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Public Policy Fundamentals

Edited by Pandelani Harry Munzhedzi



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IntechOpen Book Series

Social Sciences

Volume 11

Aims and Scope of the Series

The social sciences, as a form of scientific knowledge anchored on epistemological foundations, theories, and specific methodologies, both in their fundamental and applied dimensions, are paramount for understanding and, consequently, developing instruments that contribute to improving social and environmental living conditions. This Social Sciences book series, based on the concept of the social sciences as key elements in the promotion of scientific knowledge and its inherent consequences, has as its primary goal to be a space for the dissemination of relevant information on various objects of study, aimed at specialists, students, policymakers, and others interested in the challenges facing humanity. Thus, the aim is to promote scientific progress through the sound and rigorous dissemination of studies that, from the perspective of the social sciences, either through a specialised disciplinary approach or through interdisciplinary perspectives, foster a deeper understanding of the objects under analysis, clarifying the issues addressed and their implications.

Meet the Series Editor



Dr. Sandro Serpa is an Associate Professor in the Department of Sociology at the University of the Azores (UAc), Portugal. His career in social sciences and education began at UAc in 2000. He earned his Ph.D. in Education, specializing in Sociology of Education, from UAc in 2013. He is also an integrated researcher at the Interdisciplinary Centre of Social Sciences of the Azores Centre (CICS. NOVA. UAçores). Dr. Serpa has demonstrated a strong commitment to higher education throughout his career. He has served in various positions at UAc, including Head of the Department of Sociology, Director of the Bachelor's in Social Work, Coordinator of the Scientific-Pedagogical Supervision Team for Social Work Internships, Member of the Pedagogical Council of the Faculty of Social and Human Sciences, and Member of the Quality Commission. Additionally, he held the position of Deputy Director of CICS. UAc. Currently, he serves as Senior Editor (Sociology Section) for Social Sciences & Humanities Open (Elsevier), among several other journals. He previously held the position of Senior Editor - Sociology Section for Cogent Social Sciences (Taylor & Francis) from 2020 to 2022. Dr. Serpa maintains a distinguished research profile, evidenced by over 400 publications in international journals, books, and other scientific outlets across a wide range of countries: Brazil, Canada, China, United Arab Emirates, Germany, India, Kazakhstan, the Netherlands, Pakistan, Poland, Portugal, Romania, Spain, Switzerland, Turkey, United Kingdom, United States of America. His research interests encompass Teaching Sociology, Sociology of Education, Sociology of Organisations, Organisational Culture, Scientific Communication, Digital Society, Digital Literacy, Society 5.0 and Sociology of Artificial Intelligence. Dr. Serpa emphasizes the importance of integrating academic knowledge with service to the university and society at large.

Meet the Volume Editor



Professor Pandelani Harry Munzhedzi is an Associate Professor of Public Administration and the Head of the Department of Public and Development Administration at the University of Venda in South Africa. He has published extensively on matters of public policy, public accountability, local government, and public finance. His citation on Google Scholar is no less than 875. He is a C2-rated scientist by the National Research Foundation in South Africa.

Before joining academia, he worked for two government departments for at least 10 years. He has an extensive record of supervising master's and doctoral students. He has also edited and co-edited numerous journal special issues and a book. His attendance at local and international conferences, as well as his presentations, is impressive.

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Preface

A government often introduces public policies with jurisdiction over a particular society to address the challenges it faces. These challenges may range from a lack of public services to inadequate allocation and inefficient utilization of resources.

In response to such challenges, public policies are introduced. Introducing public policies is a process in its own right, depending on the type of policy required. Other public policies are only internal to a particular public institution. However, others are applicable on a broader scale, such as the constitution of a particular state.

It is equally important to note that some public policies are introduced but never yield the desired results. There are many reasons why some policies do not yield positive results. Some are discussed in the book's ensuing chapters. Even if the public policy is good and credible, limited financial resources to implement it may undermine its effective implementation. At times, it is not a lack of financial resources to implement approved policies, but rather a lack of requisite skills and capacity to manage the financial resources they have available. There are numerous instances where financial resources are mismanaged by those entrusted with their management. It may even be poor and a misallocation of approximation for expenditure. This means it is critical to appoint qualified and competent officials to manage financial resources effectively. However, the main issue is the scarcity of this resource, particularly in developing economies. In most instances, state institutions lack the requisite technical resources to the extent that even if the financial and material resources are available, there is no technical knowledge to implement approved policies by relevant institutions. Such capacities include a lack of engineers, statisticians, and actuarial scientists. So, it is the responsibility of state institutions to ensure that the requisite capacities, including financial, material, and natural resources, are available to implement state policies. Most state departments and institutions lack the vision and strategic objectives to plan for and acquire the resources needed to implement their respective policies. It is for these reasons that most state departments and institutions struggle to implement policies, which often results in a lack of public services, including roads, water, rail, and ICT infrastructure. This is most prevalent in 3rd world economies (primarily in Africa, Asia, and South America), and it is a problem of brain drain, as most of their skilled professionals leave to seek opportunities in first-world economies (primarily in Europe and North America). This is due to the luxury opportunities offered by first-world economies, including the option to be paid in U.S. dollars, pounds, and Euros. However, it must be noted that China and other Asian states are providing an alternative to the West in building powerful economies. China has become the second-largest economy in the world, after the United States of America. China has also become the world's second-largest economy by nominal GDP in current dollars. Its economy has seen historic growth in the past two decades. Therefore, the Asian alternative is gaining considerable strength. Some of the powerful economies in Asia include Japan, India, and South Korea.

The role corruption plays in negatively affecting the implementation of policies cannot be left unsaid. Resources allocated to benefit the public are syphoned to benefit the few. This is tied to the issue of lack of accountability and consequence management. Those who 'steal' from the poor and are not made to account for such unethical behavior end up doing it endlessly. It is the responsibility of relevant state institutions to develop punitive policy frameworks that unequivocally hold accountable those who unduly benefit from state resources. Sanctions could include fines, repayment of the money, and jailing him. However, it is contrary in terms of application. Most state institutions are failing to adequately address these societal anomalies that deprive the poor of their rightful benefits. Commissions of inquiry are usually appointed to investigate corruption. Their findings, however, are left in cupboards to gather dust for many reasons, including the unethical behavior of those charged with enforcing the law. Consequence management may go a long way toward addressing this societal rot called corruption.

The chapters of the book are as follows:

John Otachi Kakonge and Shem Alfred Ouma, in their chapter titled 'Challenges of Public Policy Process: Case Studies from Kenya', sought to examine the challenges of public policy process from formulation, implementation, evaluation, and administration. The chapter adopted an African perspective in evaluating two case studies from Kenya.

A chapter titled 'Challenges Encountered in Designing and Implementing E-Government Services: A Case Study of the Hard-to-Reach Groups in Macao SAR, China', by Kit Yeng Iong and Jenny O.L. Phillips seeks to evaluate the adoption of e-government services by young and senior citizens in China. This is necessitated by the rapid use and adoption of artificial intelligence services in government operations.

A chapter authored by Guswin de Wee and Kutu Ramolobe titled 'Policy Integration and Governance: Challenges and Opportunities' sought to deliberate and identify the various challenges and gaps in the area of policy integration. This is because policy integration comes with its challenges. A synthesis of the challenges and knowledge gaps in policy integration is important due to its implications for governance, including policy and administrative fragmentation that can be counterproductive.

Oded Steklov and Anat Gofen in their chapter titled 'Covid-19, Local Authorities in Israel, and Women Leaders', examine the outcomes in the fight against Covid-19 in local authorities in Israel that are led by women, in two time periods, through four OLS regression models. The chapter posits that Covid-19 required a different kind of leadership, one characterized by "feminine" traits. The chapter further argued that women leaders across national and subnational governments demonstrated greater success in mitigating negative pandemic outcomes.

A chapter titled 'The Perceptions' Puzzle: Understanding the Key Drivers behind Politicians' Perceptions of Participatory Practices' authored by Nina De Smedt purposed to unveil the puzzle of local councilors' perceptions about citizen participation practices. The chapter aims to address the limited understanding of why councilors, key stakeholders in the local sphere of government, assess particular participatory practices in certain ways. To achieve this, it conducts in-depth interviews with local councilors in selected areas.

Numerous problems have prevented several municipalities in South Africa from using Local Economic Development to address challenges in their Integrated Development Plans. ‘The Synergy between Integrated Development Plan and Local Economic Development in Creating Employment in South African Municipalities’ is a chapter authored by Mutuwafhethu John Mafunisa and Mahlodi Joyce Sethu, which seeks to examine the collaboration between LED and IDP in generating job opportunities. This is because South African municipalities face inherent challenges in using local economic development to implement their integrated development plans.

Miriam Salvador and Daniel del Valle Inclán wrote a chapter titled ‘Transparency in Public Management: A Key Element in the Fight against Corruption’ which explores the fundamental role of transparency in the context of public administration, as a means of combating corruption. The chapter presents an argument that transparent government operations enhance accountability, ultimately reducing opportunities for corruption, and foster public trust. The chapter also proposes a range of strategies for implementing transparency, including open data initiatives, public access to information, and regular audits.

A chapter titled ‘Political Landscape of Sri Lanka’s 2022 Economic Crisis’ by Jayathry Gunaratne investigates the root causes of Sri Lanka’s first-ever economic crisis through a political lens. The chapter further examines the role of three political regimes since 2005 (to 2022) for this purpose.

These chapters, written by authors across the globe, explore different facets of public policy-making, from processes, manifestations, failures, and outcomes, to say the least. This is because policy may be good, but fails due to its implementation or implementers.

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Chapter 1

Challenges of Public Policy Process: Case Studies from Kenya

John Otachi Kakonge and Shem Alfred Ouma

Abstract

This chapter discusses the policy process from policy formulation to administration in the African context. It particularly examines the challenges of public policy formulation, implementation, evaluation and administration from an African perspective using two case studies from Kenya, namely, the Social Health Authority (formerly National Health Insurance Fund) and the Variable Scholarship and Loan Funding initiative that preceded the Higher Education Loans Boards. Based on interviews with 27 key informants, the chapter interrogates why governments continue to battle with recurrent challenges in the process, including bad governance, poor implementation of public policies and the consequences thereof. Several key challenges emerge, including lack of a documented justification for the policy, public administration interference, lack of capacity, inadequate stakeholder consultation, limited financial resources, lack of or limited public participation, poor leadership, bad governance and a paucity of relevant data, among others. The chapter recommends that capacity across all phases of public policy be enhanced, effective public participation and stakeholder consultations be undertaken, policy administration be rationalized, especially when changes in public administration occur following the election of a new regime, monitoring and evaluation be continuous, bad governance be punished and adequate funding for policies needs to be sourced or else, piloting the new approach should be considered before scaling up.

Keywords: public policy, administration, social health insurance, variable scholarships and loan funding, policy development

1. Introduction

Societies, however rudimentary, are governed by a system of laws, regulations and resource allocations to adequately achieve their goals. Individuals and groups often attempt to shape these through consultations, advocacy, coercion and mobilization of society to serve their and societal interests. At the country level, this is called public policy and is defined as a system of laws, regulatory measures, causes of action and funding priorities that are designed to deliver a service or assistance. According to Lowi [1], there are broadly four main types of public policies, namely: constituent, regulatory, redistributive and distributive. Constituent policies establish fundamental rules and principles of governance related to the structure of government and rights of citizens, for example, the constitution, laws defining powers of different agencies

of government, that work to enforce statutory laws created by parliament. Regulatory policies manage behavior of individuals and entities to protect the public interest or achieve certain goals, for example, consumer protection, environmental protection. The goal of regulatory policies is to provide a safe atmosphere for all without resulting in excessive loss of rights or freedoms. Redistributive policies seek to reallocate wealth, property, political or civil rights or some other valuable items to the advantage of class-based groups. For example, they target reducing income inequality and transferring resources from one group to another, for example, progressive taxation, welfare programs. Lastly, distributive policies allocate resources or benefits to specific groups or individuals, for example, public education funding, subsidies to patients and farmers. They allow government to provide beneficial goods and services to a group at the expense of all taxpayers and are designed to improve the equitable distribution of goods and services by providing benefits to a large portion of the population rather than by taking from one group and giving to another.

Policy formulation is a critically necessary step to address an issue or identified challenge to confer benefits to groups of individuals or society. However, alone, it remains theoretical until put into action and implemented. Policy implementation is the next step after policy formulation. It is the phase where a policy, be it a law, regulation or plan, is put into action. It is a process involving numerous stakeholders and initiatives undertaken to attain the policy goals, which demand resources and their skillful allocation and careful planning with continuous monitoring and evaluation. There are four key aspects to implementation. The first is stakeholder involvement or participation, where several actors are involved including policymakers, organizations, bureaucrats, individuals and society or the public, with all working to achieve the policy's goals. A process of stakeholder consultations must, therefore, be in place to reach a consensus on how to implement the policy. The second aspect is action and execution, where all the required actions and initiatives to implement the policy, for example, resource allocation, training manpower and developing procedures, are appropriately identified and executed. The third aspect, monitoring and evaluation, is critical in terms of measuring the progress being made with policy implementation and evaluating the effectiveness and efficiency with which this is being done. Monitoring and evaluation must be undertaken continuously because the policy implementation environment, both internally and externally, changes continuously and areas of improvement need to be identified to reorient implementation and ensure achievement of the policy's objectives. This leads to the last aspect, namely context-specificity. Context-specificity recognizes that policy implementation is not a one-size-fits-all process. It is influenced by socio-economic, political, institutional and attitudinal factors, implying that the process of implementation must be tailored to the specific context. For example, variants of policy implementation must be affected for specific contexts, like undertaking means testing in the provision of welfare programs, be it for school fees or medical expenses.

The first two processes of policy formulation and implementation do not happen in a vacuum. They are governed by public administration, which entails the management and implementation of government policies and programs. Public administration involves planning, organizing, directing, coordinating and controlling government operations to ensure the effective execution of policies and programs to benefit society. It is as old as civilization, with bureaucracy as the key institution of governance and administration since the early times. Civilization and public administration have lived, progressed and developed together, one reinforcing the other [2]. Modern bureaucracy has become more complex than in the past and is becoming

increasingly so by the day [3]. It has diversified in terms of citizen responsibilities and is faced with coping with the increasing demands of the people. While having acquired more eligibility, it must also restrain its operations and adhere to standards of equity, justice, social fairness and especially accountability.

In many countries, bureaucracy or public administration is one of the most powerful institutions in modern democracies, wielding considerable strength and influence in policymaking, policy implementation, monitoring and evaluation. Therefore, it is subject to growing pressures from political players, social actors and managerial professionals. Today, in modern societies, politics, which shapes public administration, plays a critical role in government, causing public administration to change with political phases when one administration with different priorities takes over from another. As Rosenbloom [4] suggests, “public administrators’ involvement in the public policy cycle makes politics far more salient in the public sector than in private enterprise. The political approach to public administration stresses the values of representativeness, political responsiveness, and accountability to the citizenry through elected officials, mainly because the citizenry meet the costs of governance.” These values are considered necessary requirements of democracy and thus must be incorporated into all aspects of government and administration [3].

