and PRS. The study collected data from 500 customers of Spanish banks using an online questionnaire. The analysis was performed using the Partial Least Squares Structural Equation Modelling (PLS-SEM) approach. The results indicate that (DJ, PJ, and IJ) positively influence PEM. Moreover, DJ negatively impacts NEM. However, PJ and IJ have no significant effect on NEM. Besides, PEM is shown to positively affect PRS, while NEM negatively impacts PRS. Additionally, PRS is positively influencing WOM. Furthermore (DJ, PJ, and IJ) indirectly impact PRS through PEM. Only DJ indirectly impacts PRS through NEM. The findings have significant implications for theory and practice, offering vital insights for creating effective policies and regulations in the Spanish banking industry to improve customer satisfaction and emotional responses to service failures.

Keywords Positive emotions, Negative emotions, perceived recovery justice, post-recovery satisfaction, WOM, banking sector, Spain

Introduction

Banks focus on understanding and meeting consumer requirements to retain them and ensure long-term customer satisfaction amidst global competition. However, the bank's efforts to meet consumer demands and ambitions, especially regarding services, may not always be successful (Bouranta, Psomas and Vouzas, 2019). Consequently, it is challenging for banks to provide services without errors or failures consistently. The nature of the service makes it difficult to complete all meetings on time, and the service's intangible and linked qualities increase the risk of failure (Nadiri and Tanova, 2016). All service sectors experience service failures from time to time, and the frequency of these events is rising because of an overreliance on technology-based solutions to provide timely and suitable assistance. Consequently, expanding technology-based processes has brought on multiple system-related service disruptions. Therefore, to restore customer satisfaction, it is critical to implement effective service recovery measures, as a significant portion of these obstacles are beyond the service provider's control (Sim *et al.*, 2021). Unsatisfactory service can negatively impact customer retention, behavioral intentions, and service companies' bottom lines (G, 2015; Petzer *et al.*, 2017). Therefore, bank marketing managers need to understand customer satisfaction's cognitive and affective determinants, given that the quality of service rendered substantially influences customers' perceptions

of satisfaction (Ali and Mohamed, 2020). Furthermore, the service provider's ability to regulate failures in various critical circumstances is limited (Ali, 2023). Therefore, to restore customer satisfaction, effective service recovery strategies become crucial (Jose and Mathew, 2016). Research has identified the service recovery paradox, which posits that customers who experience a service failure and subsequently receive an exceptional recovery may express a considerably higher level of contentment than they would have if the failure had not transpired (Sousa and Voss, 2009). Consequently, in a service failure, financial institutions gain a more significant opportunity to entice consumers to patronize them more profoundly and strengthen their behavioral intentions (Ali, 2022). Additionally, customers' assessments of the service recovery methods employed by institutions substantially impact their WOM (Varela-Neira, Vázquez-Casielles and Iglesias-Argüelles, 2008).

The cognitive appraisal theory states that individuals' evaluation of an event, such as perceived fairness, rather than the event itself, like service recovery or organizational responses, leads to emotions (del Río-Lanza et al., 2009b; Schoefer & Ennew, 2005). Consequently, customers' emotional states and behavioral patterns are influenced by the degree of perceived justice that aligns with their perceptions, feelings, and experiences throughout the service recovery process (Chebat & Slusarczyk, 2005). Consequently, consumers' perceptions of injustice and justice are significantly influenced by their emotions, which manifest in subsequent actions like PRS and WOM (Muhammad and Gul-E-Rana, 2020). As a result, it is imperative to recognize that little research has been undertaken to fully comprehend banking service failures and devise recovery strategies for the banking sector. Hence, most service failure and recovery research has been conducted in the travel and hospitality industry (Chiou et al., 2021; Souza & Desai, 2013; Koc *et al.*, 2019). This research will provide substantial contributions to the existing body of knowledge. First, it will enhance understanding of service recovery strategies and their influence on customer emotions in Spanish banking. Second, this model highlights the significance of consumers' emotions as reactions triggered by fair recovery procedures in the banking sector following a service failure. Furthermore, the study's conceptual framework is underpinned by Affective Events Theory (Weiss and Cropanzano, 1996) and justice theory. Thus, this illustrates how consumers react to service recovery strategies implemented by service providers, with DJ, PJ, and IJ acting as incidents. Moreover, these events trigger emotional responses to fill the PRS and WOM. As a result, this study will examine how perceived justice recovery (DJ, PJ, and IJ) affects consumer emotions (NEM and PEM), PRS, and WOM.

Hypotheses Formulation And Study Model

The Impact of perceived recovery justice (PRJ) on customers' emotions (NEM, PEM).

The theories of justice and cognitive assessment are pertinent in Service Recovery situations, given that consumers often feel different levels of unfairness throughout the process (Gelbrich & Roschk, 2011; Maxham, 2001; Orsingher *et al.*, 2010). Therefore, in the context of SR, consumers' emotions are seen as affective experiences that influence their current experiences and responses (Baumeister *et al.*, 2007; Lazarus, 1991). Thus, because of intangible services, customers tend to be more sensitive to justice issues, which can lead to emotional responses (Parasuraman, Zeithaml and Berry, 1994). Therefore, PRJ

is usually considered a cognitive concept and can have emotional and behavioral effects (Chebat & Slusarczyk, 2005). Thus, as per the cognitive appraisal theory, the emotions that individuals experience (such as during service recovery or organizational responses) are generated by how they evaluate an event rather than the event itself (del Río-Lanza *et al.*, 2009). Moreover, customers respond with specific behaviors and emotions based on their perception of justice during the service recovery, which is shaped by their impressions and feelings. These emotions are critical in influencing customers' subsequent behaviors and transferring their perception of perceived justice (or injustice) (Weiss, Suckow and Cropanzano, 1999).

Besides, empirical evidence suggests that emotions triggered by SR mediate between the three dimensions of justice and customer loyalty (Kim and Tang, 2016). Additionally, perceived justice can predict positive and negative emotions. Additionally, several previous research studies have shown that consumer emotions may be influenced by tangibly and intangibly resolving concerns. According to the findings of Cai & Qu, (2018) research on restaurant service recovery shows that distributive fairness is the most influential predictor of customer sentiments. This may be because distributive justice is the most evident and recognizable aspect (Tava, 2023). Furthermore, it was shown by Sánchez-García *et al.*, (2018), that service providers' provision of distributive justice, in the form of refunds and discounts, has the potential to evoke favorable emotions in consumers, including enjoyment and contentment.

In contrast, customers may develop negative emotions such as resentment and rage if the firm fails to give equitable and suitable resolutions to failure. On the other hand, Lastner *et al.*, (2016b) suggested that organizations capable of swiftly resolving difficulties via flexible processes may elicit favorable customer sentiments while reducing negative feelings such as rage and frustration. In addition, this notion is supported by Nikbin *et al.*, (2014), who observed that consumers feel less unpleasant emotions when handled correctly and by proper processes. Based on the preceding discussion, the following hypotheses have been developed:

H1a. DJ will negatively influence NEM.

H1b. PJ will negatively influence NEM.

H1c. IJ will negatively influence NEM.

H2a. DJ will positively influence PEM.

H2b. PJ will positively influence PEM.

H2c. IJ will positively influence PEM.

The Impact of customers' emotions (NEM and PEM) on PRS.

Emotions may be characterized as consumers' reactions after assessing a specific scenario about financial services and their consuming experience (Varela-Neira, Vázquez-Casielles and Iglesias-Argüelles, 2008). Nevertheless, limited research has examined the emotional aspects of service failure and recovery (Zeelenberg and Pieters, 2004). As a result, a shortage of earlier studies on emotions in service interactions has spurred several contemporary ones (Nyagadza, Kadembo and Makasi, 2021). In the service recovery context, Du *et al.*, (2007) used the simulation experiment approach to investigate the correlation between negative emotions and satisfaction with service recovery. The findings demonstrated a negative correlation between service recovery satisfaction and consumers' negative feelings. As a result, an escalation in customers' negative emotions leads to declining service recovery satisfaction. Urueña & Hidalgo, (2016) Propose that both

positive and negative emotions might influence satisfaction with service recovery. Thus, companies must train their personnel to handle client emotions, particularly positive ones, when consumers lodge complaints. In addition, many customers experience intense emotions during service recovery and when a service breakdown occurs. Consequently, customer discontent may result if these emotions are not under control (Wen and Geng-qing Chi, 2013). Consequently, companies need to consider the emotions of their customers as conveyed via their tone of voice and phrasing (Kuo and Wu, 2012). Additionally, to increase consumer satisfaction, companies must be capable of eliciting good emotions and controlling negative ones. Consequently, if the service recovery implemented elicits favorable feelings in consumers, such as tranquility and joy, clients may regain their previous state of contentment notwithstanding the service failure (Ozkan-Tektas and Basgoze, 2017). Additionally, other research indicates that positive emotions promote greater post-recovery satisfaction. (Schoefer, 2008), while negative emotions only decrease it (del Río-Lanza, Vázquez-Casielles and Díaz-Martín, 2009b). In conclusion, assume that the service recovery offered may induce cheerful or peaceful feelings in customers. In such instances, even if there was a service failure, the customer may still resume their level of contentment. On the other hand, assume the customer has negative emotions like disappointment, rage, and frustration because of the service recovery. If so, this suggests the consumer is unsatisfied with the offered recovery service. According to the above discussion, the following hypothesis can be formulated.

H3a. NEM will negatively influence PRS.

H3b. PEM will positively influence PRS.

The impact of PRS on WOM intentions.

In service recovery-related research, WOM intentions are gaining importance since a dissatisfied customer who experiences a service failure may get very involved in negative WOM against the service provider (Kau and Wan-Yiun Loh, 2006). Consequently, positive or negative WOM intentions impact company sales and profitability as they strongly correlate with customers' behavioral intentions. Thus, the reciprocity norm provides a theoretical explanation for the relationship between PRS and WOM (Gouldner, 1960). This norm implies that individuals are more inclined to help others who have previously assisted them. Furthermore, social exchange theory posits that PRS and WOM are correlated (Lii and Lee, 2012). Thus, research suggests that WOM is a post-purchase activity in that consumers regard their connection with the firm as advantageous when satisfied with their recovery (Ali, 2022). Thus, the advantages they get surpass the investments of resources (such as money and time) (Allsop, Bassett and Hoskins, 2007). Therefore, this outcome could encourage customers to participate in positive reciprocal behavior, including spreading the good WOM about the company (Kassim & Asiah Abdullah, 2010; Petzer *et al.*, 2017). Positive WOM intentions are more common among customers who get suitable services, and it has been shown that WOM results from customer satisfaction during service recovery (Blodgett, Hill and Tax, 1997). It discovered that when customers are satisfied with the recovery of their service, their WOM intentions are favorably impacted. On the contrary, Collier & Bienstock, (2006) discovered that customers who express discontent with service recovery engage in negative WOM. Based on the above discussion, the following hypothesis can be formulated.

H4. PRS will positively influence WOM's intentions.

The mediating effect of NEM and PEM in the relationship between PRJ and PRS

Emotions are thought to mediate the link between perceived justice and recovery satisfaction in service recovery. The Affect Control Theory (Heise, 1977) is the foundation for these forecasts (ACT). ACT is based on three core concepts. First, according to ACT, individuals would display emotions appropriate for the circumstances. Customers may thus express their emotions if they have gotten an inadequate service recovery (such as a check repayment without an apology) (e.g., frustration). Second, those unable to convey the right feelings may see things differently. Therefore, clients who repress their feelings (like anger) since doing so might have unfavorable consequences would downplay the importance of the poor service (e.g., at a birthday party at a restaurant, nobody wants to spoil the atmosphere, even if the service is disappointing).