This chapter examines the challenges of public policy formulation, implementation and evaluation and general administration using two recent distributive policies in Kenya, namely, the Social Health Authority (SHA), formerly the National Health Insurance Fund (NHIF) and the Variable Scholarship and Loan Funding initiative (VSLF) which succeeded the Higher Education Loans Boards (HELB), as its case studies.

2. Problem analysis

The pace of a country’s development is hinged upon appropriate policy formulation, implementation, monitoring, evaluation and administration. When the process is applied correctly across the continuum of public policy and administration, national problems can be redressed and solutions found toward realizing the national objectives, enabling movement from one level of development to the next. It is noteworthy, however, that many countries have remained less developed. This is especially so in Africa, implying that policy formulation, implementation and administration are inappropriate; inefficiencies at each stage may exist; policies are not evidenced-based; changes to policies to align with internal and external changes are not being implemented or interference by public administrators is happening, among other challenges.

Kenya, like many other African countries, has seen a myriad of public policies formulated, implemented and administered in pursuit of noble goals in many spheres, including education, health, infrastructure, public order and trade. These policies should have encouraged national development, and in some cases, they have indeed been successful, enabling Kenya to move to a higher classification of a lower-middle-income country with a growing economy. However, the country still faces significant development challenges implying that some of the policies have not worked. With regard to the SHA, a recent survey of 961 adult Kenyans indicated that while 95% of them were aware of the new policy, only 38% had some understanding of it and 34% of the survey participants distrusted the policy [5]. The VSLF initiative continues to face numerous stumbling blocks including ongoing legal challenges, concerns about

its implementation and perceived inequities in its design. Unless these challenges are addressed and corrected, they may persist to the detriment of Kenya's development.

3. Case study summaries

3.1 Variable Scholarship and Loan Funding

Higher education funding comprises government finance for student loans, bursaries and scholarships and grants aimed at providing access for students and supporting institutions to ensure quality tertiary education. After independence in 1963, the government prioritized education to assist students who could not afford tuition fees, accommodation and other related expenses. The HELB was formed in 1995 and between 1994 and 2023, the Kenyan government used a blanket model to finance higher education. In 2023, the government rolled out a new higher education financing model that restructured how scholarships, loans and grants are awarded to students. This model categorizes students based on their financial needs and allocates funding for scholarships, grants and loans using a means-testing tool, termed the VSLF model.

Since its rollout in 2023, the new model has faced a host of challenges stemming from its formulation, implementation, administration, monitoring and evaluation. Leading the challenges is government's constrained budget that is not able to meet the growing demand, leaving many students excluded from the fund. A recent study [6] concluded that the means testing instrument (MTI) employed by the VSLF is inequitable, especially for students from households in the bottom income quintile. Inexplicably, more scholarships are given to students in the third and fourth quintiles rather than to those who most need financial assistance. The MTI is deemed opaque and marred by system challenges that occasion delays in processing applications. Stakeholder apathy originating from the limited involvement of universities in the model design and the failure by the government to consider the unique financial and operational realities of different institutions is a further challenge. Additionally, the model has failed due to its failure to address non-tuition costs that significantly affect students' ability to continue learning. Delays in the disbursement of the funds, especially the upkeep component, have left students affected as they depend on the funds for food, rent and other living expenses. Enveloping all this is the high level of poverty in the country, which implies that even though the funding is based on financial needs, the means-testing methodology places nearly all students as being very needy, and thus, there is a huge demand for scarce financial resources and a gigantic challenge to realize the policy goal.

3.2 Social Health Authority

The SHA is a government authority that was established by the Social Health Insurance Act of 2023 to replace the defunct NHIF. The authority is responsible for overseeing social health insurance and coordinating the financing and provision of affordable, accessible and quality healthcare for all Kenyans. The authority was established to provide more inclusive health coverage and to address the inefficiencies of the defunct NHIF. However, since the launch of the new health insurance scheme, it has been riddled with several challenges across the phases of policy formulation, implementation, administration, monitoring and evaluation, thus calling for a

re-engineering of all the processes from policy formulation to evaluation for a meaningful realization of the policy goals.

Some of the challenges faced by SHA include inadequate evaluation of the previous NHIF's funding model challenges. Challenges particular to the SHA system are difficulties in patient verification and registration. The requirement of one-time password verification, coupled with a lack of access to mobile phones for some patients, has exacerbated the verification problem. Staff demoralization is another challenge. Former staff of the defunct NHIF have been forced to reapply for jobs at SHA with a significant cut in their remuneration. The low pay has demotivated the staff, leading to poor service delivery. Putting further strain on limited financial resources, the SHA inherited a KSh30.9 billion debt from the NHIF. A further challenge is that county-run facilities remain ill-equipped and unable to provide primary healthcare. Health, being a devolved function, is incumbent upon county governors to ring-fence money for primary healthcare as entailed in the Facility Improvement Fund (FIF) under SHA. However, inadequate coordination and poor stakeholder consultations between national and county government frameworks have ensured a rough ride for the new policy through the policy phases. Additionally, the poor state of level 2–4 facilities, where patients must purchase drugs out-of-pocket outside the hospitals, coupled with a lack of basic services, has led to apathy among registered members to pay for their social health insurance. Whereas 19.4 million Kenyans are enrolled in the SHA, a paltry 3.3 million actively contribute, leaving a huge funding gap. The whole process of this policy realization, therefore, requires a re-engineering to address all the teething challenges at all the stages of policy formulation, implementation, administration, monitoring and evaluation.

4. Research methodology

To understand and unravel these challenges, semi-structured interviews with 27 key informants comprising government officials, private sector players, academics and community leaders were interviewed to understand their concerns based on their experiences with either of the two case studies. Through a set of semi-structured interview prompts, specific challenges that they had encountered during the policy development to implementation phases were identified. Additionally, their recommendations for potential solutions across the spectrum of the public policy process were collected.

Secondary supporting research was identified from the literature and is integrated into the discussion below.

5. Discussion of results

A range of challenges were identified by the study's 27 participants and are captured in **Table 1**.

The findings unearthed several challenges with policy formulation, implementation, administration, monitoring and evaluation that were common to both case studies. Numerous themes emerged: Lack of human, financial, infrastructure and IT capacity were common concerns. Insufficient public participation, leading to distrust and stakeholder resistance, exacerbated by government corruption, was also identified as a serious issue by many of the participants. These and other issues are discussed below.

Issue	SHA	VSLF
Lack of infrastructural capacity to implement public policy and its administration	Lack of clear structures for transition (10); insufficient infrastructure to support expanded scope; inadequate IT infrastructure and tech setbacks/glitches; inadequate robust digital infrastructure; inconsistencies in system functioning (10)	Lack of clear implementation guidelines (3); rushed transition (6)
Lack of adequate financial resources	Limited funding (8); funding constraints; low/inadequate budgetary allocation; punitive financing; reliance on NHIF contributions that are inadequate (8)	Expensive program with limited funding; inconsistent funding (5); budgetary constraints (5)
Lack of public participation and communication	Inadequate sensitization; poor communication; people were not informed at the decision-making phase (8); unclear contribution mechanism; poor awareness; public participation was not well-conducted (8); [de]merits of SHA and SHIF were not clear to the public	Lacked/no [adequate] public participation/consultation/involvement; poor communication; limited nationwide engagements; inadequate stakeholder engagement (11); poor marketing skills
Poor leadership and governance	No proper planning (9); staff confusion (6); delayed infrastructural rollout; logistical gaps; complex and time-consuming restructuring; delays in processing claims; weak coordination; administrative inefficiencies (9); bureaucratic bottlenecks	Delays in assessing students' backgrounds; delays in disbursements; administrative bottlenecks; poor allocation of resources; inappropriate banding; bureaucratic delays; unprepared transition (8); no legal framework
Corruption	Embezzlement of funds (2); previous mismanagement of healthcare systems; compromised healthcare delivery; alleged corruption; fear of personal data being leaked or misused (5)	Allocation not transparent (4); eligibility criteria not clear
Other issues	Policy not well-informed; wrong and very problematic policy (5); policy-design challenges; regulatory hurdles; public distrust (6); resistance from stakeholders/public/healthcare providers (14)	No other way; no data to inform the transition; unpopular regime/bad timing (4); complex eligibility criteria; concerns about fairness (4); means-testing is unfair to poor students-discriminatory

Note: Where more than one participant identified a specific challenge, the number of similar responses is recorded in brackets.

Table 1.
Identified challenges.

5.1 Lack of capacity

One of the sticking points is serious capacity constraint. According to Brynrd et al. [7], capacity means access to tangible and intangible resources, namely human, financial, technological, logistical and leadership. All respondents indicated that the government lacks a clear capacity to facilitate the transition from the NHIF to SHA. In addition to limited human capacity, 10 respondents stated that the health infrastructure required to support the expanded scope was inadequate. Specifically, IT facilities at various healthcare centers were insufficient and not functioning, and

eight respondents noted that other healthcare facilities within the system were either non-functioning or inconsistent. Stakeholder lack of capacity regarding readiness to use new technology infrastructure to yield maximum benefit of the policy goals, combined with inadequate infrastructure, are clear problems that have resulted in frequent system lockdowns and substantially limited provision of health care through the SHA.

Related to this, inadequate consultations and participation of key stakeholders and beneficiaries to clearly inform the design of the new policy and lack of understanding of the shortcomings of the defunct NHIF have caused stakeholders to question why improvements to the previous model were not made rather than implementing a whole new system for which there is insufficient capacity.

With regard to the VSLF, respondents indicated a lack of clear implementation guidelines and that the new funding policy model was rushed by the government. This points to inadequate evaluation of HELB to understand its challenges, inadequate public participation by key stakeholders and beneficiaries, and challenges with changing public administrators from the previous government to the current one, who obviously hold different priorities. Across the globe, in almost all countries, policies transcend from one administration to the next, and major shifts in policy require careful consideration before a complete shift can be made.

As a consequence of the aforementioned challenges, the public went to court to challenge the new VSLF model. This, in turn, resulted in the High Court ruling that the VSLF model was unconstitutional and that the old model should continue to be implemented. Kenya today has a more robust constitution that requires that all policy proposals undergo thorough public participation and stakeholder consultations. In this case, however, the government appealed the ruling by the High Court, resulting in the Appeal Court issuing a directive that contradicted the High Court's decision. The directive gave the government 14 days to organize public participation and to determine why the major beneficiaries, the students, were against the new funding model. The dilemma as to why there was a discrepancy in ruling regarding the constitutionality of the VSLF at the two layers of court needs to be unpacked.

5.2 Lack of adequate financial resources

A second constraint confirmed by a number of scholars [8, 9] is that implementation of public policies is not possible without adequate funding. Eight respondents noted that the former NHIF was not able to provide sufficiently intended services because of its limited financial contributions. However, this alone is questionable because there was no evaluation done to indicate the shortfall of NHIF funding before the government moved to SHA. Further, it was noted by eight respondents that due to limited funding, NHIF covered only the inpatient services. The new SHA model, in this case, was an improvement, expanding coverage to preventive and primary healthcare for all Kenyans. This is an admirable policy goal but very ambitious. Had additional funding sources been identified to provide services previously unavailable under NHIF?

Another related new policy implementation issue was that as a parastatal, the government independently sets remuneration for its staff under the NHIF. However, SHA remuneration is set by the Salaries and Remuneration Commission, and the former staff of NHIF, who were supposed to be absorbed into the SHA, found themselves demoralized because of salary cuts. Unfortunately, the SHA cannot afford to compensate those staff because of its financial constraints. Besides, the NHIF had

a different salary scale, which was higher than the ones used for regular government staff. The former staff of NHIF have taken their case to court and are awaiting the decision, and again, this indicates a lack of stakeholder consultations as required by the Constitution.

In the case of the VSLF, five respondents noted that the proposed program is expensive given the limited government funding, implying the resource requirement was not determined a priori and provided for. Furthermore, the payment bands of the new VSLF funding model were found to be confusing, and the needs-evaluation testing was unreliable. For example, there was a case of two students from the same family being evaluated and assigned to two different needs bands. The public clearly understands that given the overall financial situation of the country and the growing number of students, government resources alone are insufficient and advises that the government should seek alternative innovative ways to finance higher education. Perhaps, they could expand financial partnerships to include private sector foundations, NGOs and wealthy individuals to cover funding of higher education. However, in public discourse, it is common to hear complaints against fragmented funding provision, so the Ministry of Education would need to carefully oversee such a scenario.

5.3 Inadequate public participation

The majority (16) of respondents agreed that the challenges of both the SHA and VSLF were largely due to inadequate public participation. Lack of public participation has been cited by other studies [10]. In both the VSLF and SHA, the public were not involved during many of the phases, from public policy formulation to evaluation. Additionally, many respondents noted that poor communication has resulted in people questioning why money is being deducted from their payroll for the SHA, and yet the system is not working. In other words, contributions are being made, but service provision is poor.

Likewise, 11 respondents mentioned that the VSLF model was challenging because the criteria for determining the student bands were opaque and not clearly communicated and based only on income and academic performance, ignoring many other attributes that could have been considered. As a result, vulnerable and bright students, particularly those who had attended poorly resourced high schools in lower-income areas, were excluded from funding or included in bands they would not otherwise belong.

For both policy initiatives, there have been several cases filed in court to challenge them. The initial court rulings agreed with the public that there was no public participation. However, when cases have been taken to the Appellate Court, rulings have been partially in favor of the government but have indicated that the policies need to be revisited with the view of improving and strengthening their proposals. All respondents concluded that the two policy initiatives have had formulation, implementation, administration, monitoring and evaluation challenges largely because of inadequate public participation, poor communication and weak marketing skills adopted by government.

5.4 Corruption

According to Seopesta [8], corruption is commonly defined as the abuse of public power for private gain. Two respondents felt that the lack of proper consultation in

both programs indicated a form of government impunity and, by extension, corruption. Five respondents were skeptical of government intentions with regard to the SHA. This is because the Ministry of Health, which is responsible for the implementation of the SHA, has been involved in several high-profile scandals, namely, KEMSA and the COVID-19 “millionaires.” A recent study [11] also confirmed that the Ministry of Health is ranked highly in corruption and unethical practices. This is also confirmed by the Auditor General’s report on the government’s ministries, departments and agencies for the years 2023–2024 that the SHA’s computerized system breached procurement law, violating Article 227 of the Kenya Constitution, which requires fairness, transparency and cost-effectiveness in the procurement process.

Regardless, according to seven respondents, the public felt that there was something sinister about the way SHA was rolled out. All the respondents felt that the government had not given good explanations of why the NHIF was discarded and SHA introduced. Although the NHIF was branded by the government as corrupt, the public felt it had served effectively for over 60 years. These findings support the notion that the government should have carried out an evaluation of NHIF before introducing SHA.