Thirdly, to legitimize their sentiments for themselves and others, humans create experiences. As a result, customers not awarded equitable compensation for services rendered may choose to discontinue their association with the company to safeguard their reputation. The core element of ACT (Heise, 1979, 1989; MacKinnon, 1994) posits that people engage in behavior in which the beliefs they acquire from their environment strengthen their emotions. Two considerations support the hypothesis that emotions mediate the connection between perceived justice and recovery satisfaction. The first fold of the argument establishes a connection between perceived justice and emotions by referencing Homans' seminal statement in the realm of ACT research (1974): those treated relatively well will have positive emotions. On the other hand, those who get too little compensation are more likely to feel guilty than those who get too much reward. Similarly, we propose that justice associated with recovery influences emotions. Furthermore, one factor influencing the effectiveness of service restoration is the role that emotion plays in the complaint-handling process, which shows up as cognitive satisfaction (del Río-Lanza, Vázquez-Casielles and Díaz-Martín, 2009b). Therefore, it should be emphasized that the impact of customers' emotional reactions to complaint handling might be used to decide whether to keep the relationship between customers and businesses (Smith and Bolton, 1998). Numerous studies have examined how positive and negative emotions affect how much-perceived fairness influences bank customers' loyalty. The findings demonstrate that emotion can mediate the impact of perceived justice perception on loyalty behavior. According to the above discussion, the following hypothesis can be formulated:

H5a. NEM mediates the relationship between DJ and PRS.

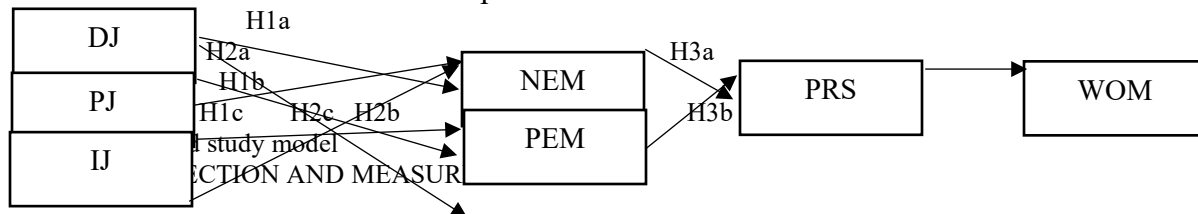
H5b. NEM mediates the relationship between PJ and PRS.

H5c. NEM mediates the relationship between IJ and PRS.

H6a. PEM mediates the relationship between DJ and PRS.

H6b. PEM mediates the relationship between PJ and PRS.

H6c. PEM mediates the relationship between IJ and PRS.



The data for this study were gathered from the Spanish banking industry via a web-based survey to examine customer perspectives on service disruption and recovery. Given that

service, failures can occur effortlessly, and without warning, the participants in the survey were chosen based on their service recovery experience with the bank. Consequently, to ascertain whether the participants constituted the research's target demographic, inquiries 2 and 3 were employed to validate whether the respondents possessed a banking relationship and had encountered any service-related malfunctions or issues. The information was collected from a sample of 500 individuals who had experienced a service failure while using significant banking services across different regions of Spain. The web-based survey collected responses from participants via a questionnaire that utilized a five-point Likert scale ranging from "strongly disagree (1)" to "strongly agree (5)."

The survey comprised multiple items for each of the seven variables in the measurement model, as detailed below. For measuring the 3 dimensions of PRJ, 12 items were used: DJ, 4 items, and PJ, 4 items from del Río-Lanza *et al.* (2009), and IJ, 4 items from Lin *et al.* (2011b). Moreover, 6 items adapted from (Schoefer & Ennew, 2005; Schoefer & Diamantopoulos, 2008) Were used to measure NEM 3 items and PEM 3 items. Besides PRS, 4 items from Lin *et al.* (2011a), and 2 items were adapted from (Mattila, 2001; Wong & Sohal, 2002) for WOM. A pretest was conducted with 50 participants who had bank accounts and had encountered difficulties with online banking services before distributing the questionnaires. Following the conclusion of the validation procedure, the survey was distributed electronically through various channels, such as email and social media, via the Google Forms platform. The compilation of survey data occurred between February and April of 2024. A total of 550 questionnaires were distributed; however, 50 were excluded due to missing or inaccurate data, resulting in 500 questionnaires being ultimately completed. The primary objective of this curation was to ensure that the dataset retained its quality and integrity in preparation for subsequent interpretation and analysis. The demographic analysis revealed significant characteristics of the research participants. 46% of the respondents were male, and 54% were female. The largest group was between 41 and 50 years old, accounting for 29.2% of the total. This was followed by individuals aged 51 to 60 at 24.2% and those aged 31 to 40 at 20.8%. Most participants (38.2%) had a bachelor's degree, followed by 19.6% with a postgraduate degree and 34.2% with a high school diploma in educational attainment. The participants had a mostly well-educated background, fulfilling the survey's requirements. Table 1 displays the demographic data, providing full descriptive information on participants' characteristics.

Data analysis

Table 1. Sample characteristics.

| Gender | Frequency | Percent |
|---|-----------|---------|
| Male | 230 | 46% |
| Female | 270 | 54% |
| AGE | | |
| From 18 to 20 | 2 | 0.4% |
| From 21 to 30 | 58 | 11.6% |
| From 31 to 40 | 104 | 20.8% |
| From 41 to 50 | 146 | 29.2% |
| From 51 to 60 | 121 | 24.2% |
| More than 60 | 69 | 13.8% |
| Education level | | |
| Less than high school | 36 | 7.2% |
| High school | 171 | 34.2% |
| Bachelor | 191 | 38.2% |
| Postgraduate | 98 | 19.6% |
| Other | 4 | 0.8% |
| Work statue | | |
| Full time | 310 | 62% |
| Part-time | 59 | 11.8% |
| Not employed and seeking employment | 36 | 7.2% |
| Not employed and not seeking employment | 10 | 2% |
| Student | 20 | 4% |
| Retired | 51 | 10.2% |
| Other | 14 | 2.8% |
| Marital status | | |
| Single | 169 | 33.8% |
| Married | 257 | 51.4% |
| Divorced | 47 | 9.4% |
| Widower | 7 | 1.4% |
| Other | 20 | 4% |

Source: Author's analysis

This research used the Structural Equation Modeling (SEM) technique in conjunction with (Smart PLS) to analyze the data. Furthermore, the data for this investigation were rigorously examined in two stages using Smart PLS 3.2.9 and SPSS 28. In the first phase, the constructs' internal consistency, convergent validity, and discriminant validity were assessed using a measuring model. The second stage involved the examination of the structural model and hypotheses. Regarding addressing the issue of incomplete data, it was discovered that several indicators only contain a limited number of missing values. As a cure, the mean imputation approach in SPSS and Smart PLS was used to effectively address this issue (Hair and Hult, 2017).

Assessment of convergent validity and composite reliability

The measurement model underwent a comprehensive examination of reflective and latent variables, as shown in Figure 2, to ascertain the constructs' reliability and validity. Consequently, various criteria were used to assess the reliability and construct validity of the model, following the recommendations of Hair *et al.* (2014). Hair & Hult (2017)

Advised removing factors with loadings below 0.40 to enhance the model's accuracy. As a result, reliability indicators, including Cronbach's Alpha, rho. A and CR should ideally exceed 0.7, and AVE should be above 0.5, as suggested by Hair & Hult (2017). Consequently, the outcomes shown in Table 2 provide evidence that the model fulfills these criteria, hence validating the scales' convergent validity and internal consistency.

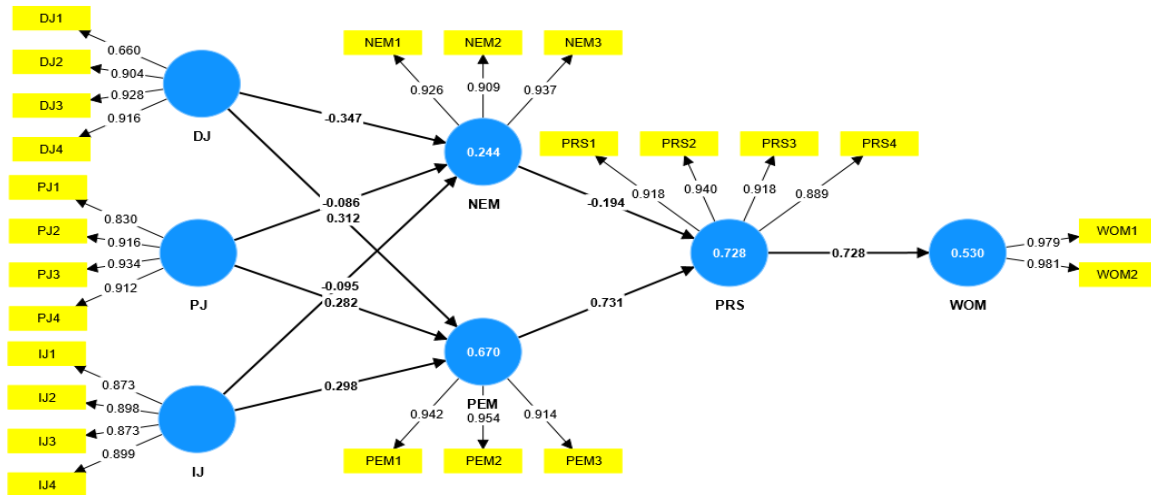


Fig 2: Measurement model assessment

Table 2. Assessment of measurement model

| Variables | Item code | Loading | Mean | SD | Cronbach's α | Rho_A | CR | AVE |
|-----------|------------------------------|----------------------------------|-------|--------|---------------------|-------|-------|--------------|
| | Cut-off values | > 0.5 | | | > 0.7 | | | > 0.5 |
| DJ | DJ1 DJ2 DJ3 DJ4 | 0.660 0.904 0.928 0.916 | 2.800 | 1.1259 | 0.878 | 0.919 | 0.917 | 0.738 |
| PJ | PJ1 PJ2 PJ3 PJ4 | 0.830 0.916 0.934 0.912 | 3.266 | 1.1377 | 0.921 | 0.927 | 0.944 | 0.809 |
| IJ | IJ1 IJ2 IJ3 IJ4 | 0.873 0.898 0.873 0.899 | 3.442 | 1.0765 | 0.909 | 0.915 | 0.936 | 0.785 |
| PRS | PRS1 PRS2 PRS3 PRS4 | 0.918 0.940 0.918 0.889 | 3.346 | 1.0848 | 0.936 | 0.937 | 0.955 | 0.840 |
| NEM | NEM 1 NEM 2 NEM 3 | 0.926 0.909 0.937 | 2.576 | 1.1813 | 0.914 | 0.918 | 0.946 | 0.853 |
| PEM | PEM 1 PEM 2 PEM 3 | 0.942 0.954 0.914 | 3.348 | 1.1410 | 0.930 | 0.931 | 0.956 | 0.877 |
| WOM | WOM 1 WOM 2 | 0.979 0.981 | 3.497 | 1.1820 | 0.959 | 0.961 | 0.980 | 0.961 |

Source: Author's analysis

The Heterotrait and Monotrait (HTMT) ratio of the correction approach is used to evaluate discriminant validity (Henseler, Ringle and Sarstedt, 2015). The discriminant values in Table 3 remain within the acceptable range of HTMT 1 (Gaskin, Godfrey and Vance, 2018), suggesting no evidence of multi-collinearity among the construct items. Moreover, discriminant validity was evaluated using the Fornell-Larcker criteria. The diagonal square root of each composite AVE must be greater than the correlations between the constructs (Hair and Hult, 2017). Table 4 confirms the established discriminant validity of the model.