With regard to the move from HELB to VSLF education funding models, none of the respondents mentioned any cases of corruption. However, four respondents noted that delays and confusion within the VSLF may have been intentional. They also argued that delays in timely payments to students could be tricks by some officials to introduce bad governance. Simply put, by delaying payments, officials could request bribes to process payment requests faster. Transparency is called for to ensure the two policies gain the support and confidence of the public to attain their ultimate goals.

5.5 Other issues

A variety of other issues that are relevant to public policy formulation, implementation, administration and monitoring and evaluation were identified by respondents. Most respondents stated that from the onset, the SHA policy was wrong and problematic. They highlighted several challenges, namely weak policy design, regulatory bottlenecks, lack of accessibility and transparency, rushed processes and mistrust. For instance, three people indicated that the trust deficit of the government was a major challenge in implementing the two policies. People were not convinced and did not believe the change in the policy designs. To many, the two former models worked and just needed revamping to deal with challenges they phased rather than dissolution. Six respondents went further and stipulated that government authorities had ulterior motives for transitioning the NHIF to SHA within a very short time. In fact, Owoko [12] observed that the transition has been “confusing, with little understanding of how the new system works, its benefits or how to enroll,” and that “SHA’s journey has been bumpy, marked from the start by operational inefficiencies, legal roadblocks, and communication failures.”

Rollout issues of the VSLF from HELB have been no different from those of the SHA. Eight respondents stated that there was no credible data to inform the transition from the HELB to VSLF. They underlined several other challenges including a lack of clear criteria for students to access funding, lack of fairness, especially regarding the means testing for students from impoverished backgrounds, and that the process was perceived as being discriminatory.

6. Recommendations

The findings and discussions above raised several challenges that need resolution. Study participants were asked to suggest recommendations for the challenges they identified. Additionally, solutions based on the authors' experiences in public policy administration in Kenya are included. **Table 2** provides a summary of recommendations to deal with the challenges raised.

Numerous stakeholders suggested the urgent need for digital capacity development at all levels of policy administration. Unsurprisingly, stakeholder engagement with concomitant transparency of decision making was another key recommendation, as was the allocation of adequate funding. Common to many African countries, dealing with corruption and poor leadership and governance was deemed essential. Finally, the need for ongoing monitoring and evaluation of policies, with the suggestion to pilot them first to iron-out emerging problems was recommended. These are interrogated further below.

6.1 Improve capacity

The capacity for public policy formulation, implementation, administration, monitoring and elevation needs an upgrade. This is more urgent for the implementation phase, where integrity, effectiveness and efficiencies need to be built in using enhanced technology, particularly digital technology. For example, expanding health

Recommendation	SHA	VSLF
Improve capacity	Expand digital healthcare infrastructure and build digital systems (9); expand broadband and equip health facilities with Internet and a website (9); collaborate with public and private healthcare providers (2); create backup systems; upgrade the information management system and IT systems (8)	Strengthen data systems (3); accurately assess students' financial needs; invest in efficient digital processes (3)
Allocate funding	Increase healthcare funding; allocate dedicated healthcare IT budgets	Timely fund allocation: use the previous system but raise funding (2)
Improve transparency through better communication and public participation in decision-making processes	Proper public awareness campaigns (3); clarify SHA's operationalization; educate citizens; broader/stronger stakeholder consultations/engagement (3); open disclosure and debate of presidential taskforce report (4); enhance public communication (3)	Improve communication about eligibility criteria (6)
Address leadership and governance issues	Implement policies (3); strengthen regulatory measures; streamline reimbursement processes; enhance trust (6)	None provided
Enforce consequences for corruption and review existing legislation and policies	Need better accountability (4); need stability assurance from MoH and SHA's CEO	Strengthen data systems and install efficient digital processes (3)

Note: Where more than one participant made the same suggestion, the number of responses is recorded in brackets.

Table 2.
Recommendations.

care provision beyond the capacity of NHIF to SHA is tasked with the coordination of the financing and provision of affordable, accessible and quality healthcare to all Kenyans is a massive responsibility that demands processing and analyzing huge personal datasets to provide quick error-free information for decision making that only digital data science can enable.

The same applies for the new education funding model, VSLF. The policy implementation phase cannot be rushed, as has been the case. It is intricate and a good technology system must be designed for it or else it will degenerate into a state of inexplicable confusion. The technology cannot be bought off the shelf; it must be designed for the specific policy's implementation and is usually not cheap. The contractor for the design of the system must work with key stakeholders and users to get it right. Government institutions entrusted with public policy, like the Kenya School of Government (KSG) and Kenya Institute of Public Policy Research and Analysis (KIPPRA), need to provide guidance and bring all stakeholders to the table in all phases of the public policy process. The infrastructure and adoption and adaptation of new technology must be modernized and for the realization of policy goals, all stakeholders, both public and private, must have their hands on deck.

6.2 Improve stakeholder engagement in decision-making processes

There is a need for transparency, public participation and clear communication during the formulation stage of public policies to gather citizens' views and support. The two case studies clearly indicate that policies were conducted in a rush without sufficient quality public participation and communication on the intention to phase out the previous policies. The VSLF system was based on the recommendations of a presidential task force, without significant consultation of students and institutions; consequently, many students and institutions were unprepared for the transition causing confusion and delays in disbursements.

There is no doubt that both case studies, SHA and VSLF, demonstrate the need for greater stakeholder engagement. But the solution for this is easy. It is a requirement in the Constitution that effective public participation and stakeholder consultation processes must be conducted in all phases of major policy reforms. To ignore this is disaster, as demonstrated by the two case studies and their associated legal challenges.

6.3 Allocate adequate funding

The funding of government policies continues to be a challenge, with low budgetary allocations hindering progress of the rollout of both the SHA and VSLF programs. Before a government rolls out any policy, it should have adequate allocated funds or else it should be shelved until adequate budgets are identified. In other circumstances, if it is possible to implement new policies in phases as funding becomes available, then new innovations could be gradually introduced and implemented. As Scopetsa [8] observed, without money, policy is unimplementable and is simply a government's democratic promise to improve the welfare of the public, a promise that is difficult to actualize.

6.4 Address leadership and governance issues

Government leadership is key in the formulation and successful implementation of public policies. The cases of SHA and VSLF suggest substantial challenges in

leadership and governance. In both instances, the government rushed the transition from the previous models to the new models without being clear, transparent and inclusive. Consequently, implementation has been hindered by lawsuits and mistrust of government and its performance so far. The two initiatives demonstrate the importance of accountable processes, enhanced institutions and adaptive frameworks prioritizing equity, transparency and capacity, all of which are critical tenets of effective public administration and good governance. In addition, proper care is required at the transition from one administration to the next. Incoming administrations tend to be ambitious and in a hurry to do things and realize quick goals for demonstration of fulfillment of pledges made to the public when seeking office. In many instances, this may result in the beneficial aspects of the new policies being lost to the general public as they decry problems with the general process.

6.5 Undertake effective monitoring and evaluation

Prior to developing new policies, governments should assess the effectiveness of existing ones. The two case studies clearly show that monitoring and evaluation of the existing NHIF and HELB did not happen. Had monitoring and evaluation occurred, the strengths and weaknesses of the existing policies could have informed the development of the new policies if they were needed at all. By the government taking a top-down instead of a bottom-up approach, lacking adequate consultation and evaluation, their new policies were met with skepticism and resistance. In short, evaluation and monitoring should have played a key role in both cases and should be ongoing with all established policies.

6.6 Punish corruption

Corruption was identified as one of the major setbacks in the implementation of public policies in Kenya [13]. Although one of the reasons for the establishment of the SHA was in response to high-level government corruption and fraudulent claims, those responsible have not faced prosecution. Additionally, the auditor general has raised concerns that the SHA is not in full control of the newly acquired system, raising further public distrust of the policy. To enhance public trust, governments must be intentional about curbing corruption and enforce strict accountability. Moreover, since the existing legislative process for accountability has not deterred corruption, it is evident that new legislation needs to be formulated and agencies empowered to fight corruption.

Regarding the SHA, given that health is a devolved function, the national government should work closely with the county governments to prioritize the rollout of the SHA. In so doing, the government should establish a credible committee to review outstanding claims from hospitals and healthcare providers, pay the legitimate ones and facilitate the reception of patients funded by the SHA.

6.7 Consider piloting the approach before scaling up

Most policies in England are piloted before they are rolled out [14]. Given the resistance toward the implementation of the SHA and VSLF, the government should have adopted a pilot approach. By first testing the two policies at a few hospitals and universities and conducting more stakeholder consultations combined with proper awareness campaigns, the new policies would have probably been met with far less

resistance. Phasing in policies gradually, instead of rushing them through as experienced in Kenya, will encourage buy-in from the populace and support the government, both of which are prerequisites for successful policy implementation. Shortcuts and quick fixes are enemies of policy formulation, implementation, administration, monitoring and evaluation and defeat the achievement of noble policy goals that would bring forth desirable impacts and development.

7. Conclusion

The two case studies presented in this chapter, namely the SHA and VSLF, are examples of distributive policies that seek to distribute resources to benefit patients and students. From the discussion of these cases, it is clear that all stages of the policy development process, from conception to monitoring and evaluation, need to be completed for the intended outcomes to be realized. When certain desired processes are avoided, circumvented or overlooked, glaring outcome failures are commonplace, especially with distributive policies meant to benefit certain, often marginalized, sections of society such as people requiring health care and students.

Policy formulation requires expertise, but also critical is public participation, comprehensive stakeholder consultation and good governance. The public, or the intended beneficiaries of a policy, must have their concerns heard and built into the policy to achieve better policy outcomes. The implementation phase requires all relevant players to implement specific, identified and well-planned initiatives, with adequate budgeting for enabling resources, including well-trained personnel and appropriate infrastructure, particularly innovative information and communications technology (ICT) and digital platforms.

Finally, in countries where political regimes change substantially, continuity is called for to guard against complete overhauls of ongoing policy processes when major policy shifts are undesirable.

Good practice demands that ongoing policies are monitored and evaluated to inform of any need for a change of delivery mode or when a complete overhaul is required. Critical decisions require evidence-based information and should not rely on opinions. At every stage of the process, transparent and clear communication between all stakeholders will enable informed decision-making to develop policies that are supported by the public and have achievable objectives and outcomes.

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Challenges Encountered in Designing and Implementing E-Government Services: A Case Study of the Hard-to-Reach Groups in Macao SAR, China

Kit Yeng Iong and Jenny O.L. Phillips

Abstract

In government studies, electronic government has emerged as a prominent topic since the latter half of the twentieth century; particularly with the rapid adoption of AI-driven assistance, governments of different countries aim to promote using various types of e-government services. However, encouraging citizens to embrace e-government services remains a challenge. In analyzing people's behavioral factors toward adoption, most studies targeted the adult population, while those in the hard-to-reach groups are limited. This chapter presents a mixed-method study that examines the adoption of e-government services among young people and senior citizens in Macao SAR, China. Firstly, findings from in-depth interviews conducted in 2021, based on semi-structured interview questions developed from previous literature on the Theory of Planned Behavior and e-government studies, are used as an illustration of the current situation. Next, a review of the policy changes after the post-pandemic period is proposed. This chapter covers the scope of this issue from 2001 to 2024. The findings demonstrate the hindrances of the design and implementation of e-government services in the past two decades. Then, with the swift policy change in recent years, an evaluation is conducted to identify its practical progress. Findings are yielded to demonstrate the perception of these two groups regarding e-government services and the local government's responses to people's behavioral intentions and characteristics.

Keywords: electronic government, the Theory of Planned Behavior, in-depth interviews, policy evaluation, hard-to-reach groups, behavioral factors

1. Introduction

The study of Electronic Government is a relatively new topic within the public scope of administration and government studies, having emerged over the past six to seven decades. Particularly since the start of the second millennium, there

has been a vigorous discussion in both the public and private sectors about what e-government actually means and how to fully leverage the benefits of e-government [1, 2]. Governments worldwide recognize technology as a powerful tool to overcome the limitations of bounded rationality, enhance the managerial effectiveness of public officials, and improve government efficiency and productivity by establishing IT infrastructures.

According to various newspaper articles [3, 4], the promotion of e-government services has become a global phenomenon, especially since the higher Internet penetration rate in people's lives in the second millennium. The worldwide spread of the COVID-19 pandemic in 2019 further accelerated this trend, affecting billions of people due to the lockdowns. Governments worldwide started to encourage "working from home", leading to a shift toward online modes of operation. Some scholars, such as Yang [5], defined electronic government as a means, from the perspective of information technology, to provide services to the general public more conveniently, customer-oriented, and cost-effectively. This is in fulfillment of Van Dijk's [6] comment that, in the first few decades of the twenty-first century, government operations and policy decision-making could not have gone on without the use of information and communication technology (ICT). The issue of living with ICTs is now an integral part of people's daily lives.

In this chapter, we use the Macao Special Administrative Region, China (Macao SAR) as the specific context of our case study. The period for investigation is from 2001 to 2024. The implementation of "Macao Public Service One Account" (hereafter Macao One Account)¹ is used as an example of e-service in discussion. This chapter presents a mixed-method study. Firstly, it portrays the previous hindrances in e-government services design and implementation by means of understanding the hard-to-reach groups' behavioral intentions. The empirical research was conducted in 2021 through 16 in-depth interviews with young people and seniors. Next, a review of the policies is made mainly based on the situation after the pandemic. The successful development is showcased after the government's higher officials grasped the chance of change during the worldwide-spread pandemic. Data are collected from local survey reports and news articles, and analysis is made to identify recurring themes and patterns. The findings of this study are significant, as Macao SAR is used as a typical example of rapid economic growth under the limitation of land resources².

This study particularly focuses on the behavioral change of the hard-to-reach groups: the young people and the seniors. There are two main reasons for this selection in the targeted research groups. Firstly, in the field of e-government study and ICT adoption, it is commonly seen that the majority of respondents in many studies

¹ In order to promote the development of competent administration of the Macao SAR government and to achieve the strategic goal of a unified e-account and uniformed e-platform for competent administration, the government launched on January 1, 2019, the "Macao Public Service One Account" ("Macao One Account"). Citizens can access various electronic services provided by the Macao SAR government through this account on a uniformed website platform or mobile application, as well as receive personalized notifications and inquiries on the progress of applications, providing the public with convenient electronic services. Public departments and entities will gradually integrate their users' account systems through the uniformed e-platform to realize the "one network, one account" convenience measures.

² Macao SAR has a total land area of 33 sq. km (Data from Cartography and Cadastre Bureau) and a total population of 568,700 in 2024. The economy of Macao has been booming since 1999. GDP per capita was USD 15,649 in 1999, increasing to USD 73,328 in 2024 [7].

were from the working groups, and males were in the mainstream (see Refs. [8–11]). The hard-to-reach groups and the female users might be under-represented even when the objective is to have an overview of the general public's opinion. In addition, according to the study of Gibby et al. [12], from a local government perspective, it was discovered that those belonging to the “hard-to-reach” groups, people aged 18–24 and 65 or above in the age brackets, were practically deemed challenging to engage in local issues and communicate with while implementing different types of government policies.

On the whole, this chapter is a continuation of our previous research (see [13, 14]). Building on our previous findings, which were extracted through content analysis of the annual policy addresses made by the highest official (the Chief Executive) in Macao SAR and in-depth interviews among different age groups in Macao SAR in 2021, this chapter focuses on how important the implementation of e-government in the local governance is and illustrates the hard-to-reach groups' intention to adopt e-government services. This chapter further explores the evolution of e-policies. The implementation of the “Macao One Account” is used as the main example for illustration and analysis, and the authors dissect the successful factors in terms of the users' behavioral intentions.

2. Hindrances encountered in the evolution of e-government policy in Macao SAR

The Macao SAR government has been regarding the implementation of e-government services as one of the main objectives of public reforms [15], yet based on different data and comments, the achievements before 2020 were unsatisfactory [13]. It is only after 2015 onwards that progress was yielded at a relatively faster pace, especially after adopting e-policies in combating COVID-19 in 2020. Various local newspaper articles reported that people regarded 2020 as a turning point in our e-government development milestone [3, 4]. A look at the general situation before the pandemic; from the report *the Internet Usage Trends in Macao 2020* [16], among the population of Macao SAR, 91% were Internet users (netizens) (see **Figure 1**), among which 65% of them used e-services provided by the government, which is a noticeable increase from 43% in 2017 (see **Figure 2**).

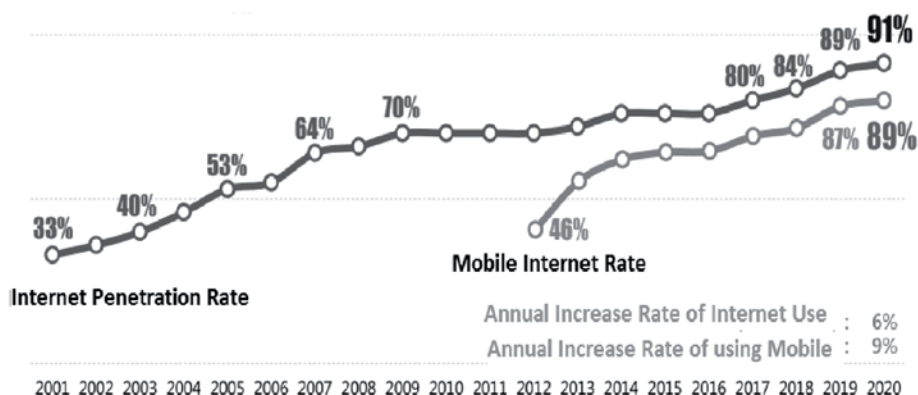


Figure 1.
The internet penetration rate of Macao (2001–2020). Source: The internet usage trends in Macao 2020 [16].

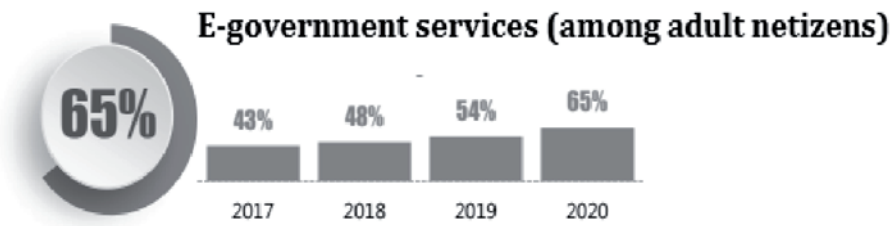


Figure 2.

The use of e-government services among adult netizens (2017–2020). Source: The internet usage trends in Macao 2020 [16].

When we consider the global evolution of e-government, we can trace its journey from the visionary, high-tech concepts presented by IT professionals and public leaders in the 1950s to the establishment of direct interactions between public administrators and citizens using different types of ICTs by the end of the twentieth century. Even in this moment of the current century, many e-government strategies worldwide focus on providing information [2, 17, 18]. Governments typically create websites that facilitate one-way communication, where information is transmitted from the government to citizens. The primary measures are posting static information on web pages, offering downloadable forms, and enabling email correspondence. In the past decade, more governments have started to implement two-way transactional e-government tools. These tools allow citizens to engage in activities such as making procurements, processing payments, scheduling appointments, and lodging complaints. Additionally, some governments have achieved either horizontal integration within a single governmental unit or vertical integration, which runs across various levels of government, to facilitate file and data exchange [19]. Nonetheless, only a limited number of governments have established comprehensive portals that enable visitors to access information easily and transparently, regardless of their location, and in real time.

The introduction of an e-government strategy into Macao SAR government policy began in 2001; however, the usage of updated ICTs in government operations and policy decision-making lags much behind the expectation of development [13]. According to the data and related official documents quoted in the performance audit report “*Planning and Implementation of Electronic Governance* [20]” published by the local Macao SAR government Commission of Audit, for the first 16 years of implementation, the progress was relatively slow, the main product was the government portal for informational purpose, and a large amount of financial resources (around USD 28770,000) had been invested in its development and implementation [21]. For instance, the main program, “e-Pass” (the former version of Macao One Account), aimed at providing an official e-account to allow citizens to handle the transactions of public administrative procedures through different means of electronic channels, showed minimal impact on citizens. By 2018, among the Macao population of 631,636 residents, only 5800 people registered in this e-Pass system, even though it was enforced in November 2009.

After nearly 20 years of implementation and development of e-government policy in numerous government bureaus, the trend of one-way communication shifted to two-way communication. “Macao One Account” can be regarded as a successful example; before 2016, the number of users of e-pass was 5800 [21, 22]. After updates

and upgrades in the functions, the number of users increased to 30,000, and after some recurring problems were tackled by laws in 2019, the number increased to 90,000 in 2020. The government made great efforts to arouse the general public's awareness and, with assistance from many local social associations, equip citizens with adequate ICT skills. Meijer [23] claimed that the ICTs in use were not necessarily the latest but had to be the most tangible and user-friendly to the general public.

3. The relative importance of delivering E-government strategies revealed in the annual policy addresses

The annual policy address, a crucial document announced by the Head of the Macao SAR government (Chief Executive), unveils the upcoming crucial policies. By analyzing the addresses, we can see how the highest level of government aims to develop and adopt e-services in the territory. In this section, the analysis will be synthesized from 2001 and 2024, highlighting the importance of the e-services policy in relation to other government policies outlined in the annual plans. Content analysis, a method that identifies patterns within qualitative data, is employed to provide a deeper level of analysis from the perspective of the highest official. This allows readers to feel the gravity of the government's commitment to e-government strategies and understand how the government has showcased its e-service policy throughout its governance.

When scholars delve into e-government and its related matters, it is often noticed that there are some keywords that occurred in a relatively high probability in the prior literature, for example, *electronic*, *technology*, *Internet*, *information systems*, *digital*, *online*, and *website* [24–27]. Therefore, it is justifiable to start discussing the content of the policy addresses between the fiscal years 2001 to 2024 based on the analysis of the above “universal keywords”.

Technology is the cornerstone of e-government, representing the technological advancements of the twenty-first century. Ferrão et al. [28] believed that the four factors “technologies, people, structures, and processes” are crucial for the successful establishment of an intelligent governing body. When we discuss government policy (processes), the design (structures) and the target population (people) are crucial. Therefore, it is justifiable to understand the diffusion of technology into different aspects of government policies. The following charts, based on the frequency counts of different keywords, provide a visual representation of how the top level of the governing body views the trend of *technology* adoption over these 24 years.

The term “technology” is regarded as a significant element in public administrative services. Based on the data shown in **Figures 3–5**, if we look at the counts of “*technology* 科技”, “*electronic* 電子”, and “*network/internet* 網絡”, starting from 2012, there is a sharp increase. The government has emphasized using technology to innovate our government system and vitalize the economy of the Macao SAR. Among the 24 pieces of annual policy addresses, the government has undoubtedly put “energizing the economy” as the top priority through different means of ICTs. The term “*technology* 科技” has been repeated around 40 times in each annual policy address since 2012 and soared to 89 times in a single piece of address in 2022. Looking into the details of the address, the government planned to use technology in many sectors, for example, laws, banking, insurance, finance, transport, public administration, the development of Chinese medicine, education and small, and medium enterprises. Then, from the perspective of public administration services, we can see that the government aims to

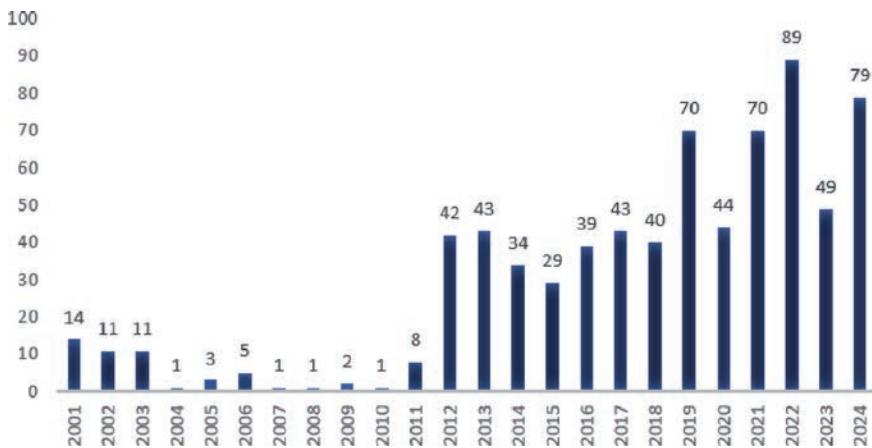


Figure 3.
The counts of the term “technology”.

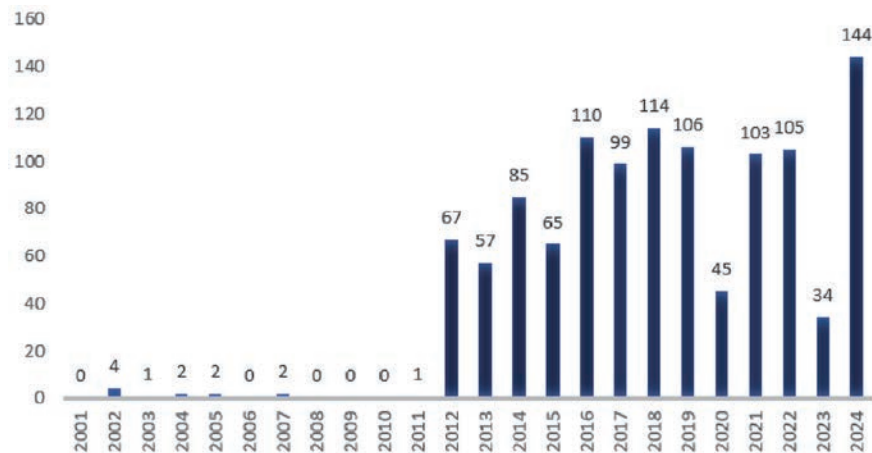


Figure 4.
The counts of the term “electronic”.

keep its services running more efficiently and effectively. It advocated the increased use of electronic services, and the terms “*electronic* 電子” (**Figure 4**) and “*network/internet* 網絡” (**Figure 5**) started to ascend in the counts since 2016. Indeed, the term “*electronic* 電子” collocated with many subjects, including electronic documents, appliances, e-commerce, and products. Most wordings signified the use of electronic to deliver different government policies among the policy addresses. It is justifiable to say that there is a strong indication of the government’s modernity and adaptability in utilizing e-government services.

The main objective of analyzing all the policy addresses is to determine how the local governing body’s highest level of political power regarded and presented the importance of implementing the electronic government to the general public. The changes in the wording used over the years show how the government prioritizes and focuses on implementing e-government in its governance. From the frequency of words used, we could evaluate a certain policy’s relative degree of emphasis compared

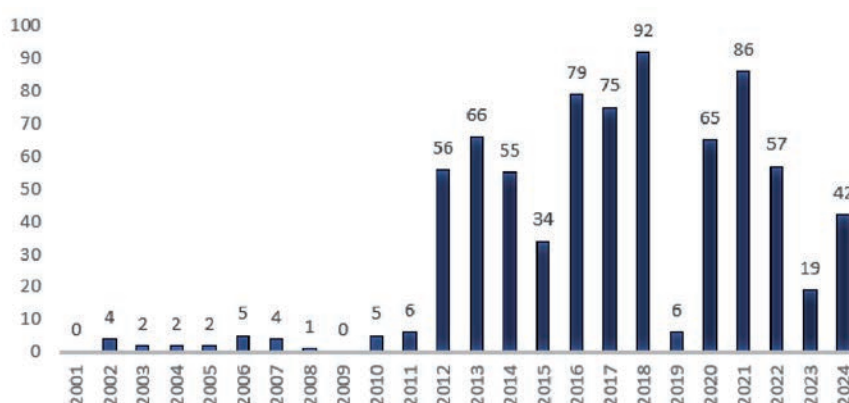


Figure 5.
The counts of the term “network/internet”.

with other policies in a specific year, and a trend could also be estimated. It is a usual assumption that if a particular policy is important, the number of repetitions of specific terms in the text will increase. From the collocations of the wordings used, for example, “*technology*”, for example, “*technology in training civil servants will ...*”, “*technology helps police force in ...*”, we could have a better understanding of how the trend of policy has been modifying and what themes are dominating in a particular year.

4. The behavioral intentions of the hard-to-reach groups toward the adoption of E-government services before the pandemic

Macao SAR is a relatively affluent region with a high internet penetration rate compared to developed areas. Greenway and Gawen [29] believed wealthier areas would be more adaptable to using information and communication technologies, which refer to digital tools and platforms, in both the private and public sectors. However, statistics indicate that the usage of e-government services has not been as widespread as anticipated among the hard-to-reach groups before 2020.

According to the “Internet Usage Trends in Macao 2020” report [16], 91% of the local population were Internet users, and among those aged 18 to 40, the Internet usage rate was 100%. In terms of using e-government services, among the adult population, 65% had used, which marked a significant increase from just 43% in 2017. There was a notable difference across age groups, with 83% of individuals aged 18–34 having used these e-services, compared to only 31% of those over 55.

In a study conducted by Iong and Phillips [14], researchers aimed to understand the behavioral factors influencing the adoption of e-government services by younger individuals aged 18–24 and senior citizens aged 60 and above in Macao SAR. The first-hand data gathered were analyzed under the theoretical framework of the Theory of Planned Behavior, TPB [30, 31]. Among many theories and studies investigating the users’ behavioral factors, TPB has been validated as a well-researched model of explaining users’ planned acceptance behaviors ([32, 33]; see discussion in Chapter 2 Literature Review). Sixteen in-depth interviews were carried out using semi-structured questions developed from prior literature on the TPB [30, 31] and

related topics in e-government studies. The findings identified both the behavioral obstacles against the adoption before the pandemic and the potential enablers that could make e-government policies more effective.

Through understanding the targeted population by using thematic analysis [14], a sub-factor *Family* under *Subjective Norms* was classified as important for the youth and older people. This core belief likely stems from the traditional emphasis on family bonds in Chinese society, which is especially evident among the older generation. Many expressed that the theme of “e-government services” frequently emerges in their daily conversations with family and friends. Although there is a prevailing notion that senior citizens might resist using information and communication technologies (ICTs), their remarks indicate a clear acceptance of e-services. They exhibited a remarkable level of adaptability and open-mindedness, challenging common stereotypes about their technological proficiency and leaving audiences intrigued by their capacity to embrace change.