Table 3. Discriminant validity using HTMT

| | DJ | IJ | NEM | PEM | PJ | PRS | WOM |
|-----|-------|-------|-------|-------|-------|-------|-----|
| DJ | | | | | | | |
| IJ | 0.803 | | | | | | |
| NEM | 0.52 | 0.451 | | | | | |
| PEM | 0.817 | 0.808 | 0.594 | | | | |
| PJ | 0.847 | 0.84 | 0.462 | 0.814 | | | |
| PRS | 0.806 | 0.742 | 0.642 | 0.898 | 0.768 | | |
| WOM | 0.581 | 0.537 | 0.525 | 0.712 | 0.543 | 0.767 | |

Source: Author's analysis

Table 4. Discriminant validity using the Fornell-Larcker Criterion

| | DJ | IJ | NEM | PEM | PJ | PRS | WOM |
|-----|--------|--------|--------|-------|-------|-------|-------|
| DJ | 0.859 | | | | | | |
| IJ | 0.737 | 0.886 | | | | | |
| NEM | -0.483 | -0.416 | 0.924 | | | | |
| PEM | 0.751 | 0.746 | -0.549 | 0.937 | | | |
| PJ | 0.776 | 0.772 | -0.428 | 0.754 | 0.899 | | |
| PRS | 0.744 | 0.690 | -0.596 | 0.838 | 0.715 | 0.917 | |
| WOM | 0.537 | 0.506 | -0.493 | 0.673 | 0.510 | 0.728 | 0.980 |

Source: Author's analysis

Structural model assessment and hypotheses testing

Before evaluating the structural models, it is crucial to ascertain that no problems are associated with full collinearity among the constructs. As lateral collinearity concerns (e.g., predictor-criterion collinearity) might undermine the robust causal effects shown in the model, they may subtly mislead the results even when the discriminant validity requirements (vertical collinearity) are satisfied (Kock and Lynn, 2012). Considering this, complete collinearity variance inflation factors (VIFs) are evaluated as viable substitutes for multi-collinearity issues that may arise. As shown in Table 5, the full collinearity test results indicate no multi-collinearity concerns, as the VIF values were below the suggested threshold of 5 (Hair *et al.*, 2021). Moreover, the causal links between the model's constructs are specified by the structural model (path coefficients and the coefficient of determination, R^2 value) (Hair and Hult, 2017). The bootstrapping

approach is used to determine the significance of the path coefficient by a resampling of 5000. (Hair and Hult, 2017).

Moreover, the Standardized Root Mean Square Residual (SRMR) results, used as a goodness-of-fit measure for PLS-SEM, revealed a value of 0.064 and NFI of 0.907, suggesting that the model meets the necessary criteria. The path coefficients for the data sample are shown in Table 5 and 6. Hence, it is evident that DJ is negatively related to NEM ($\beta = -0.347$, $p < .005$). Hence, H1a is supported. In contrast, PJ is not negatively affecting NEM ($\beta = -0.086$, $p > .005$). Hence, H1b is unsupported. Third, IJ is not negatively affecting NEM ($\beta = -0.095$, $p > .005$). Hence, H1c is unsupported. Moreover, H2a, H2b, and H2c have been supported, where DI is positively influencing PEM ($\beta = 0.312$, $p < .005$), and PJ is positively influencing PEM ($\beta = 0.282$, $p < .005$), and IJ is positively influence PEM ($\beta = 0.298$, $p < .005$). Furthermore, H3a and H3b have been supported, where NEM negatively influences PRS ($\beta = -0.194$, $p < .005$), and PEM positively influences PRS ($\beta = 0.731$, $p < .005$). Besides, PRS positively influence WOM ($\beta = 0.728$, $p < .005$), hence H4 is supported. Moreover, NEM mediates the positive indirect effects of DJ on PRS ($\beta = 0.067$, $P < .005$). Hence, H5a is supported. In contrast, hypotheses H5b and H5c are not supported, indicating that NEM does not mediate the relationship between PJ, IJ, and PRS, as shown by the path coefficients ($\beta = 0.017$, $P > 0.005$) for PJ and ($\beta = 0.018$, $P > 0.005$) for IJ. Finally, H6a, H6b and H6c have been supported, where DJ indirectly influences PRS through PEM ($\beta = 0.228$, $P < .005$), PJ indirectly influences PRS through PEM ($\beta = 0.206$, $P < .005$), and IJ indirectly influence PRS through PEM ($\beta = 0.218$, $P < .005$).

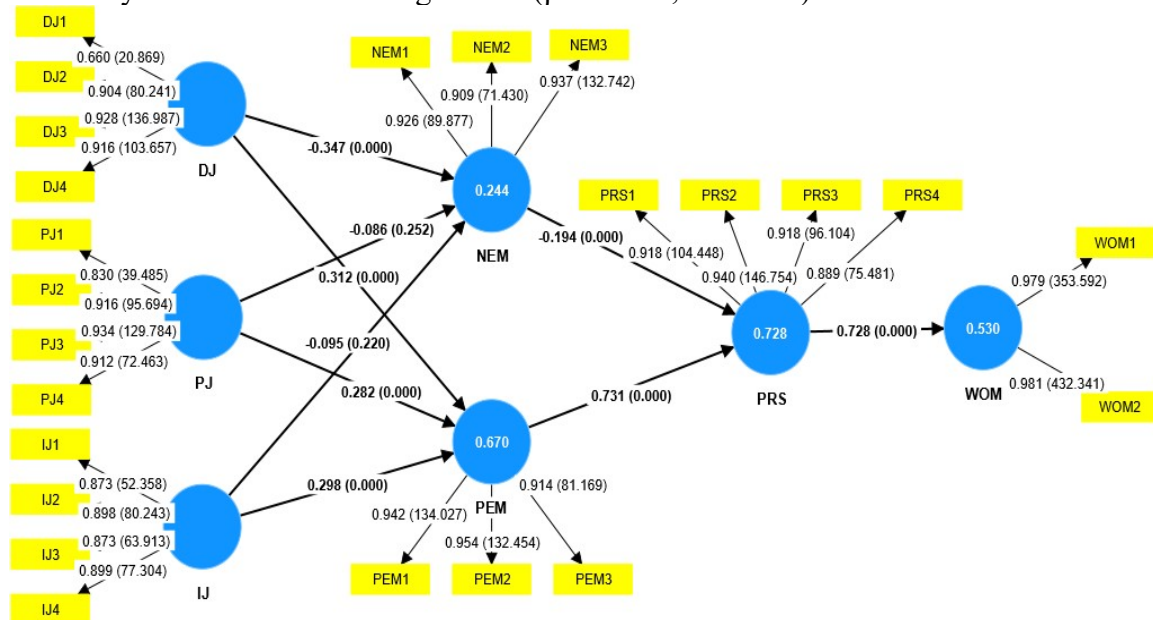


Fig 3. Structural model assessment

Table 5. Results of hypothesis testing (Direct effects)

| Path | B | T-value | p-value | R ² | Remark |
|---------------|--------|---------|---------|----------------|-------------|
| H1a: DJ → NEM | -0.347 | 4.835 | 0.000 | 0.244 | Supported* |
| H1b: PJ → NEM | -0.086 | 1.145 | 0.252 | | Unsupported |
| H1c: IJ → NEM | -0.095 | 1.225 | 0.220 | | Unsupported |
| H2a: DJ → PEM | 0.312 | 5.545 | 0.000 | | Supported* |

| | | | | | |
|-----------------|--------|--------|-------|-------|------------|
| H2b: PJ -> PEM | 0.282 | 4.731 | 0.000 | 0.670 | Supported* |
| H2c: IJ -> PEM | 0.298 | 4.925 | 0.000 | | Supported* |
| H3a: NEM -> PRS | -0.194 | 4.494 | 0.000 | | Supported* |
| H3b: PEM -> PRS | 0.731 | 18.446 | 0.000 | 0.728 | Supported* |
| H4: PRS -> WOM | 0.728 | 25.701 | 0.000 | 0.530 | Supported* |

Source: Author's analysis

Table 6. Mediating effects

| Path | B | T-value | p-value | Remark |
|-----------------------|-------|---------|---------|-------------|
| H5a. DJ -> NEM -> PRS | 0.067 | 3.086 | 0.002 | Supported * |
| H5b. PJ -> NEM -> PRS | 0.017 | 1.091 | 0.275 | Unsupported |
| H5c. IJ -> NEM -> PRS | 0.018 | 1.184 | 0.237 | Unsupported |
| H6a. DJ -> PEM -> PRS | 0.228 | 5.229 | 0.000 | Supported* |
| H6b. PJ -> PEM -> PRS | 0.206 | 4.568 | 0.000 | Supported* |
| H6c. IJ -> PEM -> PRS | 0.218 | 4.810 | 0.000 | Supported* |

Source: Author's analysis

*Relationships are significant at $P < 0.05$

Discussion

Service failures have become inevitable due to the growth of financial services. Therefore, these failures frequently include mishandled customer demands, inadequate disclosure of essential transaction information, technological challenges from financial professionals, and other related issues (Wang, Hsu and Chih, 2014). Therefore, Service managers must be knowledgeable about resolving these difficulties and implementing appropriate recovery strategies. There is a lack of understanding of how banks might use service recovery justice and its effects on customers' emotions, PRS, and WOM intent. Therefore, because of this deficiency in the current body of research, this study investigated how service recovery justice dimensions (DJ, PJ, and IJ) affect consumers' emotions (NEM and PEM), PRS, and WOM. The study also investigated whether customers' emotions (NEM and PEM) mediate the connection between perceived recovery (DJ, PJ, and IJ) and PRS. The study findings were found that DI negatively influences NEM (H1a), this indicates that many customers believe that DJ can potentially alleviate NEM, including wrath, irritation, offense, and disappointment. This aligns with the results reported by (del Río-Lanza, Vázquez-Casielles and Díaz-Martín, 2009b). However, contrary to expectations, the same cannot be found in the impact of PJ and IJ on the NEM, thus resulting in H1b and H1c unsupported, this suggests that PJ and IJ justice do not play a role in decreasing negative emotions (Lastner *et al.*, 2016b). Moreover, the findings supported the positive influence of (DJ, PJ, and IJ) on PEM (H2a, H2b, and H2c, respectively), which is consist with the findings of (Gracia, Bakker and Grau, 2011). Thus, this indicates that consumers respond positively to the service recovery process when they perceive fairness in the distribution of outcomes, procedural fairness, and interactional treatment. The results above emphasize the significance of attending to various justice aspects to cultivate favorable, effective customer encounters.

Additionally, it found that NEM negatively influences PRS (H3a) while PEM positively influences PRS (H3b). Besides, PRS was found positively influence WOM (H4). Consequently, this implies that contented clientele is inclined to partake in the favorable oral discourse regarding their encounters with the service recovery procedure, thereby potentially bolstering the standing and prosperity of the financial service provider. The indirect influence of DJ on PRS through NEM was also confirmed (H5a). However, no

mediating effect of NEM was found in the relationship between PJ and PRS and IJ and PRS (H5b and H5c). these data indicate that negative emotions influence post-recovery satisfaction, but the specific impacts change depending on the elements of justice. In contrast, PEM mediates the relationship between (DJ, PJ, and IJ), and PRS (H6a, H6b, and H6c, respectively).

The findings suggest that perceived justice recovery (DJ, PJ, and IJ), emotions (NEM and PEM), and PRS, when utilized in addressing service failures, can, directly and indirectly, influence a positive behavioral intention (WOM) towards the financial institution, contingent upon the customer's perception of a fair resolution to their issue. Therefore, these discoveries can assist banks in formulating successful approaches to managing customer complaints and establishing a favorable image with their clients, ultimately aiding in retaining their current clientele and upholding a robust position in the financial market. Customer emotions help to establish a lasting customer and business relationship because affective bonds (connections) induce customers to ignore slight errors in service delivery by the organization. This demonstrates the perception of fair treatment (in the form of perceived recovery) and generates positive cognitive evaluation (recovery satisfaction) that re-enforces or strengthens affection (warm feelings, liking and love) with the organization, in turn generating WOM. Such critical conclusions are, therefore, of great relevance for the construction of theory and for future researchers to address these factors. This study enhances comprehension of how service providers regulate and monitor consumers' emotions. Consequently, training should focus on effectively identifying consumers' subtle emotional responses and implementing timely measures to address negative feelings.

Theoretical and practical implications

The study supports the application of Justice Theory in explaining the intricacies of the banking service recovery process, contributing to existing theory. This study explores customer satisfaction in banking services and the impact of customers' emotions, building upon the justice theory commonly utilized in service recovery studies. The application of Justice Theory's dimensions (DJ, PJ, and IJ) to the failure and recovery of banking services has been limited. Spain currently faces a shortage of theoretical and empirical research on the impact of emotions on evaluating consumer satisfaction with banking services, in-service failures, service recovery and WOM. This study was conducted to address this information gap. This study expands the existing information on justice theory by showing that emotions favor customers' judgments of service failure and recovery, regardless of changes in the banking environment (Matikiti, Roberts-Lombard and Mpinganjira, 2018). This study enhances comprehension of the emotions that drive service providers to manage and oversee clients' emotions. Training should focus on identifying consumers' subtle emotional responses and implementing timely methods to avert negative emotions (Lastner et al., 2016).