Secondly, the characteristics of *Perceived Usefulness* and *Perceived Ease of Use* within the *Attitude* construct did not significantly influence individuals’ preferences between e-services and traditional counter services. Most interviewees from both groups recognized the advantages of adopting e-services, which included convenience, the absence of time and location constraints, and alignment with global trends, prompting them not to dismiss these services. The younger participants emphasized that convenience was the most important factor; they felt that e-government services could save considerable time by reducing the need for manual data entry. Additionally, they appreciated the ability to store their personal information on their smartphones or applications, which alleviated the need for repetitive input.

Thirdly, an interesting phenomenon related to the relevance between a person’s personal needs and e-services was identified. The youth participants claimed that e-services were not related to them; only the older people group assured that e-services were related to their daily activities. The youth thought that e-services might become more relevant to them later only if they got older or started working. In contrast, the older people claimed they had a positive attitude toward adopting e-services, instilling a sense of optimism in the audience about their potential adoption.

For the factor of *Self-efficacy*, half of the older participants perceived that they could use the e-services; the only pre-condition was that somebody to teach them and let them acquire the initial experience. It could be inferred that they were willing to adapt to the changing world if their *Self-efficacy* was enhanced and *Trialability* was provided to them [34, 35]. They claimed that their habit of using e-services could be formed easily, as long as, in the very first few steps of adoption, someone; family members, friends or helpers, were next to them physically and instructed them how to use the mobile phone applications.

Fourthly, regarding *Perceived Trust* and *Perceived Risks*, the younger generation acknowledged that people today are less aware of potential risks compared to the past. Individuals have become accustomed to entering personal information or granting permissions to applications (developed by IT professionals) whenever they fill out online forms. In other words, there is a diminished awareness of the need to consider the potential risks associated with such actions. In contrast, older interviewees openly admitted their lack of knowledge about cybersecurity measures due to their limited understanding of information and communication technologies (ICTs) in this area. Consequently, cybersecurity does not tend to be a priority for them. Many of them

did not attain tertiary education when they were younger, leading to a new finding: their reluctance to utilize e-government services stems more from their inability to navigate ICTs than from a lack of willingness.

Fifth, an intricate aspect of time-saving was identified in this study. This factor is interesting as it presents a double-edged nature. Generally, people perceive time-saving as an advantage of using e-services. However, participants in this study indicated that time-saving did not significantly influence their adoption of e-government. Younger individuals, despite being digital natives and confident in their Internet skills, found that e-government services were more complicated than anticipated. They reported spending considerable time searching for information before successfully completing the necessary procedures. In contrast, older individuals, particularly those who are retired, expressed that they had sufficient time and enjoyed visiting physical locations to interact with staff. For them, saving time was not a priority. This raises questions about older individuals' preference for engaging with staff in person, despite their relatively positive attitudes toward adopting e-services compared to other generations. Long and Phillips [14] suggested that this phenomenon may stem from older individuals' psychological satisfaction with using ICTs, as they take pride in their ICT skills. Thus, the time-saving factor is nuanced; while people may choose to use e-services in the interest of saving time, it is also the very notion of time that can dissuade them from utilizing these services.

Lastly, the youth group identified the importance of *Empathy*. They emphasized the need for *Human Affection* in the daily operations of government, particularly in the interactions between the services offered by the government and the habitual use of those services by citizens. This close relationship has been, and continues to be, a hallmark of the small city of Macao SAR. This finding aligns with the central theme of Tang's [36] conference paper, in which the author, a government official, highlighted the significant impact of emotional factors on implementing government reforms in the twenty-first century.

Several interviewees expressed that, from a citizen's perspective, they preferred assistance from a human being who could offer support in a meaningful way. However, government officials, focused on delivering services as efficiently as possible, may overlook the importance of empathy and human connection. Thus, in the state-of-the-art governance strategy, the element "*citizen-centered*" is crucial to its success.

Meanwhile, many interviewees affirmed that e-service could not replace counter service as people need interactivity, question and answer, and more tailor-made instructions. People claimed that it was essential to have a person to communicate with directly, especially for older people or for some special cases when people did not even know how to express their difficulties in doing the administrative procedures. It was justifiable to say human factor was one of the most crucial add-values in daily government operations.

Following a thorough analysis of the intentions of the two groups regarding the use of e-services, several commonalities and differences were identified. According to the 2018 e-government survey published by the United Nations [29], while Europe continued to occupy the top positions, several leading nations in Asia also performed admirably. A closer examination of the rankings reveals that the qualities contributing to the success of these e-government leaders are more about "how" they achieve their results rather than merely "what" they have accomplished. This perspective aligns partially with the measures undertaken by the Macao SAR government, which will be discussed in the following section.

5. Challenges encountered during the pandemic, immediate measures adopted, and achievements made in the post-pandemic period

Globally, the outbreak of the Coronavirus Epidemic in 2020 has given unprecedented challenges to the governments and presented a significant opportunity for the development of e-government. To ensure the normal and timely delivery of public services, governments around the world are actively speeding up the process of implementing e-government (*see Survey on Macao Youth's Opinion toward E-government* [37]). A new turn of the implementation of e-government emerged in Macao SAR, too. In addition to the proofs found in the annual policy addresses discussed in the previous section, some other statistical data disclosed this situation.

According to the *Household Survey on IT Usage 2023* (DSEC) [38] and *Internet Usage Trends 2024 Report* [39], the Internet adoption rate of Macao SAR has increased from 33% in 2001 to 93% in 2024, which is significantly higher than the global average of 66%. The Digital Divide Index (DDI) has narrowed to almost zero; it is valid to say that residents of all strata have equal opportunities for Internet access.

The Macao SAR government has been making great efforts to tailor many e-government policies according to the behavioral intentions of the local citizens. In terms of the usage of the Macao One Account, the main focus for discussion in this chapter, the number of users soared to 580,000 in 2024, which reaches around 84.3% of the total population [40]. The local government started using the slogan “once for all” to promote the rapid and convenient handling of public administrative matters [41]. Some public administrative services originally provided by several different public departments are simplified and integrated into a single application service. As the Director of the SAFFP (the head whose department is leading the whole project) emphasized, the local government has started to consider and design the procedures of the e-services from the user's point of view. In the future, more “once for all” services will be launched in an integrated manner, hoping to use Internet data to run the procedures instead of the citizens' visiting back and forth the brick-and-mortar [4]. In this case, it will significantly reduce the user's number of visits to different government departments and duplicate submissions of documents.

Another reason for the slow development of e-government services over the past two decades was the outdated laws in effect, as commented in the aforementioned audit report, so the local government is actively exploring possible amendments and gradually implementing administrative modernization and e-government practices. The law on “E-Government”, which was enacted in 2020, has strengthened the legal framework supporting various e-government procedures.

At the initial stage of launching “Macao One Account”, or even during the period of offering the earlier version, “e-pass”, in 2009, the SAR Government took a government-oriented approach to providing various e-services to the public. However, during the pandemic, even once the city was in lockdown, the necessary public services were still running, and the government had to ensure the citizens' daily lives. Thus, the government has shifted its e-government strategy to a more citizen-oriented approach. The objective now is to offer a broader range of e-government services to a wider scope of residents in the most convenient way possible, ensuring that the citizens' daily lives are not disrupted [4]. It is a testament to the government's dedication to its citizens' needs.

5.1 By adding public value, the importance of empathy is showcased in delivering public services

In recent years, many scholars advocated the importance of *Empathy*; it is suggested as an element a modern government should have in its public governance belief [42, 43]. The core objective of government innovation is to add public value, but this objective is relatively vague and difficult to quantify. Innovation in government faces a more complex environment than in the private sector, such as stakeholder diversity and visionary constraints. Therefore, to add this “public value”, officers need skills and empathy to understand the users’ actual needs.

The Macao SAR government grasped this essence when designing and delivering modern public services. The authors believed that it is justifiable to say that it is one of the reasons for the success of developing e-government in the recent few years. Starting in 2021 [4], the local government moved its governance from the previous executive-led concept to a user-centered one. The Director of SAFP claimed that as there are a lot of unknowns, we start to think the other way around instead of spending too much time analyzing the problems or finding out the nuances of the issues. Currently, the government has started assuming the future possible problems and solving them accordingly. For example, for the aging generation problem, as people cannot go out to the brick-and-mortar departments, no matter what kinds of reasons, lockdown, time, inconveniences, or lack of human resources, then for solving the necessary administrative procedures, the government starts to let the AI runs those procedures instead of the citizens going in person. E-government is not mainly to turn the original manual input procedures online; the implementation of the e-services is here to achieve the same purposes but with different means and tools [42]. Because of the needs of the citizens, the procedures are simplified and digitized to fulfill those needs. With the rapid advancement of technology, the current government has explicitly prioritized the proactive promotion of orderly e-government development as a key policy objective.

5.2 In response to the needs of the young and the seniors

In the previous section, based on the first-hand data collected by the authors in research on the hard-to-reach groups, we found the young people believed that the relevance between their daily life and the usage of the e-government services was thin, so they might not have great interest to use the e-services, while those who are using, they claimed that the *Perceived Ease-of-Use* is not satisfactory. A recent report, *Survey on Macao Youth’s Opinion toward E-government 2022*, yielded a similar result. Even though the target population of this survey is people 18–45, there is a difference between the young group 18–24 and the 25–45. It is worth taking reference to have a bird’s eye view of Macao young people’s current behavior toward this issue. The top three reasons revealed in the survey for not using e-government services are the lack of relevance, complicated access procedures, and the risk of cyber security.

Young people are supposed to be generally the major users of e-government, and their attitude is particularly important when designing the delivery of e-services in the public sector. *Convenience* is a crucial factor affecting usage, and this finding was illustrated in the authors’ first-hand data and the *Survey on Macao Youth’s Opinion toward E-government 2022*. Moreover, in that survey, the research team particularly selected ten areas in reference to the United Nations e-Government Survey and

asked the young people interviewed to rate the important aims of using the “Macao One Account”. The top three areas are tax and revenue matters, for example, paying government fines online; health matters, for example, making appointments at public hospitals; and education matters, for example, applying for scholarships and courses online. Based on these top three areas, clues could be found on the important matters according to the daily activities of young people in Macao society, and the Macao SAR government is on the same track too by advocating the idea of “Once for all matters”.

The development of e-government has significantly enhanced people’s sense of well-being and trust in the government. According to the *Survey on Macao Youth’s Opinion toward E-government 2022*, 80.3% of young people found e-government made accessing government services easier, and 58.6% reported that it made their daily lives more convenient, stating that this advancement has strengthened their connection with the government too. Over half of the young respondents indicated that e-government has enhanced their trust in the government, a finding that aligns with the claims made by the authors [14]. The authors revealed the young people’s ideas about the advantages of using e-services, emphasizing the absence of geographical or temporal limitations in managing public administrative matters. *Convenience* and *Trust* are key factors influencing their willingness to use e-services, indicating the Macao SAR government’s effective promotion of e-government services.

On the other hand, the same survey [14] reported that mobile phone applications should not be overly complicated in design and functionality. It is important to consider the *Trialability* and *Self-efficacy* of the senior citizens, the findings yielded in our previous in-depth interview research too. According to Long and Phillips [14], the factors *Family* and *Friends* under the *Internal Influence* of TPB were important to the young and senior people when forming the intention to use e-government services. This core belief might result from the traditional concept of family bonds in Chinese society. The senior citizens agreed that their friend’s and family’s word-of-mouth is very influential. In fact, a majority of them are using cell phones and e-accounts; as based on the statistical data from DSEC, the Internet Penetration rate of people aged 65 or above is 77.8% in 2024, and more than 100,000 users registered in Macao One Account [4]. Seniors have a behavioral intention to share good points with their family and friends by means of mobile phones.

The annual requirement for senior citizens to obtain the “Life Proof” document exemplifies how the Macao SAR government is modernizing its public governance strategies. Current legislation mandates that seniors present a proof of life annually to qualify for government old-age subsidies. Historically, this process necessitated appointments and in-person visits to relevant bureaus, creating a logistical burden for beneficiaries.

In recent decades, the government has promoted the use of self-service kiosks to streamline this procedure, according to a newspaper article [40], 67% of subsidy beneficiaries have embraced these self-service options, which allow users to verify their identity by simply inserting their identity cards and utilizing fingerprint recognition. This advancement facilitates a 24/7 access model, eliminating the constraints of traditional government office hours.

Since the implementation of facial recognition technology in 2021, seniors can utilize the “Macao One Account” platform to issue the necessary documentation from home, provided they possess a mobile device. The online process offers a convenient way for beneficiaries to complete the procedure without visiting physical offices. As with the “*Family*” help is a crucial factor affecting the seniors in making the decision to adopt e-services, the local government is moving one step forward; “Macao

One Account” allows the seniors’ children (adult citizens who have their own One Accounts) to operate these procedures for their parents in their own accounts. The promotion has gained more and more support from seniors who are willing to register their accounts. Even some over 100 years old can still use the One Account service on their own, and to further satisfy the needs of this group, a simplified version of the “Macao One Account” service has been launched, and the interface is simpler to read and operate [4].

Furthermore, according to the findings of the research conducted by the authors (see [14]), the factor of *Self-efficacy* is very crucial for senior citizens, especially in the initial stages of adopting e-government services. If there were someone to help them physically in handling all the procedures in the ICT devices, they would have greater confidence to complete the necessary procedures. A similar observation was reported in a newspaper article [44], stating that the seniors would feel anxious in the beginning, but after receiving support from the staff in the NGO, they feel confident. Now, whenever a new e-service is launched, they are eager to learn about it and how to use it.

6. Conclusion

Governments across the globe have allocated substantial resources toward the development of electronic government initiatives aimed at achieving specific objectives. However, numerous barriers persist, and statistical evidence suggests that the prospects for success with e-government projects remain concerning [5, 45, 46]. It is noted that electronic government involves complicated relationships between technological, organizational, institutional, cultural, and social variables. In order to control these complex combinations of variables and maximize the chance of success, an e-government evaluation model should be set up to measure and assess not only the outcomes, results, or benefits but also evaluate the procedures in between [47].

It is true that the Macao SAR government has been implementing e-government services for over two decades and has invested a huge amount of money in this project. The satisfactory results have only been yielded in recent years, and observable improvements have been made. One of the proofs is that the number of users using different kinds of e-services has been increasing fast. 84% of the population registered using the “Macao One Account” based on the official evaluation made by the government and some reviews made by different scholars, it is worth paying attention to the behavioral intentions of the population toward e-services adoption while designing and implementing the e-government policies. Among the hard-to-reach groups, some human factors are crucial for initiating the adoption, for example, the factors of *Empathy*, *Family and Friends’ assistance*, *Self-efficacy*, *Trialability*, *Perceived Risk*, and *Convenience*. The Macao SAR government has started to notice these needs and add public value to its e-services delivery. Many citizen-centered policies are advocated, and a “Once for All” strategy is launched.

In this chapter, the main target is the hard-to-reach groups. They are called hard-to-reach because the government is really hard to reach them and get their opinions if they do not want to get involved in the matters. Perhaps they are underestimated in their opinions. Perhaps they do not have frequent contact with public procedures compared to the working adults in society. Therefore, understanding their opinions and mindsets may shed more light on the future development of the different kinds of government policies.

There are no universal keys to developing e-services for all governments. Every governing body has to tailor its own strategies according to the characteristics of the local population's usage. If the hard-to-reach groups become easier to reach and understand, it would be more efficient in delivering public services. This strategic approach empowers governments to deliver public services more efficiently. Macao SAR's success can be used as an example for those with similar backgrounds.

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Chapter 3

Policy Integration and Governance: Challenges and Opportunities

Guswin de Wee and Kutu Ramolobe

Abstract

Policy integration emerged as the ‘Holy Grail’ in the policy sciences as a measure to deal with complex societal problems and a pre-condition for effective coordination, institutional arrangements, and decision-making, and ensuring that the actors involved take a holistic approach (for governance). However, policy integration does not come without challenges and the purpose of this chapter is to discuss and identify the various challenges and gaps in the area of policy integration, as with the movement towards ‘governance’ policy integration has become widespread in official documents, policies, and speeches of governments. A synthesis of the challenges and knowledge gaps of policy integration is important because of its implications for governance, including policy and administrative fragmentation that is counterproductive in governance. Using a narrative literature review, these challenges are analysed and synthesised into five themes: conceptual fragmentation across studies, methodological challenges, policy evaluation challenges, politics and governance challenges, and neglected areas of policy product integration. Research on these challenges is important as it has far-reaching implications practically for governance, policy, and administrative action, which in turn also helps identify the aspects of policy integration as a theoretical or empirical concept, to identify where more research is required for meaningful knowledge for scholars, practitioners, and policy-makers.

Keywords: policy integration, governance, administrative reforms, complex social problems, policy process integration, policy product integration

1. Introduction

Generally, governments around the world are confronted with complex policy problems that are ‘cross-cutting’ [1] and ‘wicked’ such as homelessness, climate change, environmental protection, and migration issues [2, 3]. These problems transcend the traditional boundaries and are faced in individual policy domains or governance levels and jurisdiction [4].

To overcome these challenges, policy integration has been seen as the ‘Holy Grail’ or ‘Philosopher’s Stone’ in the policy sciences [4] and has become a ‘buzzword’ for practitioners and Scholars [5]. Policy integration is seen as the key to overcome or at least contend with the complexity to a ‘common understanding about a problem and

responsibilities of each of the parts in addressing and solving the complex problem' [6]. In addition, in the administrative reform literature, concepts and theories such as New Public Governance, Whole-of-Government, or Whole-of-Society theories have been used to overcome some of the fragmentation in governance exacerbating the complexity of public policy problems [7, 8]. To deal with these problems, the concept of policy integration has been embedded in these modern-day governments to 'help to develop solutions to fragmentation and siloism' [7]. The underlying assumption is that 'integrated policy designs, which reduce incoherencies or even promote synergies between governance efforts, will be more effective in producing politically desired outcomes' [4].

The variety of concepts such as Whole-of-Society, collaborative governance, horizontal governance, multi-level governance, and co-governance are all concepts that emerged in the social sciences under the mantra of governance. According to Ref. [9], governance has become a pivotal topic of researchers and also became a 'magic' word, which triggered a mantra which pushed the reconceptualisation of theories in politics, public administration, and policy. Governance triggered the substantial shift in the policy studies because of the government overload and increasing social complexity radically impacted policy making and how collective problems are defined, how to deal with them and how social expectations are met, and how policy outcomes are achieved [9]. Based on the decentralised and multi-level nature of governance, with administrative units at multiple levels of government and policy making, an integrated approach to policy design and implementation is important to overcome narrow sectoral focus and consider other policy design goals, instruments, and targets. This, in-part, also allows for decreasing potential incoherencies, contradictions, or policy conflict across policy sub-systems [10].

Since the 1990s, there has been a significant amount of academic research on the phenomenon of policy integration, studying its various forms [11]. Existing studies provide an extensive overview of the different aspects and challenges inherent in integrated policy designs [12, 13], including normative and practical questions regarding integrated designs, barriers, and opportunities for their implementation. Progress in science is important to achieve the original goal of policy integration for governance. This chapter explores and discusses various challenges to policy integration and their implications for governance and public administration. The aims of this chapter are as follows:

- To contextualise policy integration as a necessary pre-condition for effective governance post the 'governance turn' and associated administrative reforms, with its risk for policy and administrative fragmentation;
- To conceptualise and discuss policy integration as a latent concept and its various conceptual and empirical characteristics.
- To explore and discuss the various challenges and opportunities of policy integration, possible practical implications for governance, and recommendations for future research.

Importantly, these challenges and opportunities are important as they have implications for governance, policy, and administrative action, which in turn also identify the aspects of policy integration as a theoretical or empirical concept, where more research is required for meaningful knowledge for scholars, practitioners, and

policy makers. Recent work has attempted to integrate the field of policy integration from various disciplines, including political science, public policy, and public administration, leading scholars [2, 4, 14]. However, from these existing studies, different aspects and challenges have emerged, including conceptual fragmentation, methodological challenges, policy evaluation challenges, and political and governance challenges. In the section, 'Discussion', challenges and opportunities for policy and governance are discussed in detail, with potential opportunities for future research.

2. A brief overview on 'governance': Necessitating policy integration

In the 1980s, governments were faced with increasing complexity, socio-economic problems, and governability, which gave rise to the proliferation of 'governance' as a concept [9, 15]—in the 'governance turn'. The argument is that with the increase of complex problems that transcend traditional single-purpose departments that created fragmentation, and the increase in government spending on the ability of the government to deal with these complex problems and contended with these issues through the distribution of the administrative burden of strategic and operational complexity by involving multiple role players through networks and collaboration [16, 17].

The concept of 'governance' lacks a precise definition [9, 18], and through the proliferation of what [9] terms the 'governance mantra,' various governance-related adjectives have emerged. According to Refs. [9, 11], governance has become a central topic for researchers and has also evolved into a 'magic' word, precipitating a mantra that has driven the reconceptualization of theories in politics, public administration, and policy. Governance triggered the substantial shift in the policy studies because of the government overload and increasing social complexity radically impacted policy making and how collective problems are defined, how to deal with them and how social expectations are met, and how policy outcomes are achieved [9].

Several theories fall under the NPG umbrella, including network governance, which refers to the process of decision-making and policy implementation among various actors, such as government agencies, NGOs, and CSOs [18]. Collaborative governance emphasises stakeholder engagement and co-production of policies to foster inclusive and participatory decision-making and promote joint problem-solving [19]. Multi-level governance is predicated on the concept of horizontal and vertical relationships between different spatially distinct and geographically separate administrative units that function simultaneously, such as between local, provincial/state, and national/central governments, and horizontally between various departments. Multi-level systems are complex configurations formed from the connection of structures and processes within and between levels. In multi-level governance, the 'most vital feature is the linkages that connect levels' [20]. According to Ref. [21], policy integration serves as an important overarching mechanism for aligning these different role-players.

Transitioning from theory to practice, modern public sector administrative or governance reforms, evolving from new public management, have progressed from structural devolution and single-purpose organisation towards whole-of-government approaches [8] and subsequently whole-of-society approaches. The argument posits that an integrated, network, or joined-up approach based on a WoG approach was intended to facilitate more practical and efficient collaboration through formalised processes. Whole-of-society (WoS) is an approach that encompasses both formal and informal institutions in seeking a general agreement across society regarding policy

goals and the means to achieve them [22]. It enables various actors, including civil society organisations, to play a critical role in setting the public agenda and influencing public decisions [23]. WoS approaches include integration between policies and governance vertically (between various levels of government), horizontally (between various departments), and diagonally (stakeholder engagement, including CBOs).

Consequently, governments aim to implement a coordinated, synergistic, and collaborative response to societal challenges and needs [24, 25]. Collaboration involves selecting actors and resources to shape the network and developing strategies to address strategic and operational complexity [16], which is particularly valuable in complex problems characterised by unpredictable system dynamics and a lack of knowledge. This approach is significant, as NPM has often been criticised for its uncoordinated actions of various public institutions at different levels of government, leading to fragmentation, which, according to Ref. [25], results in a mismatch between policies and societal priorities.

3. Complexity of problems and the tendency to increase fragmentation

Generally, when there are more complex problems, governments tend to create more policies to address different targets of a problem, leading to a fragmented policy landscape in which the interaction of these policies might undermine or be counterproductive, which impacts and decreases the effectiveness of the original policies. Fragmentation leads to duplication, absence of action, and/or contradictions between policies [26]. For example, fragmentation is increased when goals are aligned to different policy sectors or when policy responses are repacked to fit the expertise or mandate of different parts and levels of government [27]. For example, the problems of climate change emission reduction can be dealt with by various ministries, including energy, forestry, and agriculture. The problem, however, is that to deal with these problems, governments tend to create more policies to regulate them without understanding or considering the various costs of fragmented policy growth.

Various concepts in policy sciences address these issues from different perspectives. Policy layering examines the interactions that emerge when new policies are introduced alongside existing ones [28], in which one or more policy elements are added to an existing policy, thereby altering its functioning. Policy accumulation adopts an aggregate perspective on sectoral policy development [29]. Adam et al. [30] defined policy accumulation as ‘the result of a continuous addition of new policy elements to existing policy portfolios without the compensatory reduction of already existing policy elements’. The concept of policyscapes refers to constellations where policies established in the past have evolved into institutions that currently shape governing operations, political behaviour, the policy agenda, and the relationship between the state and society [31]. A significant insight from research on policyscapes is that adopted policies often develop in unintended and unforeseen ways [29]. Policy growth is a concept that focuses on policy complexity, where individual policies are added to an increasingly dense network of existing policy provisions, and the potential interactions between them increase considerably [29]. Policy effectiveness is compromised in policy growth because it exhausts bureaucratic capacities (human resources and financial and technical abilities). In summary, these concepts all emphasise the notion that an increasing number of policies are created, and they have negative consequences if not managed effectively. Some of these consequences include overburdening the bureaucracy with additional policies while maintaining

existing resources for implementation, thereby reducing resources for existing policies [29], duplication of services to different policy targets¹, and conflicting interactions between different policy instruments². Under these conditions, overburdened bureaucracies will encounter difficulties in effectively implementing policies, and policy effectiveness is thus likely to be diminished [29]. This, in turn, impacts the contemporary political landscape as trust in the policy decreases and debates regarding the government's policy priorities emerge. There are various implications of fragmented policy growth and accumulation for policy and governance, including the fact that an increase in policies with existing means maintains governments in austerity, which subsequently impacts other policy domains. Therefore, policy integration is a crucial pathway to reducing policy fragmentation. An example of the challenges of policy fragmentation and institutional architecture can be seen in the South African food governance systems, where there are policies added *ad hoc*, resulting in a plethora of policies that are often disconnected, even contradictory of each other and spread across a range of departments [32].

According to Ref. [23], policy integration is important to reduce fragmentation in governments' operations and activities to deal with global challenges, where various mandates, policies, and objectives should be considered when dealing with various policy areas that address multiple dimensions of similar challenges. This is to reduce administrative overlaps or fragmentation in an attempt to deal with policy conflicts. In policy mix research, Del Rio and Howlett [17] describe vertical policy conflicts as occurring 'across levels of goals and policies' as well as 'between different levels of goals, policies, and levels of governments' [27]. As such, in the next section, policy integration is conceptualised.

4. Different ways of conceiving policy integration

Efforts have been made to specify the concept to develop useful knowledge for governance in the science of policy integration. However, according to Ref. [33], policy integration can be understood as a latent concept because it cannot be directly observed or measured with one single indicator, 'but rather can be only captured in its completeness by combining measures of different aspects of it'. Therefore, various methods have been employed to study policy integration, focusing on multiple parts of the broad concept. This comes through the strong conceptualisation of the concept.

Therefore, policy integration has multiple parts, as shown in **Figure 1**, and Kaplaner et al. [33] provided a visual representation of the concepts and their various parts. The concept can broadly be divided into two analytical domains, in which the top part, substantive/product, can be seen as focused on the policy content itself, and the procedural and organisation all focusing on the institutions and governance aspects. However, they are dependent on one another.

¹ Policy targets are all of the issues addressed by the government (and hence capture the 'breadth' of state activity), policy instruments are the means that governments have at their disposal to address policy targets

² Policy instruments include informational instruments, economic incentives (subsidies, grants, etc.), and hierarchical forms of governing (obligatory standards, prescriptions, etc.) (and hence capture the degree or 'depth' of state intervention in society).

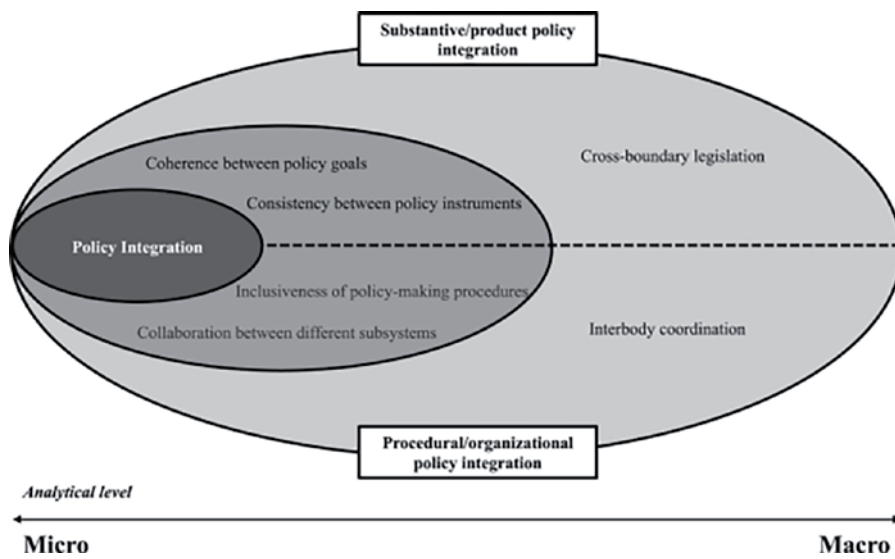


Figure 1.
Concept of policy integration, Source: Ref. [33].

Moving from the definition of concepts, various scholars have defined or conceptualised concepts differently using different approaches. According to Ref. [33], policy integration can be described as a political approach that includes [9] the coordination of actors from different policy subsystems, [15] an attempt to consolidate goals and instruments from various policy areas, and [4] the aim of achieving more coherent and consistent public policies. Knill et al. [34] went further by separating policy process integration (bottom part of circle in **Figure 1**) and policy product integration (top half of circle). The first focuses on the structural and procedural setup of the policy-making system (organisational component of the creation of policy, the process, political, and administrative actors in various sectors and levels), and the latter focuses on the content (the final policy output), focusing on the integration of cross-cutting policies [34]. The aim is to achieve positive interactions between these policy outputs/content and effective organisational processes across various policy sectors. Policy integration studies the actual integration of policies, which, according to Ref. [35], includes acknowledging a problem as complex and cross-cutting, and focuses on designing, which includes defining goals, measures, evaluative elements, and instruments across policy sub-systems. It also focuses on establishing governance configurations, administrative procedures, implementation rules, and fostering cooperation among the policy subsystems. These aspects have also been integrated into a framework that distinguishes different dimensions; the processual approach to policy integration brings together the substantive and procedural aspects of policy integration [36].