Furthermore, the study's importance stems from the banking service landscape's increasing prominence as the primary service delivery channel. The research revealed four crucial insights. To begin with, the relevance of justice theory is evident in the banking services industry. Consequently, given the unpredictability of service failure probability, it becomes essential to design recovery strategies that successfully convey justice to the impacted customer. Additionally, in the case of a service failure, consumers want accurate and fast

information about the characteristics of the failure, the underlying causes, and the corrective actions taken to ensure a smooth recovery. Furthermore, by consistently engaging in good actions, a customer-centric organization may cultivate long-lasting favorable attitudes among its clientele. In conclusion, while technological progress has reduced the need for human involvement in service provision, customer emotion substantially influences the quality of recovery. This study provides Spanish banks with actionable insights and practical guidance by analyzing critical elements that can improve PRS, particularly for users with negative experiences with banking services.

Furthermore, the findings suggest approaches financial institutions might use to mitigate the repercussions of inadequate service, enhance customer emotions, and improve WOM intentions. Additionally, the research sheds light on the underlying motives and objectives that drive consumer complaints about service breakdowns and failure. Therefore, it presents three fundamental concepts specific to the banking sector (customer emotions, PRS and WOM), which significantly contribute to developing successful customer retention methods. Moreover, banking managers must implement a resilient customer relationship management system to address customer complaints and rebound from service interruptions effectively. Hence, this requires establishing a specialized department for complaint management, keeping it responsible for complaint processing, upgrading the performance of service people, and boosting customer confidence. Although service failures caused by human and technical errors are unavoidable, their effect may be mitigated by the complaint processing department using appropriate techniques.

Conclusion and limitations

The study's main finding indicates that common errors in banking services are inevitable because of complexities in delivering the service caused by changing customer expectations and the simultaneous production and consumption of the service. As a result, to compete effectively, bank leaders should comprehend customers' cognitive and affective psychological demands. Hence, this study is significant as it fills gaps and enhances the existing literature and knowledge base in banking, services marketing, and justice theory. Consequently, customers will be satisfied if the bank's feedback on banking aligns with their expectations. As a result, customer perception influences the service recovery process and customer happiness. Banks are promoting service use through banking to reduce face-to-face interactions with customers despite the expenses associated with service recovery. As is typical in research, this study is subject to several constraints. It is limited in scope since it focuses solely on analyzing the service recovery system within the banking industry in Spain. Consequently, the research conclusions are only applicable to this specific industry. As a result, researchers can modify the model to suit various contexts, such as cultures, nations, and industries. Hence, this will help validate and expand the study's results, as issues, solutions, and perceptions of service recovery strategies and customer emotions can differ based on service types and cultures (Mattila, 2001). The study utilized a cross-sectional technique, which provided a static view of variables at a specific moment and could not accurately represent dynamic interactions. Hence, a longitudinal investigation is necessary in the future because this phenomenon is present in all cross-sectional surveys. Additionally, this study was quantitative, and the questionnaire's analytical results limited the findings. Thus, qualitative methods, such as interviews, could reveal elements not uncovered in this study. Future research should investigate the direct

and moderating impacts of service failure severity and gender variations to enhance our comprehension of the service recovery literature. Moreover, examining the anticipated connections between online and traditional banking may be beneficial, given the rising prevalence of mobile banking across various educational and age demographics.

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MOTIVATION FOR CHOOSING THE MEDICAL IMAGING TECHNICIAN PROFESSION

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Abstract: The paper presents the context and findings of a study focused on motivational factors affecting the choice of the medical imaging technician profession. This profession is important around the globe, and more and more required on the labour market. Still, the supply of imaging technicians is low in many countries, so the waiting time for the tests is unreasonably long. This delays the diagnosis and treatment of illnesses on time and, undoubtedly, harms the public's basic right for healthcare services. This study assumes that there are motivational factors that affect people's decision to choose, and therefore learn the medical imaging technician profession. Aiming to understand what are those factors that affect this process of choice, the study focused on the case of Israel. A questionnaire-based survey was administered to 70 medical imaging technicians working in the Israeli healthcare system with the view to examine what has motivated them to choose this profession. The paper presents the empirical results indicating that both intrinsic and extrinsic motivation are high and have an impact on the process of choice. The findings offer valuable insights that might help improving the supply of imaging technician profession, and the retention of employees in the healthcare system.

Keywords: profession choice, intrinsic motivation, extrinsic motivation, medical imaging technician profession, supply and demand in the healthcare system.

Introduction

This paper explores the motivational factors affecting the decision to learn the medical imaging technician profession that is one of the important professions in the field of medicine. Medical imaging technicians perform tests and radiograms in order to diagnose and treat illnesses. In spite of their importance, the supply of these technicians is low (Smith, 2007; Vanckaviciene, 2014). The low supply causes problems in the way the profession is conducted, for example, the Israeli Ministry of Health. Although the Ministry has added five imaging machines, in fact there is no possibility to operate them due to the shortage of workers in this profession. Thus, the wide public is facing long waiting time to undergo the test (Haaretz Daily Newspaper, 2022). The Literature Review illustrates that choosing a profession is a complex process and people must choose between alternatives (Gati, 2016). People have to decide which profession they wish to choose for life. Hence, it is important to examine what are the motivational factors that affect the choice of the medical imaging technician profession. Studies indicate that there are intrinsic motivational factors, namely choice based on people's wish and the fact that the choice and

practice of this profession lead to satisfaction and pleasure. There are also extrinsic motivational factors that stimulate the choice, e.g., financial reward and prestige (Deci et al, 2017; Michlol Jewish Encyclopedia, 2022). Once we understand which motivation can drive people to learn the profession, this will facilitate improvement of the supply. Therein resides the motivation and importance of conducting this study. The research aimed to examine the motivational factors that affected the choice of the medical imaging technician profession, as well as explore the extent of impact of each motivation type on the choice of the medical imaging technician profession.

Literature Review

Choosing a profession

The literature indicates that there are two main mechanisms in the process of decision-making and both of them are acting on the deciding individuals. The first mechanism functions rationally, namely it works on the logic that determines what is good and worthy. The simplification of this complex process is taking the decision and fragmenting it into small components. This allows the potential candidates to choose an ability of coping with that complex decision (Indeed Editorial Team, 2021). The second mechanism is the emotional mechanism of the decision-makers. This mechanism functions according to the existing emotion that motivates potential candidates to make one decision or another. This is a highly powerful mechanism that can sometimes be damaging, leading to misguided decisions during the process of choice that is so important (Lerner et al, 2015). The rational mechanism originates from the economic approach while the emotional mechanism originates in the psychological approach (Oplatka, 2015).

Consolidation of professional identity

The decision-making process is developed throughout the individuals' process of self-identity consolidation. During the period of adolescence, there is a stage that is connected to the issue of deciding which profession to learn. This transpires when individuals are actually asking: Who am I?. This question encompasses other questions, such as: Where am I headed? What is my self-esteem? What are my goals (Erikson, 1968). This is the stage whereby individuals realize they need to make a decision and a choice that are associated with a long-term commitment. The choice of career should match the individuals' ideology and wishes out of the alternatives that exist on the labor market. The understanding of who am I, what do I want, and how do I see myself on the one hand, and how does the environment perceive me and my essence on the other hand and sees me and my essence (Marcia, 1966). When making the decision regarding the profession for life, people should understand that therein exists also a professional identity. This also constitutes their self-esteem towards the profession that comes from the essence of and identification with the profession (Bamber and Iyer, 2002). Be its definition, the profession is a common area with theoretical and practical knowledge that is acquired by learning and formal qualification (Dingwell and Lewis, 1983). Professional identity maintains interrelations between the way professionals perceive themselves and the way the environment perceives them (Kuzminsky, 2008). In fact, work provides the sub-culture of the individuals, shaping part of their self-identity and comprising part of their personality (Hugues, 1958).

The factors that define professional identity

One of the factors that define the professional identity of people and society is the prestige of the profession. A profession is considered more prestigious when the wide public understands that the knowledge of this profession is only in the hands of the professional and they have the necessary competence for finding a solution to the problem they are facing. Professionals with the required suitable qualification, and only they, can assess and judge the performance (Marks et al, 2002). The more prestigious the profession, the more satisfied people are. This sense of satisfaction increases the consolidation of people's professional identity (Moor, 1970). Another factor in the consolidation of professional identity is the professional image. When individuals feel at ease to advertise that they engage in this profession (Kremer and Hofman, 1982), and the wide public perceives the professional image as high, that implies that the public formally acknowledges the profession, its authority, certificates, and so on. All these are highly important in the consolidation of the professional identity (Wackerhausen, 2009). Furthermore, the conditions of induction into the profession result in the consolidation of professional identity. When the induction conditions are strict, the profession requires more specializations, and there are continued study pathways, individuals develop a unique feeling that stimulates the consolidation of professional identity (McKeon and Simons, 1981). The public's concept that it is important to consolidate a professional identity for a profession, can also affect potential students in the decision-making process. Individuals usually do not make the decision alone. They consult their immediate family, friends, and information from various sources about the diversified professions that interest them and are offered on the labor market. Research findings indicate that children frequently choose the profession of one of their parents due to the acquaintance and conversation about it in the family, evoking a wish to choose the profession (Calcalist Newspaper Supplement, 2017). Hence, the consolidation of an important professional identity among the population can affect one's choice. This paper engages in the choice of the medical imaging technician profession. Research findings indicate that the prestige and professional image of this profession are low (Mavrodinova et al, 2022) and its professional identity is not consolidated (Twobig, 2006).

Professional image of medical imaging technicians

From a historical point of view, the work of medical imaging technicians has been considered as only having to push a button of the machines. This impression has apparently been formed as a result of qualification and licensing problems that this profession experiences in some of the world countries. People are accustomed to thinking that every person can press a button after several weeks of training (Collins and Nolen, 2002). Yet, this is entirely wrong! Many studies have found that when medical imaging technicians are involved in the reporting, and that they have the knowledge, education, and ability to report, this entails an important rationalization of time and money (Mavrodinova et al, 2022; Rouger, 2018). In Israel, only in 2023, has the Israeli Parliament Health Committee ratified the law regulating the engagement in healthcare professions. (State of Israel, 2022b). The law defined the profession from the aspect of qualification and training of students who had learned in Israel and those who had learned in other countries (State of Israel, 2022a).

Supply of medical imaging technician

This profession is one of the healthcare professions that are important to the entire population. Without the medical imaging technicians, people will not have the right for healthcare that is the basic need of life to which every country is committed. The medical imaging technicians perform imaging tests for the purpose of diagnosis and treatment in different and varied areas. For example: MRI, ultrasound, catheterizations, nuclear medicine, CT, and more. This field has increasingly grown in the last years due to technological developments. The growing demand for performing the tests and the aging of the population are the reasons why the world needs more competent people who practice this profession (Shaarey Mada and Mishpat Academic Center, no date; Smith, 2007; Vanckaviciene, 2014). However, in reality, the situation is different. There are insufficient medical imaging technicians on the labor market, i.e., the supply is low and the demand is high (Smith, 2007; Vanckaviciene, 2014). In many countries around the globe, the time of waiting for an imaging test is unreasonably long and it is not in line with the actual need for performing a high-quality diagnostic test on time. In most cases, doctors cannot know how to diagnose and treat the patients without the test. Due to the particularly long waiting time for an MRI test, people are referred to an alternative test, the CT, that involves exposure to unnecessary ionizing radiation that, in itself, is dangerous to the patients. In some countries around the world, an international standard for performing the test has been defined, while in other countries there is no definition of this kind of standard. Nevertheless, even in countries that do have a standard, it specifies a long time of up to 40 days. Moreover, even when there are machines that can be used for performing the test, they are not fully operational since the number of medical imaging technicians is insufficient. Thus, it is unnecessary to purchase additional machines when no one can operate them (Biloglav et al, 2020). A long waiting time prevents giving the diagnosis and treatment on time, entailing a low level of the wide public's satisfaction with the healthcare system. Moreover, it directly affects the mental health that results from the frustration of a long wait for the test (Biloglav et al, 2020).