For further clarification, it is important to separate policy integration and coordination. Integration focuses on “integrated structures (and policies) to create common organisational elements and to merge professional practices and interventions” [37]. Coordination involves ideas about joint and holistic work between sectors (subsystems) [10]. In other words, policy integration is an attempt to align policy variables (e.g. goals and instruments) and coordination as alignment at the polity-level (i.e. of institutional variables), but is strongly interrelated. There is some consensus in the

literature that policy integration goes beyond policy coordination between administrative organisations [10, 38], as it also encompasses the process of formulating new public policies, which involves political actors and interests.

Policy integration refers to a governance system's ability to address a particular cross-cutting policy problem in a holistic manner by fostering coherence between the goals and instruments of its constituent subsystems [4], drawing on Ref. [5]. In the progression in the literature, policy integration has developed into an umbrella concept that can be defined 'as a political process that entails the coordination of actors from different policy subsystems, the combination of instruments from different policy sectors, and arrangements for their consistent implementation and evaluation to address different dimensions of a complex problem...' [6, 14]. More practically, according to Ref. [6].

"...integrating policies... means creating a new policy in which individual components (policies) work under a new logic, by subordinating their objectives to a new overall goal and make decisions based on the needs and priorities of the set of policies and organisations being (with) overall logic that would determine decisions such as targeting, budgeting, etc." (ibid) As such, it becomes a "...decisional logic applied at every level of management and stage of the policy process". They continue that this require "...at every moment of the policy process decision are made based on a new policy (and)...decisions are based on the integrated policy not the individual components (policies) [34: 11] and that the "success depends on a good design of the integrated policy".

This would entail various propositions including [9] that all policies, when formulated in terms of their goals, objectives, instruments, and targets, must be integrated and not contradict or negatively trade off each other, and the 'overlap' of targets and instruments must be thoroughly understood, and according to Ref. [15] there must be clear information flow between these different policies that would be taken into account by a decisional platform that has authority over various agencies at various levels of government and across policy domains horizontally to clearly outline various resources, responsibilities, and information needed for coordinated action, which will [4] lead to an optimal mix (landscapes) of policy instruments and clear knowledge of the policy targets through coordinated agencies which will [7] lead to integrated governmental action to overcome the various complex problems. Both substantive or content domains and procedural or organisational aspects are strongly interrelated and dependent on each other. This normative deduction from the conceptualisation itself demonstrates the increase in complexity policy integration introduces to administrative action, policy, and governance, which itself can be an obstacle and may not always be expedient [5] if governments do not have the necessary integrative capacity [39], which [12] also warns against the expediency of policy coordination as the answer to complex problems.

Despite these challenges, it is important that there are continued efforts in the study of policy integration because sustainable development goals and global governance organisations continue to promote integrative governance [23], through policy integration as policy integration is central to the sustainable development paradigm [40]. According to Ref. [41], they are widespread in official speeches and government documents. Thus, despite being littered with challenges, the study of policy integration has far-reaching implications, which makes wrestling with challenges and opportunities an important endeavour.

5. Methodological approach

This chapter adopts a Narrative literature review approach to study the challenges of policy integration and governance, as narrative reviews ‘allow researchers to describe what is known on a topic while conducting a subjective examination and critique of an entire body of literature’ ([42], p. 414). Narrative reviews are used widely in the social sciences and humanities, aligned with subjectivist or interpretivist paradigms ([42], p. 414). In narrative literature reviews, the findings of relevant studies are outlined and discussed with the view to draw conclusions on the state of knowledge in the field [43]. The aim of this type of review is to also synthesise knowledge and make recommendations for future research ([42], p. 414)—which this chapter aims to do. The goal is not only for a comprehensive background on the current knowledge of policy integration and governance, but also to use these challenges in the field, to outline the significance of new research.

In narrative reviews, it is important to have clear objectives for the study (see Section 1), as it will become the guide for all the other steps in the process. In narrative reviews, unlike systematic reviews, there are no strict inclusion and exclusion criteria; however, the scholarly work consulted for this chapter in the main are from authorities in the field using only published research articles, both conceptual and empirical. While systematic reviews aim to include all literature on a specific topic, narrative reviews only focus subjectively on the literature that assists the argument to achieve the objectives of the study—in this case, literature that discusses and reports challenges in the field of policy integration and governance. The reviews also include pivotal seminal papers (see Section 4). The various challenges are synthesised into various conceptual categories or themes (see Section 5) [44]. Thereafter, conclusions are drawn based on the analysis and interpretation of the findings, with potential implications for academics, practitioners, and suggestions for future studies [45].

6. Discussion: Challenges and opportunities of and for policy and governance

Since the 1990s, there has been a significant amount of academic research dealing with the phenomenon of policy integration, studying its various forms [11]. Existing studies provide an extensive overview of the different aspects and challenges inherent to integrated policy designs [13, 46], including normative and practical questions regarding integrated designs and barriers and opportunities for their implementation. Some of these challenges and opportunities are discussed below.

6.1 Conceptual fragmentation

With the evolution of governance and the necessity of policy integration as a prerequisite for governance success, one challenge that plagues the stream of research is conceptual fragmentation. Recently, Candel [4] argued that the field remains considerably divergent among different scholars in separate communities, ‘limiting cross-fertilisation and causing differences in the terminology used’. Therefore, future research should aim to streamline and harmonise the conceptual diversity to facilitate cross-fertilisation across various niches for knowledge accumulation about largely similar empirical phenomena across different policy fields [37]. The conceptual fragmentation has also hindered theoretical advancements because certain concepts are

linked to distinct empirical phenomena. Although this is not inherently problematic, practitioners, public officials, and other stakeholders in governance systems should be cognisant of the similarities and differences between the various conceptualizations [37, 47]. According to Ref. [14], future research should progress from concepts to developing theories and models about the presence, absence, and potential impact of these integrated policy responses. As the objective of research is to produce meaningful knowledge for practitioners and policy makers, the conceptual fragmentation impedes the development of integrated knowledge, which, according to Ref. [48], is crucial for effective action in the real world. Metz et al. [2] posit that a multifaceted understanding of policy integration could lead to an improved appreciation of interaction between different empirical phenomena related to policy integration.

6.2 Methodological challenges

However, beyond the conceptual fragmentation and limited theories that have developed over the past decade, there are also methodological challenges in the stream of research. Methodologically, according to Ref. [4], there is a challenge of the absence of objective measures and indicators of policy coherence, as assessments of policy integrations ‘largely rely on perceptions of coherence of either stakeholder’. He continues that these studies are dominated by data collection methods that study stakeholders using surveys or interviews, or the policy analysts themselves studying policies using content analysis. These studies are also mainly single or individual case studies based on qualitative interpretivist data analysis approaches. These studies in the main are also policy-oriented or organisational-oriented, meaning the focus is on the policy and the institutional arrangements [6, 47]. However, recently de Wee and Ramolobe (forthcoming) noted that research on policy product integration (content itself) lacks reliable and valid methodologies that are objective and applicable across cases. Others just focus on assessing the co-occurrence of policy sectors within policy documents [33]. Additionally, very little research has focused on whether cross-sectoral governance actually works, and existing research has produced little encouraging results [5]. There is limited reference to actor-oriented theories of the policy process in policy integration, and Trein et al. [37] suggest further research on the explanatory research on the role of political actors in policy integration processes. The specialisation based on conceptual fragmentation poses a challenge in deriving a comprehensive and generalised measure of the degree of policy integration [33], or as they state it later that ‘We lack measurement approaches capable of identifying integration across multiple policy sectors that are also applicable to large-scale studies’ [4: 30] and creates a critical gap when evaluating the substantive dimensions of policy integration.

However, some advancements have been made using formal quantitative methods for the analysis of policy integration such as network analysis of regression approaches [37] drawing on Ref. [49], including as observed by Candel [4] positivist analyses, using quantitative statistical models or QCA. Others suggest process tracing methods or Q-methods as complementary methods to improve the analysis of causal relations. However, according to Ref. [37] (emphasis added), these non-qualitative and more formalised methods should not replace the identification of detailed mechanisms in individual cases but rather *allow testing of some of the main mechanism for external validity and generalizability across different context*. This is important for advancing meaningful knowledge about policy integration for governance. Opportunity exists to study policy integration in compliment with the work [50] on

the mechanisms in policy design and study ‘how’ effective these policies are integrated on the ground based on the ‘calibration’ and mechanistic chain in the different policy designs. This would give insight into what works and what does not work on the ground. Such a study can be very useful as according to Ref. [4] ‘The question of how certain contextual conditions trigger such mechanisms very much remains virgin territory’.

6.3 Policy evaluation challenges

Theoretically or for scientific research, methodological advancements to build methods and theories that are generalisable and externally valid are important to establish causality of the concept of policy integration. However, another area of that is a challenge is policy evaluation. It is generally recognised that evaluating policies for their success is difficult [51] and multiple policies in as integrated poses a further challenge. The shortcomings can be ascribed to a lack of frameworks to measure the success or failure of integrated policies [5], and this is particularly a bit problem in policy integration research as scholars suggest that successful implementation of integrated policy is a major challenge as common policies does not necessarily create integrated action. The questions are open to why? These are important questions that need to be answered. For example, the idea of integration entrepreneurs in various administrative levels and sectors seem to have accidentally integrated policies [52]. Important questions can also be asked in future studies, such as how or when do ‘integration entrepreneurs create policy integration?’ Other questions can focus on cooperation between different public service role players or leadership, all of which are important variables for evaluating policy integration. It would be important to examine the extent to which policy integration brings about more coherent and comprehensive governance arrangements, and to assess whether the conflict between policy subsystems diminishes because of such reforms [38]. Fundamentally, it is understood across the field that the evaluation of policy integration is a challenge because it is difficult to measure [38] and creates epistemological dilemmas [16]. As such, an opportunity exists to develop conceptual and methodological agreed-on measures of policy integration including comparative studies of more and lesser degrees of integration. Research focusing on the evaluation of policy integration could provide more insight on at the policy level, and if reforms achieve the aims, they are designed for and systems level, extent to which policy integration brings more coherent and comprehensive governance arrangements and decreases policy subsystem ‘siloism’ [37]. Further research conceptualising is needed to address these challenges and gaps, as they are important to provide practitioners with knowledge of what works on the ground.

6.4 Politics and governance of policy integration

It is often argued that policy integration challenges are fundamentally political as everyone agrees on the need for coordination but does not want to be coordinated, which generally impede on policy integration. When implementing integrated policies, various actors are brought together to negotiate and deliberate on agreed action [11], and it generally involves various interventions from various administrative levels and sectors and their individual goals, financial instruments, economic resources, procedures, and governance principle [53]. Generally, policy integration in intergovernmental relations is also influenced by power across the various levels

that can influence the integration, which can also include different political parties, their ideology, and interest. These are important aspects that are seen as obstacles and challenges to effective policy coordination. This could pose an opportunity to study ‘*integrative leadership*’ and for policy integration, using actor-based theories that are currently neglected [5]. However, another aspect of the politics of policy integration is the very overlooked aspect of the ‘political economy of policy integration’ where various individual role-players trade their individual mandates against the integrated ones, which can be seen in the view that ‘policies create politics’. Very little, if any, to date has taken place to study the ‘*political economy of policy integration*’. This could focus on the budgeting in whole of government arrangements for policy integration in both federal and unitary forms of government. Interesting results can be obtained from such work. This also links well to the idea of accountability in then governance of policy integration, as there are various agencies involved and failed implementation is generally laid at the ‘integrating office’ such as an office in the national or central executive. *Accountability* mechanisms also need to be designed into the integrated policy and ‘should provide clear directions in how to contribute to realising cross-cutting policy objectives’ [14] while ensuring that individuals and institutions are held accountable to the policy’s goals.

Studies of policy integration generally focus on from a ‘top-down perspective’ where the central or national government delegate or integrate from the top down. This happens, however, at times these can also be unfunded mandates that are a challenge for subnational governments. Furthermore, studies can focus on the target groups and how they experience policy integration on an everyday basis. Few studies [7, 54] focus on the ‘bottom-up’ perspective; however, interesting findings suggest that *interactions between policies and everyday practices could allow for better-targeted policy design for more effective outcomes*. Recent work from a bottom-up approach, Refs. [7, 14] studied the Swedish migration policy and found that counteracting siloism and fragmentation ‘is achieved primarily at subnational level with a bottom-up approach’. This would also require the focus on leadership, such as integrative and distributed leadership theories, and how and under which conditions policy entrepreneurs can become important in driving policy integration. This actor-based approach could be important, but what is largely missing in the literature is the role of non-state actors such as civil society organisations, non-profit organisations, and so on, and their role as potential ‘integration entrepreneurs’ in policy integration. For example, communities of practice can be a useful analytical locus for both the study and/or practice of ‘non-state actors as integration entrepreneurs’ for policy integration and coordination from a policy process and organisational perspective. These studies should study non-state actors from an ‘*integration entrepreneurs*’ perspective and their role in enhancing policy capacity and leadership for bringing together a range of public policies in implementation [5, 14].

6.5 Policy product integration: Policy content, a neglected area

Lastly, absent from the literature is a focus on *policy product integration* (the content) and their possible implications on governance. The application of more recent methods and theories for studying policy content is missing. This gap confirms an early insight of Ref. [55], that when public policy is studied, ‘we tend to emphasise the process by which policies are made and implemented rather than the substantive content and impacts of policies themselves’. This is despite the historic mission of policy sciences to ‘improve the concrete content’ [56]. This insight could have

implications for governance through policy integration as it leaves a gap for improved analytical capacity, which are instrumental in making technically sound policies [57]. Concepts such as inter-policy compatibility, which refers to the extent of alignments among policies that govern common or different subjects, targets, and policy issues [58], could help in diagnosing and overcoming inter-policy design conflict which could affect policy outcomes. This line of research could include methods for policy mapping and interaction assessment such as the Institutional Grammar [59] used by public policy scholars sought to understand the design (content) of policies and are interested in assessing how policies structure individual or collective action among actors [59]. Focusing on the policy design content, Ambrose et al. [60] studied policy evolution (change) of Net-meters using the policy language captured in the provisions and how they changed over time. Synthesising literature on policy change includes understanding policy layering that includes patching (new statements without readjusting previous policy), packaging (layering new statements while terminating others to readjust previous policy), and calibration (making changes to text within the statements (ibid)). Using a policy content analytical approach, they could observe policy evolution better in terms of targets, those who implement and tracked policy change based on the micro-dimension over decades. Another such tool, the Integrative Propositional Analysis (IPA) methodology can be used to study the causal logic of integrated policies [61–63] and quantify the structure and content of the policy and comparing it with the implementation outcomes of the policy [62]. The methods can be useful for studying policy evolution and policy growth and accumulation to detect policy interactions *ex ante* for policy integration.