In Israel, too, the waiting time for an MRI test is especially long (Boldor et al, 2021). Compared to the other OECD member-states, the number of MRI machines in Israel is low and the number of tests performed on these machines is high. This reflects the existing load and distress of appointments (Blanc, 2021). The Israeli Ministry of Health does not have an exact number of medical imaging technicians on the labor market. This is due to the fact that in 2005 it stopped issuing status acknowledging certificates to this profession. Although there is no numerical data, the shortage is felt, particularly because of the long waiting time for the test (Haareta Daily Newspaper, 2022; State Comptroller, 2015).

Motivational factors for choosing a profession

The question is raised as to the factors that motivate individuals to choose the medical imaging technician profession. Understanding these motives can help in the improvement of the existing low supply of this profession. The Self-Determination Theory is seeking those natural factors embodied in people and encouraging them to work and prosper at their place of work. An effective organization is an organization that encourages workers to perform on a high quality and makes them prosper. The theory divides these factors in two: autonomous motivational factors, i.e., intrinsic motivation, and controlled motivational factors, namely extrinsic motivation. Intrinsic motivation implies that individuals engage

in a certain action, such as professional practice, out of wish, interest, pleasure, and enthusiasm, without an external reward but out of love. For example: wish to help others, the profession compliance with one's area of interest. Extrinsic motivation implies that individuals engage in an action that is motivated from an external source, such as financial or emotional reward, social appreciation, prestige and so on (Deci et al, 2017; Michlol Jewish Encyclopedia, 2022). The process of deciding which profession to choose is driven in fact by intrinsic and extrinsic motivation.

Recently conducted studies of this issue found different and contrasting results. For example, examination of motivational factors among nurses indicated a positive relation between the choice of the profession and intrinsic motivation (Natan and Becker, 2010). Another study that examined people who had made a career change to teaching, found that they were driven by both intrinsic and extrinsic motivation (Zuzovsky and Donitsa-Schmidt, 2014). During the COVID-19 pandemic, many decided to make a career change to a profession with a meaning. That is, driven by intrinsic motivation rather than by extrinsic motivation, such as the wages in exchange of work (Haski-Leventhal, 2022). Conversely, a study of people who made a decision as to the choice of a profession, showed that the effect of extrinsic motivation was three times stronger than that of intrinsic motivation (Bigi-Moyal, 2022). Studies conducted in recent year in the context of healthcare professions illustrated that the altruistic motivation had the highest weight. However, to this motivation were added the issue of prestige of the profession, together with the importance of opportunities of promotion, career, wages, workplaces, and others (Narayanasamy et al, 2019). To sum up, in order to examine what is the motivation that affects the choice of the medical imaging technician profession, it is highly important to understand the motivational factors and the natural inclinations that reinforce or weaken people's decision whether or not to learn this profession. This attributes importance to this study.

Methodology and findings

For answering the research question - "What are the motivational factors that affect the choice of the medical imaging technician profession and what is the extent of impact of each motivation type?" - a questionnaire-based research was conducted in Israel. The research comprised a closed-ended questionnaire with items related to motivation in choosing a profession on the labor market. The questionnaire consisted of a demographic part, a part that examined intrinsic motivational factors, and a part that examined extrinsic motivational factors, and it was formulated according to the literature (Armon and Shalev, 2013) that examined burnout and occupational choice difficulties among medical students. The questionnaire was administered in 2023 to 70 Israeli medical imaging technicians, to identify the extrinsic and intrinsic motivations that affected their choice to learn this profession. The snow-ball approach – namely, a friend brings friend - was employed to recruit the participants in the study. The questionnaire was applied online Google's forms software and safeguarded full anonymity of the respondents. The respondents' answers were ranked to a 5-point Likert scale (1 was the lowest score and 5 was the highest score. The reliability of the questionnaire was 0.83.

Table 1. Means and standard deviations of the research variables

| | M | SD |
|--|---|----|
|--|---|----|

| | | |
|---|------|------|
| Extrinsic Motivation – medical imaging technician | 3.41 | 0.82 |
| Intrinsic Motivation -medical imaging technician | 3.60 | 0.88 |

* All variables were measured on a 1-5 scale.

Both intrinsic and extrinsic motivation for choosing the medical imaging technician profession were well above mean value. The intrinsic motivation was higher in the medical imaging technician profession ($M=3.60$, $SD=0.88$) than the extrinsic motivation ($M=3.41$, $SD=0.82$). T-test result showed a significant difference between the importance of the intrinsic and extrinsic motivations [$t(69) = 2.83$, $p < .01$]. So, the results indicated that respondents attributed a significantly greater importance to intrinsic motivations ($M=3.60$, $SD=0.88$) than to extrinsic motivations ($M=3.41$, $SD=0.82$) in the choice of a profession.

Table 2: Means and standard deviations of the intrinsic motivation items

| Intrinsic motivation items | M | SD |
|------------------------------|------|------|
| Helping others | 3.92 | 1.11 |
| Matches the area of interest | 3.77 | 1.14 |
| Diversity | 3.66 | 1.18 |
| Independence | 3.25 | 1.25 |
| Creativity | 3.11 | 1.21 |

Table 2 shows that helping others was the topic with the most important intrinsic motivation. Conversely, creativity was the least important topic. As to extrinsic motivation, the test results illustrated significant differences of importance between the items of this motivation type: $F(6,61) = 13.14$, $p < .001$, $\eta^2 = .56$ (see Table 3).

Table 3: Means and standard deviations of the extrinsic motivation items

| Extrinsic motivation items | M | SD |
|-------------------------------|------|------|
| Professional liability | 4.10 | 1.12 |
| Security | 3.79 | 1.18 |
| Demand | 3.73 | 1.24 |
| Quick entry into the position | 3.12 | 1.40 |
| High income | 3.09 | 1.28 |
| Prestige | 2.90 | 1.18 |
| Free time | 2.76 | 1.34 |

Table 3 showed that professional liability was the topic with the most important extrinsic motivation, while free time was the topic with the least important extrinsic motivation.

Discussion and conclusions

The research findings showed that the motivational factors that affected the choice of the medical imaging technician profession were both extrinsic and intrinsic. These two motivation types were high. Nevertheless, the findings illustrated that the intrinsic motivation was higher and more influential than the extrinsic motivation at the stages of choosing the medical imaging technician profession. This can be accounted for by the fact that people who decide to learn this profession attribute more importance when choosing the profession to the personal and emotional reward, e.g., helping others, than to external reward, such as wages. The empirical literature supports this finding. Studies conducted in

the context of healthcare professions, found with reference to the choice of profession that the important motivational factors were the altruistic factors, namely the intrinsic ones (Narayanasamy et al, 2019). Moreover, the literature explains the importance of consolidated professional identity at the stages of making a decision, particularly with regard to the properties of the profession, e.g., helping others (Ehrhard, 2014; Wood 2004). Furthermore, recent studies of motivation in the choice of a profession found that after the COVID-19 pandemic, people who decided to make a career change chose meaningful professions with intrinsic motivation (Haski-Leventhal, 2022). On the other hand, qualitative research of doctors found that the participants attributed higher importance to extrinsic motivation and that the family helped them in the choice due to reasons of prestige and wages (Popper-Giveon and Keshet, 2016).

Another finding that should be considered was the extrinsic motivational factors that were also high. The most affecting factor in the choice of the medical imaging technician profession in its level of importance was professional liability, followed by professional security. This can be accounted for by the fact that medical imaging technicians do not make the decision about the patients' diagnosis or the treatment. They perform the test and collect the data for the doctors who decide how to treat and heal diseases. That is, in practice, the responsibility for the identification of the pathology is incumbent on the decoding doctors. The medical imaging technicians are not formally acknowledged for their work of identifying the life-risking pathologies and, therefore, are not appreciated for this work. The empirical literature supports this finding since the workers' involvement in the decision-making process increases their sense of belonging (Davy et al, 1991). Workers' retention in a system is important and it transpires when the workers hear that their work is appreciated and acknowledged (Tomlinson, 2002). Workers' retention has become a particularly essential issue, when the supply is low in a certain field, such as the medical imaging technician profession. Retaining the existing staff is highly important. Hence, we should understand that acknowledgement is vital because the framework of responsibility defined for the medical imaging technician profession is connected to the motivation for choosing the profession. When we define and formally acknowledge the framework of responsibility of the medical imaging technicians, we would be able to retain the existing staff and encourage the choice of this profession. Studies indicate that workers of the healthcare services drop out from the medical imaging professions because they are not appreciated and receive low wages (Ministry of Health, 2022a, 2022b). Moreover, studies show that individuals who are at the stage of deciding what to learn, their decision is affected by the wages they are going to earn (Baker et al, 2018).

In summary, the data collected for this study are based on a sample of 70 medical imaging technicians in Israel. Nevertheless, the sample does not necessarily reflect the positions of the entire global population of these technicians, even though this concerns the same profession that operates the same machines all over the world. Yet, the findings of this quantitative research indicate that the intrinsic motivational factors for choosing the medical imaging technician profession are mainly related to people's personal wish to choose this profession. On the other hand, there are extrinsic motivational factors for choosing the medical imaging technician profession, although their importance was lower than that of intrinsic motivation. They were also found to be high and, therefore, they are also essential in the choice of the medical imaging technician profession.

It is highly important to understand what motivates people to choose the medical imaging technician profession. Understanding the motivational factors involved in the choice of the profession can help in realizing what should be improved and preserved in order to increase the supply required for this profession. This important study is a first milestone on the way to identifying the factors that can improve the low supply of this profession. Thus, further studies are necessary in order to explore what are the reasons for the current low supply of this crucial profession.

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ANALYSIS OF TRANSPORTATION IN CLUJ

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Abstract: From a socialist society where public transit was the primary form of transportation to the modern “Silicon Valley” of Eastern Europe, where the streets are flooded with cars. Cluj has changed over the years; overturned by university students for most of the year, the city and encompassing communes have experienced significant growth, which stresses the existing socialist infrastructure and causes high levels of strategic planning to accommodate the present and future transportation plans. Moreover, the CTP is no exception; as the only provider of public transportation in Cluj, it is at the centre of this predicament and needs to distinguish itself as a success within Cluj to provide for the community's needs. In this paper, we look at data from multiple sources to analyze what drives people's choice of transportation and pinpoint some fundamental notions as to why people choose private vehicles and other forms of transportation over public transit. Then, using SWOT and PEST analysis, we look to find solutions to benefit the community. Many options are available to develop more fluidity in the city, change the notion of public transportation, and create reliance on public transportation.

Introduction

Cluj-Napoca is known as the capital of Transylvania, and it is also known for its rich history characterized by various periods and cultures. Situated in the country's western region, the city has markedly transformed over the past decades from a modest city into one of Romania's most dynamically developing urban hubs that has had a considerable impact throughout its metropolitan area. Its top-ranked universities offer over 300 specializations and contribute to a highly skilled workforce. This city is also known as Eastern Europe's “Silicon Valley,” attracting business leaders and large firms due to its high quality of life and excellent workforce. (Intodeauna pentru clujeni, 2018). Since the 1989 revolution, which transitioned Romania from a socialist government to a democratic state, Cluj-Napoca's growth has been remarkable, especially following its entry into the European Union in 2007. However, developing a democracy takes time and effort. Romania is still changing to meet European standards. Cluj stands out in this evolution, transitioning from an industrial economy to a knowledge-based job market. This rapid growth in a City designed hundreds of years ago often leads to positive and negative results; this is often the case when cities expand to meet population growth while continuing to strive to provide a high quality of life. This paper will focus on developing a strategic plan for CTP Cluj's public transit provider, analyzing the current status, and improving the little strategies to achieve better functionality.

Analysis of Cluj from 1989-2018

Looking back at the city's urban landscape and the creation of new means of transportation in the world, we see that there have been significant transformations. Within the Romanian socialist system, we see that development resulted in compact cities; this approach to

planning remained the strategy until the year 2000. Nonetheless, the post-socialist Cluj-Napoca showed a significant amount of urban sprawl, which became a primary mode of expansion to the City; this is also due to the physical constraints of the land around the City. In the 1990s, Cluj was an industrial hub and a leader in the academic and medical fields. The city has now transformed, and many people have migrated to the surrounding towns, which rely on services only found in the City. This is still the case as we see people choosing to live on the outskirts of the town but still within reach of the services of the central city. The referenced below (Tosa & Mitrea, 2017) illustrates the changes in population distribution and urban expansion.

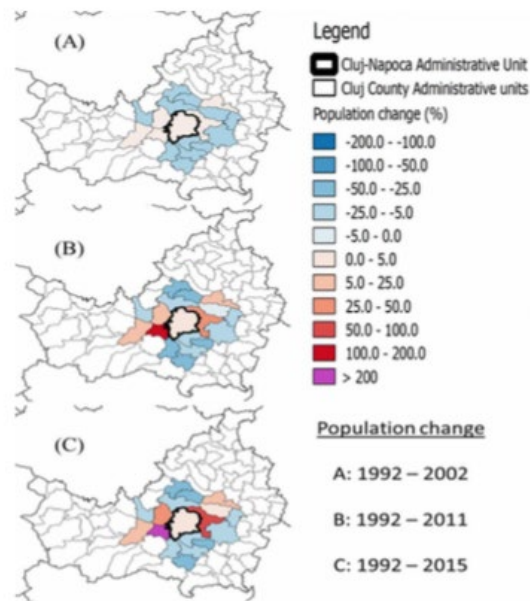


Fig. 1. Population distribution over time within CNMA

The mobility landscape in Cluj-Napoca has shifted dramatically since the 1989 revolution as we saw an increase in private car ownership; moreover, as mentioned previously, urban sprawl has led to a mobility crisis and an expensive real estate market. These changes raise questions about sustainability and the impact on the quality of life in most of Romania, known for its culture, sports, and food. Still, Romania deals with problems such as traffic congestion in high-density city centers and a lack of highways throughout the country. Regarding public transit, CTP Cluj was not the first transit company in the city; public transportation was first introduced to the City in 1883 with the first tram system, followed by a locomotive in 1890. (C.T.P., 2015) Over the years, public transit has evolved to meet the transforming community's needs; during the socialist era, its primary function was to connect residential neighbourhoods to the industrial areas; for most workers, this was the only way to get to and from work. Initially, buses were the sole mode of public transit until the introduction of trolleybuses in 1959. By 1987, the demand for public transit was so high that a tramline (still operational today) was established. Due to severe fuel shortages and restricted car ownership during the socialist era, public transit was the norm. If, by

chance, you did have the luxury of owning a vehicle during the socialist era, some restrictions limited one driving day based on license plate numbers. However, the infrastructure was generally adequate for the commuting needs of most of the population during that period. (Tosa & Mitrea, 2017)

After the fall of the socialist government, Cluj-Napoca and most of Romania had a significant shift to an open market, which allowed private companies to enter the market. Moreover, we saw an overflowing of international goods available on the market, including cars; as such, there was an increase in car ownership, which was something not anticipated nor planned for. The changes impacted many sectors, including mobility and transportation. Some key statistics which show significant changes since 1989 are as follows: (Tosa, et al., 2018)

The road network in Cluj-Napoca expanded from 342 km to 403 km. The car fleet in 1990 was approximately 54,000 vehicles. By 2016, it had reached 200,000 vehicles.

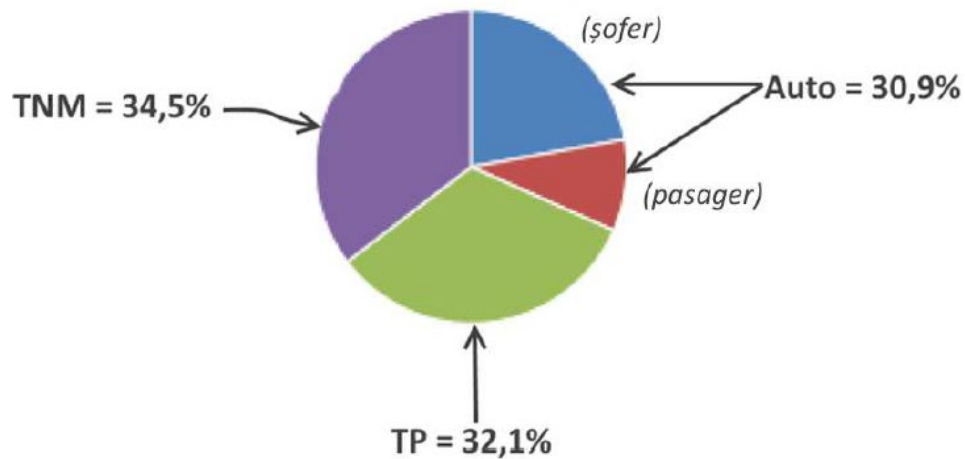
This surge in car ownership, coupled with a minimal increase in road infrastructure, indicates that the city's socialist-era infrastructure was not growing at a fast enough pace to accommodate such a large number of vehicles; this also does not take into consideration the lack of parking, as most apartment buildings built by the socialist government did not provide underground parkades or surface parking for the owners. The lack of sufficient parking spaces led to the practice of curbside parking, further reducing traffic flow.

Cluj has now evolved into a business and academic hub, offering employers a high-quality workforce and citizens a high quality of services and life. As such, the City is considered the unofficial capital of Transylvania. Looking just at the population metrics in the areas, we see that many people choose to move to the outskirts of the City due to the big gap in the affordability of housing in the City versus outside the City. For example, an apartment in the city center exceeds 2300 Euros per square meter, whereas an apartment in the surrounding villages and communes is around 1000 to 1500 Euros per square meter. Moreover, the housing outside Cluj offers more green space and parking, which is hard to find in the City.

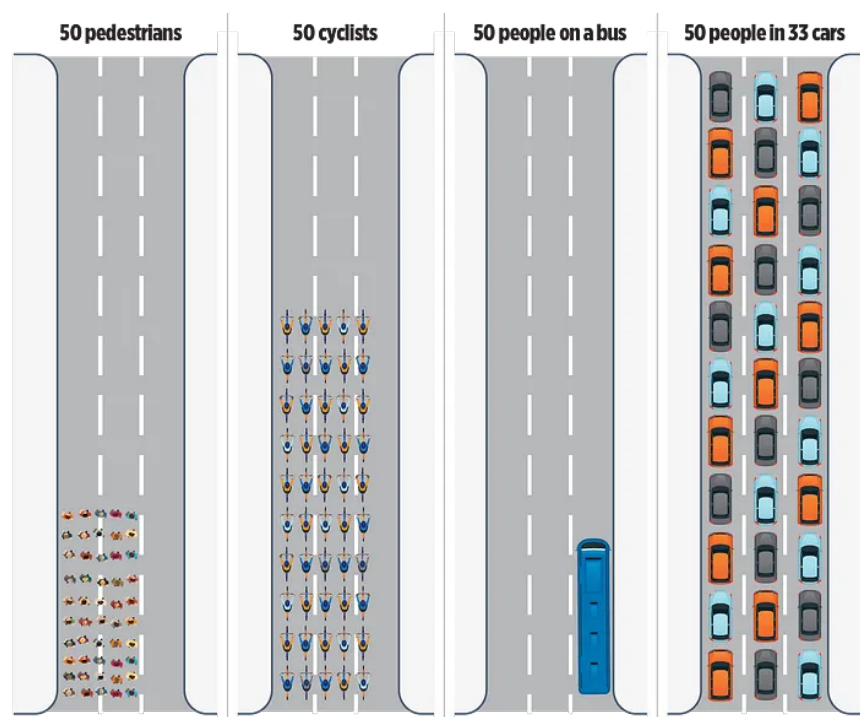
Nonetheless, the population growth and urban sprawl into these areas of the metropolitan area have implications for planning, specifically public transportation and road infrastructure, as people are required to commute regularly into the city for work, education, and services.



Looking at the table above, we see the statistics of the demographic shift in Cluj; this led to significant traffic and congestion challenges, especially during peak hours, as the City has a handful of access points due to the topography and limited road network, which connects to the Metropolitan area. During peak hours, it. The Cultural Centre study results in the table above highlight that about one in five people commute to and from Cluj for work. This translates to approximately 38,000 people travelling to the city for employment.(Vrabie, et al., 2018). The study that the city completed as part of the future transportation and mobility plan also notes some essential statistics, explicitly noting the type of mobility means during the peak hours of 6 am – 10 am. The study categorizes travellers on their choice or mode of transportation; this includes public transit (TP), non-motorized means such as cycling or walking (TNM), and lastly, distinguishing those who choose a car (Auto) and further breaking down the data to differentiate between passenger and driver.



Reading through the report, we could see that the current situation in Cluj-Napoca regarding transportation means, modes and patterns, particularly during peak hours, presents a complex challenge, as space is limited and time is short. On a positive note, we can see that the primary means of transportation is public transit over private vehicles; however, bus overcrowding and many individuals driving alone contribute significantly to congestion. This comes back to the argument of space on the road vs ridership. Below is an image showing the amount of space needed to move the same amount of people using different types of transportation. We could see a vast difference between 50 people in 33 cars and 50 on a bus. It comes down to preference and what is accessible or alluring to one's needs.

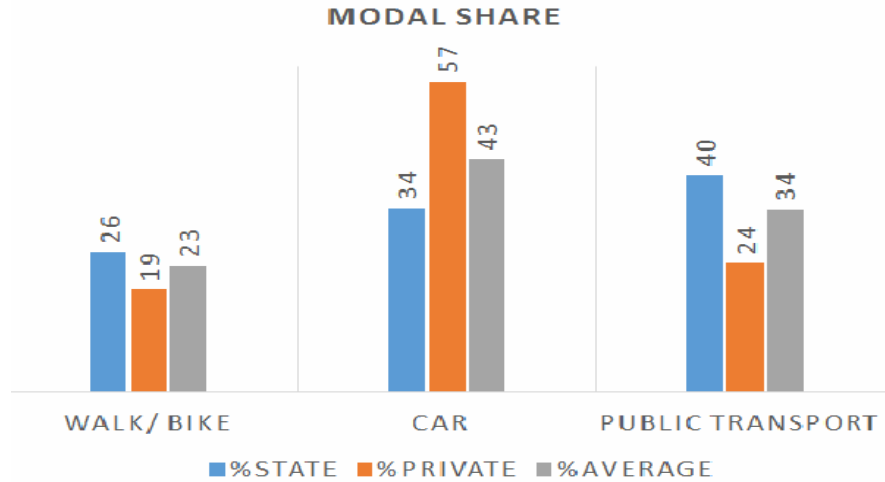


A study by Cristian Tosa and Andrei Mitrea provided valuable insights into transportation preferences within different sectors of Cluj's workforce. Hopefully, we can see why people choose one means of transportation. Using a questionnaire distributed to firms and public institutions and through an online platform, they garnered 804 responses over 60 days; the demographic mainly consisted of women between the ages of 26 and 65. (Tosa & Mitrea, 2017) See below some of the results.

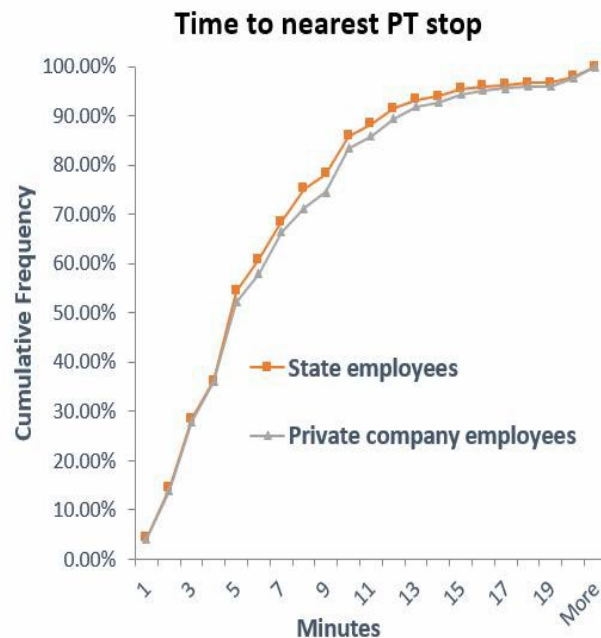
Table 1. Socio-demographic characteristics of the sample

| Characteristic | Details | State (%) | Private (%) |
|---------------------------|-------------|-----------|-------------|
| Occupation | Respondents | 61.35 | 38.65 |
| Gender | Female | 74.00 | 59.52 |
| Age intervals | <25 | 3.00 | 15.87 |
| | 26...45 | 47.50 | 78.57 |
| | 45...65 | 43.50 | 4.76 |
| | >65 | 6.00 | 0.79 |
| Marital Status | Married | 67.50 | 50.00 |
| Drivers licence | Car | 67.00 | 83.33 |
| Income intervals (in RON) | 900-1500 | 29.00 | 10.32 |
| | 1501-2500 | 48.50 | 14.29 |
| | 2501-3000 | 0.00 | 8.73 |
| | >3000 | 22.50 | 66.67 |

The results of the share of people that take non-motorized means of transportation vs public transportation vs cars are as follows,



The study concludes with many facts based on the results of the questionnaire. It is apparent in the data that the private sector relies more on personal vehicles, and state employees are equal across the three options; nonetheless, they still rely more on public transportation as the primary means of transportation. Within the same research, the authors could pinpoint the time to the nearest transit station and the distance to work for each sector. The results showed that half of all respondents live within 7 minutes of a transit station, and the difference between the private and state employees is so insignificant that this cannot be the reason for the difference in choices.



The insights from the study on transportation patterns in Cluj-Napoca reveal exciting aspects of the city's spatial organization and its impact on transportation choices. Two key observations can be drawn from the study:

Looking from afar at the study presented by Tosa and Mitra, we could draw a few different conclusions and notions. Firstly, government buildings are concentrated in the city's historic centre. This benefits state employees as most major transit routes lead into the City centre from all points of the city.

Secondly, newer housing developments in Cluj Napoca and the surrounding metropolitan area provide at least one parking space per apartment; parking in the more recent builds on the outskirts of town encourages the use of privately owned vehicles.

Thirdly, we can conclude when looking at the total travel distance based on the data provided, that the distance between home and work does not influence the transportation choice. This suggests other reasons for the choice of transportation (convenience, comfort, personal preference, etc.) Younger private sector employees tend to avoid public transit, which increases congestion and pollution.

The findings of this study highlight the complexities and decisions which everyone contributes to the more significant issues and challenges regarding traffic and pollution within Cluj. Another study by Cristian Tosa and a few other authors collected data on commuting to work in Cluj; they interviewed 544 respondents on transportation choices, distance to work, and time to get to work. (Tosa, et al., 2018)

C. Toşa et al.

Table 1
Share of transport modes in terms of travel distance (TD) and travel time (TT).

| Mode of transport | No. of respondents | Percentage | Average TD (SD) (km) | Average TT (SD) (min) |
|-------------------------------------|--------------------|------------|----------------------|-----------------------|
| Walking | 76 | 13.97 | 3.18 (1.11) | 32.55 (21.46) |
| Bicycle | 10 | 1.84 | 3.51 (0.78) | 24.1 (9.26) |
| Private car/ motorcycle/ taxi | 222 | 40.81 | 5.80 (3.27) | 34.57 (18.16) |
| Public transport | 236 | 43.38 | 5.67 (3.49) | 44.76 (19.64) |
| Total | 544 | 100 | | |

The study offers exciting conclusions by showing commuting patterns in Cluj-Napoca and revealing how different demographic factors influence transportation choices. The study highlights several key trends:

Males are more inclined to use private motorized transport (PM).

Females show a preference for public transportation (PT).

Individuals aged 45+ tend to use public transportation.

Those under 25 prefer non-motorized (NM) means of transport.

The 26-35 age group shows a higher usage of private motorized transport.

Respondents with lower levels of education are more likely to use public transport.

Lower average household incomes correlate with a higher dependence on public transportation.

Higher-income households tend to use private motorized transportation.

A significant portion of the respondents (428) have more than 30 minutes of commutes.

People who spend the least money on transportation are those who commute.

The findings paint a fundamental picture to understand the commuting choices in Cluj and the surrounding metropolitan area; the data shows a combination of socio-economic factors and variables such as age, education, and gender, which all play an essential role in the influence of transportation choices.

Table 2
Sample descriptive statistics based on commuting mode.

| Variable | Element | NM (%) | PM (%) | PT (%) | Total sample size |
|--|-----------------------------------|--------|--------|--------|-------------------|
| Household size | Single person ^(f) | 18.92 | 32.43 | 48.65 | 37 |
| | 2 ^(f) | 16.45 | 39.47 | 44.08 | 152 |
| | 3 ^(f) | 13.89 | 44.44 | 41.67 | 180 |
| | 4 or more ^(f) | 16.48 | 40.34 | 43.18 | 175 |
| Gender | Male ^(b) | 14.13 | 55.12 | 30.74 | 283 |
| | Female ^(b) | 17.24 | 25.67 | 57.09 | 261 |
| Age cohort | 18–25 ^(f) | 21.21 | 33.33 | 45.45 | 33 |
| | 26–35 ^(e) | 15.11 | 50.36 | 34.53 | 139 |
| | 36–45 ^(f) | 16.25 | 45.63 | 38.13 | 160 |
| | 46–55 ^(e) | 12.68 | 33.10 | 54.23 | 142 |
| | > 55 ^(f) | 18.57 | 31.43 | 50.00 | 70 |
| Type of employment | Public ^(e) | 16.57 | 28.99 | 54.44 | 169 |
| | Private ^(e) | 15.20 | 46.40 | 38.40 | 375 |
| Marital status | Married ^(f) | 15.97 | 34.72 | 49.31 | 400 |
| | Not married ^(f) | 15.50 | 43.25 | 41.25 | 144 |
| Average household income (in RON) ^a | < 1000 ^(e) | 9.68 | 19.35 | 70.97 | 31 |
| | 1001–2000 ^(e) | 16.07 | 27.98 | 55.95 | 168 |
| | 2001–3000 ^(f) | 20.30 | 29.32 | 50.38 | 133 |
| | 3001–4000 ^(e) | 14.29 | 53.25 | 32.47 | 77 |
| | 4001–5000 ^(b) | 7.55 | 66.04 | 26.42 | 53 |
| | 5001–6000 ^(b) | 7.69 | 69.23 | 23.08 | 26 |
| | > 6000 ^(b) | 19.64 | 66.07 | 14.29 | 56 |
| Monthly transportation expenditure (in RON) ^a | < 50 ^(b) | 36.36 | 9.09 | 54.55 | 22 |
| | 51–100 ^(b) | 16.95 | 12.71 | 70.34 | 118 |
| | 101–200 ^(f) | 17.53 | 32.47 | 50.00 | 156 |
| | 201–300 ^(f) | 14.89 | 47.87 | 37.24 | 92 |
| | 301–400 ^(b) | 10.53 | 70.18 | 19.30 | 58 |
| | > 400 ^(b) | 10.10 | 71.72 | 18.18 | 101 |
| Time travel to work (min) | < 10 ^(f) | 28.57 | 42.86 | 28.57 | 7 |
| | 11–20 ^(f) | 20.00 | 30.00 | 50.00 | 40 |
| | 21–30 ^(f) | 21.74 | 37.68 | 40.58 | 69 |
| | > 30 ^(f) | 14.02 | 42.52 | 43.46 | 428 |
| Driving license | Yes ^(a) | 15.49 | 52.35 | 32.16 | 426 |
| | No ^(a) | 16.10 | 0.00 | 83.90 | 118 |
| Cars per household | 0 ^(a) | 14.86 | 0.00 | 85.14 | 74 |
| | 1 ^(d) | 19.66 | 36.27 | 44.07 | 295 |
| | 2 ^(b) | 9.72 | 65.97 | 24.31 | 144 |
| | 3 or more ^(b) | 6.45 | 67.74 | 25.81 | 31 |
| Education | Bachelor and below ^(f) | 13.27 | 36.22 | 50.51 | 196 |
| | Master and above ^(f) | 16.95 | 43.68 | 39.37 | 348 |
| Type of residence | Individual ^(f) | 19.35 | 44.35 | 36.30 | 124 |
| | Apartment ^(f) | 14.52 | 40.00 | 45.48 | 420 |

Table 3

Selected attitudinal statements based on the choice of commuting mode.

| Attitudinal statement | Level of agreement | NM (%) | PM (%) | PT (%) | Total sample size |
|--|--------------------|--------|--------|--------|-------------------|
| Inappropriate public transport network structure | Fully agree | 17.01 | 41.16 | 41.83 | 105 |
| Car is needed in daily life ^a | Fully agree | 10.43 | 69.13 | 20.44 | 230 |
| Traffic is congested in the city | Fully agree; Agree | 16.63 | 40.88 | 42.49 | 512 |

The data within the last two tables from the study (tables 2 & 3) shows a lot of essential facts, which I will resume below :

The majority (94%) of the responses from the study note that traffic congestion is a significant issue in the city; the consensus is for the need for improvements in traffic management and an updated transportation plan to account for the proposed and actual growth within the City.

Around 42% of respondents believe a car is necessary for daily activities. This reliance on private vehicles contributes to traffic and indicates the need for more efficient and appealing public transport alternatives. However, one must be realistic in what one can propose, as people are unwilling to let go of their cars overnight.

Only 19% of respondents view the current public transportation system as unacceptable. This surprised me, as this low percentage suggests that while there are concerns about the public transport system, the genuine concern is the congestion in the city and not specific issues with the transit system.

When looking at the usage of the university pass, only 37% of the university students accessed their free monthly pass, which is a significant underutilization.

Actual CTP Cluj

By looking at the evolution and the current state of the CTP Cluj, we can see that there have been legal efforts to provide change and aspire to provide an adequate mode and service throughout the years since 1989:

Transition from "Regia Autonoma de Transport Urban de Calatori" to CTP (1991): This change marked the shift from a socialist government-run entity to a commercial public company responsible for buses, trolleys, and trams.

Key Activities include maintenance, reconditioning, and inspections of public transit vehicles.

Legal and Operational Framework: CTP operates as a public company under Romanian law (OUG 109/2011), coordinating and monitoring activities by the local public authority. Funding and budget adjustments are subject to approval by the A.N.R.S.C. and the local council. (C.T.P., 2015)

It's a self-governing public company but still under the Cluj city hall wing regarding changes, approvals and infrastructure projects. Unfortunately, there is no general information regarding company infrastructure, hierarchy, developments, hiring strategies, or anything else.

Currently, the CTP administration plan has a lot of promises and ideas, but the main message they convey is that they want to develop and modernize. How? Buying more buses increases comfort and gives more capacity to the overwhelming number of users it serves. The CTP, in its 2016-2019 administration plan, stated that they have seen a 7.3% rise in usage of public transit systems since 2015. The document itself states principles onto which they based their four-year strategy:

Economic efficiency

Professionalism

Environmental protection and conservation

Ensure the hygiene and health of the population

Sustainable development and its correlation with the requirements of the population in the area of competence of public transportation

Offer higher quality service than that of a potential competitor.

Transparency and free access to information regarding the service provided

The universality of the public service provided.

We can understand that focusing on and applying these eight principles can improve public transit in Cluj. Unfortunately, detailed information about the company's internal operations, implementation and monitoring of these eight principles is unavailable; therefore, a comprehensive understanding of the operational umbrella is difficult to map. However, we note the number of assets currently in operation as we can see how many buses, trolleys, and trams are owned by the company and how many routes are used within the city and in the metropolitan area.

The company itself has been constantly updating its fleet. The CTP website states They have 250 buses, 84 Trolleybuses, 27 Trams and ten smaller busses. (CTP, 2019). As for infrastructure, currently, the CTP has 66 bus routes within the city of Cluj-Napoca that span more than 100 km, on which they have 250 bus-type vehicles operating at maximum capacity. One hundred fifty buses run at once during working days and around 70 during weekends. This comprises 65% of all public transit. The other 35% comes from trolleybuses and tramways. (Varga, et al., 2016).

In recent years, more updates have come to the busses and the ticketing system, all of which have been striving in the right direction. It has incorporated ticket purchasing options through SMS or texting; one could SMS and send the bus number through the mobile banking system. The authorization would allow for one trip, 1-hour trip or a one-day subscription. They have also implemented free and discounted passes for certain age groups and specific people. For example, if you are a blood donor, you can claim a 50% discount on subscriptions; elementary and high school students receive a free pass if they are enrolled. Retired people receive one bus route accessible, people with disabilities receive all-access passes, people who are unemployed and receive unemployment insurance payments receive one route accessible for one month, and orphans receive all

routes, which need to be renewed monthly. All this is to say that it is a step in the right direction; nonetheless, we could see improvements. ¹

SWOT analysis:

| Strengths | Weakness |
|---|---|
| <p>Transportation authority consolidated under one entity.</p> <p>Experience with other potential market threats.</p> <p>Long-standing collaboration with the municipality.</p> <p>Monopoly on Cluj's public transportation system.</p> <p>Access to European funds.</p> <p>Socialist culture, which was the community's core for so many years, has public transit as the primary source of transportation for most.</p> | <p>Being a public company, it must service all areas regardless of whether it is profitable.</p> <p>Urban sprawl and developing communities are more complex to reach as roads are privately owned and not up to code.</p> <p>Top-down approach (bureaucratic layers of an existing structure).</p> <p>Certain times during the day experience high traffic, which impedes the provision of efficient services.</p> <p>Providing transit for a city planned for a different time and population size.</p> <p>The lack of managerial culture within the public sector.</p> |
| Opportunities | Threats |
| <p>Update of the fleet through European and city funds.</p> <p>A new proposed tram/subway will link the nearby communes.</p> <p>Partnership opportunities within the community with vital, well-known private companies.</p> <p>Advertising revenue possibility for firms within busses.</p> <p>The community is booming, with well-educated university students ready to hire anytime.</p> <p>Green sustainable movement driving force to switch from diesel to more efficient power means.</p> <p>Invest in the people working within the company and give them incentives to feel part of the growing potential.</p> | <p>Hierarchy disputes between city hall and company</p> <p>Update of the system can be lengthy and cause delays</p> <p>Laws in Romania change rapidly.</p> <p>Fossil fuel prices not steady</p> <p>Technology is changing so fast that it is hard to keep up.</p> <p>People constantly keep moving to the outskirts of town or other communes that surround Cluj; the population of Cluj drops while the communes rise and need adequate public transportation.</p> |

Pest Analysis:

Political Factors: CTP is a public company with many bureaucratic layers and processes; this could create challenges as it can take minimal risks with public funds and must abide by the methods, regulations, and directives in which public companies operate.

Economic Factors: The price of oil is market-driven and fluctuates, which constantly affects the bottom line profits as the ticket price does not consider daily oil prices; this makes it challenging to predict operational costs. Furthermore, when looking at the rising income rates and the opportunity or access to private car ownership, one can only expect that more private car ownership will negatively impact the ridership of public transportation.

Social Factors: Demographic changes, as mentioned previously, urban sprawl to the metropolitan areas that lack public transportation services, require CTP to begin now to

¹ <https://ctpcj.ro/index.php/en/fares/urban-transportation/free-subscriptionsgm/357>

extend further outside of their previous reach—the social pressure to understand the environmental awareness which calls for sustainable changes to the fleet.

Technological Factors: Rapid transportation technology advancements are complex for public companies to maintain. However, services should be offered on par with what the market offers.

Competitive advantage:

One might say that the fact that it is a public company that does not have any direct competition would be the first advantage to the CTP; however, this may be a double edge sword because the lack of competition creates a monopolistic state sense of stagnation and lack of catalytic development to keep up with the competition. (Hintea, et al., 2012) Which, per se, makes it so that the strategic planning process doesn't always happen. Therefore, the "monopoly" on public transit in Cluj is if CTP engages in proactive strategic planning to continually enhance services provided and avoid stagnation in keeping up with the demands of the growing population.

Access to non-refundable funds, whether that be tax dollars from the budget or direct European funds for improving infrastructure

Social benefit and access for everyone - Public Good

Proven sustainable budgetary system and track record within the community.

Developed infrastructure within the city.

Creating a new strategic plan - CTP

A strategic plan for the Compania de Transport Public Cluj-Napoca (CTP) should be focused on the end user and the environment in which it operates. As such, this would focus on creating an efficient and sustainable system that prioritizes the end user (customer service oriented). The following are the proposed Vision, Mission, Values, and Goals presented:

Vision: To provide high-quality service through innovation and deliver efficient, modern transportation solutions to Cluj and the surrounding metropolitan area.

Mission: To unite the city and communes within the metropolitan area by developing affordable and universal public transportation to the entire metro area.

Core Values which should be implemented in CTP

Customer Service: This would be to prioritize the end user. This can be done by actively seeking feedback to gauge what needs improvement to, in the end, uplift the customer experience in all aspects of the company.

Sustainability: This is not about just looking at the bottom line; CTP is a public entity and should seek a holistic decision-making process that looks at the environmental, financial and specific community considerations in all decisions to support the metropolitan area's ecological goals.

Responsibility: As a public company, it does have economic accountability and should ensure that public funds are appropriately managed.

Openness/Transparency: As a public company, there should be access to data, plans, and budgets to ensure trust and grow collaborations.

Quality: Provide high-quality services which ensure reliability and safety at the front while keeping up with innovative changes in the industry.

The goals and objectives would be as follows:

Expand and modernize the fleet to incorporate more renewable energy sources to reduce the emissions within the City.

Improve Service Efficiency by providing informed route planning based on needs. This would reduce the frequent overcrowding and wait times; however, this must be constantly reviewed and addressed as the ridership needs can change through the seasons.

Seek community feedback and engagement to assess the end user's satisfaction with the services provided and know what can be improved; as such, this will create a continuous feedback loop and keep the conversation going between the service provider and end user.

Update the current infrastructure, such as the existing bus stops, shelters and other related areas, which could create better accessibility and comfort; this should not just focus on the busses, trolleys, and other means but all CTP.

Create means by which payments and renewals of passes and tickets could be seamless and not require stepping through bureaucratic red tape.

Proposed operational solutions and policies:

Looking back at the data presented near the paper's beginning, the critical element of one of the conclusions was that 512 out of 544 people questioned agree that traffic is congested in the city = 94% of respondents. We have a crowded city due to the high density of revolving public services and companies within the downtown core of the old town. I propose managing them somewhat and creating a transit-oriented society that does not revolve around policing or ticketing but understanding how the community should function. This is a romantic statement. Nevertheless, there could be some lessons we could apply to encourage people to take public transit instead of cars.

The first would be a reform to the ticketing system. We cannot keep using single or two-way tickets as our central ticketing system. I propose removing the two-route system and implementing all-access passes and zone travel areas for the same price. This means that with this single ticket purchased, I could travel for a limited time within this zone/area; if I want to enter another zone, I will need to upgrade my ticket. However, this gives more mobility, especially to people who stay in the downtown area and need 2-3 buses. This will influence people to rely more on public transportation than cars.

The second proposed solution would be to enable boarding process management; this would have people only board from the front of the bus. This creates a line for who was first at the stop and creates order instead of everyone pushing on. People know they are not allowed to enter from any door but the front, making it easy for controllers to see who is trying not to pay. The tap card system would be at the front of every bus, and the bus driver could see when people were not tapping. The bus driver would then have a red button to alert controllers if people have gotten on his bus without tapping or paying using a credit card as a tap. This takes away from the need to have so many people patrolling buses and checking tickets and drastically reduce the cost of service of the CTP.

The third proposal would be to implement High Occupancy Vehicle (HOV) lanes in Cluj-Napoca, which aims to enhance the efficiency of the city's transportation system and address the challenges posed by limited infrastructure and increasing vehicle congestion. HOV lanes are designated traffic lanes intended for vehicles with multiple occupants. These lanes are typically seen in urban areas with heavy traffic and are designed to encourage carpooling. As such, it would help reduce the number of cars on the road. In

Cluj-Napoca, introducing HOV lanes could strategically respond to the city's infrastructure constraints and growing traffic congestion, as this would not add road space but create an advantage for those who do carpool. The program would need to be thought out, however, to create a snapshot of what it might look like: The HOV lanes would only be available during peak traffic hours (7 am to 9 am and 4 pm to 6 pm); during these times when two lanes or more are open, one will become a dedicated lane to those who have two or more occupants in the car, and those who drive electric vehicles. This would then promote carpooling and the use of Electric Vehicles. As such, it would remove cars from the existing roadways to alleviate congestion and encourage using electric vehicles.

A fourth proposal is implementing red light cameras to reduce traffic congestion and promote safe driving practices. In peak hours, it is known that people run red lights to make sure they do not have to wait for the next green; this creates blockages as it could prevent the flow of traffic when one is bumper to bumper. The red light camera would be an automated solution to this problem as it will create an understanding of what is wrong and alleviate the requirement to have an officer direct traffic, which happens often at busy intersections. Red light cameras offer an automated solution to this problem as these devices are designed to capture images of vehicles that violate traffic signals at intersections, which then could change the culture of running red lights, promote compliance, create better traffic flow, enhance road safety, resource efficiency (no need for officers) and could be a revenue source.

A Fifth proposal would be free access to all children, youth and teenagers (Everyone under 18) and those who have reached the legal age to retire with a Romanian ID (63 for women; 65 for men). This is to build on what has been done in the past years for the bus system; currently, if you are a pupil, you get a free; if you are a retired pensioner, you receive one line for free. The administration of this program is costly because creating a free age range would allow no ticketing to be required; show your ID when entering the bus or to the driver or controller when asked. Implementing this strategy will create an early ridership culture and give mobility to the more vulnerable population.

Lastly, a proposal would look to create and establish a partnership between the CTP and the private sector in Cluj to create more incentives and access to public transportation among the working sector. I was inspired to suggest this from the existing 7-card program offered to employees who work for companies that opt into the program, discounted or free access to multiple fitness facilities within the City. The cost is shared between employees and employers; however, it offers a reduced rate to various fitness facilities and fosters a culture where one can access these services at a reduced rate; similar to this program, the creation of a pass for the private sector where employers participate and partially pay or fully pay for the employee pass as such making public transit even more attractive, this initiative would reduce traffic but more importantly promote the public transit ridership culture in the private sector.

Proposed strategic elements in publicly provided transportation

The notion of a 'developed' country is often tied to economics, such as GDP, but the reality is that a country's GDP doesn't necessarily affect the local government. The mayors of Bogota Columbia, Enrique Penalosa and Gustavo Petro, assert that a developed country is not a place where people with low incomes have cars. It's where the rich use public transportation. It suggests a paradigm where public transit efficiency and convenience

make it the preferred choice for all, regardless of economic status. This is the definition of a developed country, which is problematic as it shifts from materialistic values and creates equality, sustainability and community welfare. The ideal community is where all essential services, such as healthcare, education, and transportation, are attainable. Plato and Aristotle both advocate for the social well-being over the individual gain. As divulged in the report, many social factors affect transportation choices. It would be near impossible to please all; nonetheless, the goal is to grasp the collective needs.

Cluj-Napoca is an excellent example of the complexities of post-socialist infrastructure and political bureaucracy, yet we still see efforts to enhance the transportation system through these challenges. There are many different options available. However, the path forward should focus on collaboration, cooperation and participatory decision-making involving all stakeholders. When trying to achieve a new level of understanding and cultural shift. People might not always be on board with new policies, but it is good to hear all parties and have participatory action on the objectives that want to be followed. That being said, there also needs to be measurable outcomes so that we can see positive growth and not stagnation. The strategic approach of the company should be visible from three main perspectives: environmental perspectives, decision-making analyses and perspectives that are centred on leadership analyses (Hintea, Hamlin, & Hudrea, 2012); each point of view could skew or reinforce the CTP in the formulation of the direction of the future, to be able to satisfy the needs of the community.

In conclusion, the transformation of mobility in Cluj-Napoca, and by extension in any evolving urban landscape, is more than just implementing new technologies or policies; it falls on the idea of change, changing attitudes, changing values, and fostering a culture where public transportation is the best choice, the most advantageous choice. This journey, while challenging, is essential for realizing the true potential of a 'developed' society in the modern era.

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