7. Concluding remarks

Policy integration as a concept has been studied extensively in the past two decades because, with the rise of a plurality of role players in government and governance, and administrative reforms such as WoG and WoS; the new public management and new public governance paradigm necessitate integrated policy approaches. These are important for effective network governance, policy coordination, and coordinated governance. The increase of role players in governance systems is to distribute the administrative burden from the state by sharing the strategic and administrative complexity to the whole, government, or society to deal with the complexity of social problems. What becomes apparent in the literature is that the complexity of societal problems generally leads to policy and administrative fragmentation (in the form of policy growth and accumulation), and policy integration has generally been seen as the antidote to the fragmentation [10]. Policy integration as a latent concept with various conceptual and empirical characteristics has also progressed in terms of defining the concept with some precision; however, some challenges remain.

This chapter contextualises policy integration as a precondition necessary for effective governance to improve governance and administrative reforms and decrease or contend with policy and administrative fragmentation. Policy integration is conceptualised based on its ‘complexity’ of the concept itself, and the various challenges and opportunities emerge for the study of the concept and its potential implications for governance if these challenges remain unresolved. The chapter makes the case that, fundamentally, policy integration is seen, at least theoretically, as central to effective governance, as it is even widespread in official documents of governments and global governance structures and is also found across official government

speeches. However, in terms of policy integration, many challenges exist that make the progression of science difficult, including conceptual fragmentation, methodological and policy evaluation, and political and governance challenges. As such, the study of the challenges of policy integration becomes a practical one, as persistent challenges in knowledge will perpetuate limitations in practice, and meaningful knowledge about policy integration is an important next step in which concerted efforts should be made in various disciplines. There is definitely more room in the literature for contributions to a more comprehensive and cumulative set of theories, methods, and examples from different fields of policy and governance.

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Chapter 4

Covid-19, Local Authorities in Israel, and Women Leaders

Oded Steklov and Anat Gofen

Abstract

Covid-19 required a different character of leadership, one identified with “feminine” characteristics that encourage cooperation among the population’s individuals. Findings from the national level throughout the world show greater success in mitigating negative outcomes from the pandemic in national and sub-national governments led by women compared to those led by men. This work examines the outcomes in the fight against Covid-19 in local authorities in Israel that are led by women, in two time periods, through four OLS regression models. Our sample included all local authorities in Israel, except for three clusters of local authorities: non-Jewish, ultra-orthodox, and regional councils that were excluded from the examination. The findings reveal that there is a negative correlation between local authorities led by women and the percentage of verified cases, but the effect is relatively small. This finding indicates that at the local level, like the national level, women in key positions have managed to achieve better results than men. Revealing the mechanism(s) that led to better results of local leadership in dealing with the virus may promote more effective policy in the future in dealing with other events, whether in an emergency or in routine activities. Beyond that, there is room to conduct a similar examination in other countries but focusing on the local layer rather than the national layer.

Keywords: women, Covid-19, local authorities, health policy, officials

1. Introduction

A pandemic, such as the recent one caused by the Covid-19 virus, may resemble other crises that occur more frequently, such as war or natural disaster. However, it is different in at least one aspect concerning the pattern of leadership needed to cope with it. The pandemic can be viewed as a crisis requiring a “feminine” style of leadership, as opposed to national security events or economic crises perceived as requiring a “male” type of leadership [1], or perhaps an “androgynous” leadership pattern, which includes both male and female aspects, including assertiveness, risk-taking, and rapid response, identified as “male behavior”, and feminine aspects of cooperation and informing residents [2].

Four hypotheses can be schematically defined in terms of leadership about public policy management, in particular local government, and the Covid-19 pandemic: first, women leaders will choose different public policies than men leaders; second, women leaders are better equipped to cope with such crises; third, local government

is at the frontier of the struggle against the pandemic; and fourth, women leaders will show better results in terms of measurable outcomes against the pandemic. The current study seeks to examine the fourth hypothesis (and by that assume the other three exists, as the literature usually proved), namely whether women leaders in local government in Israel have achieved better results in struggling against the pandemic than their male counterparts.

First, on the question of whether women as a whole and in particular women leaders are different than men when it comes to issues of social policy management in general and health policy in particular, the answer is mostly affirmative. Studies show that women have been found to prefer engaging in social issues in general and health issues in particular [3]. Atkinson and Windett [4] defined those topics as traditional female topics, which include issues dealing with the treatment of others, such as health, education, welfare, public housing, and other issues necessitating compassion. It should be emphasized that this is not necessarily pure altruism, as the attraction of women to these issues may also be utilitarian, as women benefit disproportionately from investing in them, due to how the family unit is typically managed [5].

On the second question, does the increased interest that women have in social issues make women leaders better equipped to engage in effective policymaking on these issues, the answer is complicated, but there is evidence that women leaders, compared to men leaders, are more likely to engage in social policymaking [4, 6].

Third, local governments worldwide regularly deal with issues of healthcare policy, such as preventive health care and emergency medical services [7]. The Israeli case is different, as local authorities do not usually deal with health policy issues, but during the Covid-19 pandemic it was expected that they would engage with the topic [8].

And fourth, women leaders are supposed to achieve better results in dealing with the pandemic (anchored in studies as shown herein). We first need to define the term “results” in the context of the Covid-19 pandemic. The literature offers several measures, some of which are outcome indicators, such as the number of deaths or cases of severe illness. Although they are certainly the most significant, sometimes their correlation with the management of the pandemic is not necessarily direct. For example, an older population is more prone to becoming ill, and so is a population in colder areas where most activity during the winter months takes place inside closed structures that tend to create an environment conducive to the spread of infection.

Some of the indicators are output ones, such as number of executed tests, quarantine policies imposed, and how fast new policies and protocols were introduced and promulgated. These metrics are just tools to reduce the pandemic’s dimensions, but they are related directly to management decisions made by the local leadership. To the question of whether female leaders achieved better outcomes than male leaders in their pandemic response at the local level, most studies do indicate that countries and regions led by women are in a better position than those led by men [9–13], or at least that there are other patterns of behavior in response to the pandemic in countries that are led by men compared to those that are led by women [14]. Yet there are also studies showing that the leader’s gender has no influence on pandemic-related outcomes at the national level [15] or the local level [16, 17].

This study focuses on the impact of gender of local authorities’ leadership on the pandemic results in Israel. In ordinary times, street-level bureaucracy serves as the frontier of government response to crises and emergencies [18]. Local authorities (politicians and bureaucrats) are on the front lines in relation to this pandemic, with local leaders usually having an impact on their municipal health policy [19], and they are faced with the consequences of the measures taken to reduce its impact by either

the local or the national level [20]. However, in comparison with the governmental level considered in various in-depth studies during the pandemic, there is relatively limited research into the effect of local government on the outcomes of the struggle against it.

In Israel, all local authorities (255) were examined in this study at two critical points. The first, in May 2020, at the end of the “first wave”, and immediately after the end of the first quarantine period, was still considered to be a “center of the storm” in the world. The second point is in February 2021, immediately following the vaccination project in Israel. The two parameters examined at these points were the percentage of verified cases and the percentage of Covid-19 tests relative to the local population.

It should be emphasized that Israel is a relatively centralized country compared to the OECD countries [21]. This means that many of the responsibilities associated with local government in the world are not delegated to that level in Israel, especially concerning the health sector [22]. However, the Covid-19 period in Israel was characterized by many local authorities entering the field of health, on aspects related to enforcing the closures and social assistance particular to the diversity of the local population, to help organizing the process of providing vaccines and conducting tests for residents. The explanatory variables included serving as head of a local authority or CEO, coded as a variable called “female leadership” (including the CEO variable alone), as dummy variables, and a continuous variable of the female council members as a percentage of the total number of council members. To the explanatory variable we added three sociodemographic variables. From the data were omitted observations of regional councils, partly because they include another layer of government which is unique only to them and that might prevent the isolation of the influence of the local authority itself. Also, the fact that regional councils are usually more fragmented, with a larger geographic area, in which each settlement has a center in itself, also produces a variance between them and the urban localities in terms of people gathering and the ability to prevent the spread of the virus.

The study results indicate that at the beginning of the pandemic, immediately after the first lockdown ended in May 2020, there is a significant and negative correlation between the gender of the CEO and the variable “female leadership” and the explained variable “share of verified cases”, even though the coefficient is small (less than half a percent). In other words, the presence of a woman as CEO of the local authority and women’s leadership in general led to better achievements in dealing with the pandemic. A similar examination in February 2021, in the midst of the vaccination campaign and with the end of another lockdown, did not reveal the same correlation, but it was found to have an impact by the share of female members of the council on the share of verified cases. That is, it appears that a year after the pandemic entered Israel, local female politicians had a positive effect on preventing the spread of the coronavirus.

This result on the influence of the authority’s CEO corresponds with another study by Steklov and Gofen [23] in which the local authority’s CEO is found to have the highest influence on the education budget, which is considered to be a “feminine”-oriented public good. The second result, the influence of the Council’s members when a woman is in a senior position, is addressed in a study by Steklov et al. [24]. In their study, an examination was performed on the influence of council members accompanied by a woman mayor and not a CEO, as in the current case.

To understand the possible influence that exists for the role of the CEO in the local authority, it will be necessary to carry out thorough research in the future. However,

a potential explanation might be that it can sometimes be difficult for politicians to make unpopular decisions and transferring those decisions to the professional level led by the CEO may be a solution for this problem [25]. The struggle against the pandemic necessitated unpopular decisions in the form of lock-down enforcement, avoiding physical closeness at public events, etc.

Another result that is not consistent with the research literature is that during February 2021 there was a clear negative correlation between the percentage of female council members and the share of participants tested for Covid-19 from the total number of residents of the local Authority. In other words, as the percentage of female members of the council increases, the number of individuals tested decreases.

The structure of the chapter is as follows: First, we will present a review of the literature on the impact of female representation and the inconclusive results on female representation as advancing female preferences in general and in health policy in particular. Then, we will review the Covid-19 pandemic and the latest studies looking at the relationship between the gender of national leaders in the local authority and achievements in combating the pandemic. Next, we will introduce the case of Israeli local government, the methodology of this study, and, finally, offer its results. A summary and conclusion will be presented as to the implications of the study.

2. Representation and gender preferences

2.1 Women's representation

Women's representation, which is measured as the percentage of women from a specific group in an organization, or as a generic representation in certain positions, serves as a proxy index for female influence, *inter alia* considering the assumption that the gender of officials in the organization has an impact on its results [26–29]. As presented by Steklov and Gofen [23], female representation is expected to promote gender mainstreaming in decision-making processes, which is generally defined as a means of ensuring the introduction of gender-specific perspectives [30].

There are theories underlying the assumption that descriptive representation has an influence on the promotion of gendered policy preferences. One, “Politics of presence” [31], focuses on women's political representation as an agent that explains the promotion of women's preferences. It is expected that female representation in politics will lead to the promotion of women's preferences and needs in society [32–35].

A different point of view was presented by Downs [36] in his “median voter theorem” in which every politician will seek to be re-elected, and therefore, all actions which will be taken will be directed to the exercise of the median voter's preferences. Therefore, it is not expected that women will advance their preferred policy but rather will be similar in their policies and actions to men, placing them also in the center, with the purpose of being re-elected.

A theory concerning the bureaucracy rather than elected office is called “representative bureaucracy” [37], which focuses on the individual characteristics of the officer on promoting the preferences of the population group to which he or she belongs (not necessarily gender, but also race, origin, etc.). According to this theory, an effective public body is required to be also representative in terms of its work force and service recipients [38]. This approach also has a competing theory, in which, unlike politics, bureaucracy is expected to be devoid of bias based on race, gender, or any other demographic characteristic [39].

The work of Steklov and Gofen [23] and Steklov et al. [24] reviews a series of theories relating to passive (descriptive), or active (actual influence) representation and examines their relationship to local government in Israel. Their findings, based on a nine-year data panel through three local government election campaigns in Israel, reveal that, regarding local council members, their impact on the education budget (symbolizing a public good preferred by women) occurs only when the head of a local authority is a woman. A woman at the head of a local authority by itself and female council members, in the absence of a woman as head of a local authority, have no significant influence on the authority's education budget. Examining the senior officials in the local government in Israel reveals that the CEO of the local authority (and not the head of it or the council members) has a significant influence over the education budget, but only when there is also an influence via the number of women in key positions.

2.2 Preference for social and health policy goods in particular

Policy preferences are largely gender-specific, for example, in the context of resource redistribution policies:

“There is a quite a lot of field evidence consistent with higher level of altruism and stronger preferences for redistribution among women” ([5], p. 1555).

Specifically, empirical findings confirm women's preference for public goods defined as feminine [40].

Contrary to the common consensus on the existence of gender differences in preferences for different types of public goods, there is a significant disagreement about what causes these preference differences. One theory holds that the variation in preferences derives from biology. That is, the differences in gender preference for redistribution of public goods originate from the chromosome Y¹ and therefore, the explanation for the similar pattern of behavior expected from women, and distinct from that of men, originated in different genetics rather than social or environmental aspects. Another theory holds that the difference in preferences is sociological; that is, the gender differences in policy preferences originate from socialization processes and internalization of gender preferences over a lifetime [42]. A third theory holds that these differences originated in utilitarianism; that is, the preferences for gendered public goods by women stem from a rational approach and out of a desire to maximize consumerism [5].

The field of health is often defined as a public good of the kind that women prefer to finance and consume (e.g., [40, 43–46]). In the practice of policy promotion results, it seems that female politicians have been found to promote health issues, along with other social issues, over other legislative issues [4, 47, 48]. Concerning public budgets, female leaders tend to favor higher budgets for public health, and studies have also found that a larger number of women in senior positions is correlated with positive health results, especially in children's health [16].

¹ Some studies point to the biological differences between men and women and suggest an explanation of genetic origin. For example, Crosson and Gneezy [41] present findings from studies in social psychology according to which women are more emotional than men. This gap can be considered genetic as a Darwinian gap developed over the years to give women a certain advantage:

“At some point in human history men and women evolved different strategies to maximize the fitness of their genes”.
p. 20

2.3 Gender, Covid-19 and local government

2.3.1 Impact of the pandemic on women

The pandemic does not evenly split the population with regard to its health effects, with men more likely to die from the virus, due in part to lifestyle and habits, including increased smoking and drinking compared to women or more typically male categories of diseases such as heart disease [49]. By contrast, women are more likely to be exposed to the virus than men due to their increased role in the healthcare sector: according to the European Parliament in 2020, about 76% of the healthcare workers exposed to the virus in EU countries are women. Women are also exposed to adverse effects from the pandemic in a way that is more pronounced than men. Violence against women during [50] is more likely to be dismissed than violence against men, due in part to the distribution of jobs and domestic roles by sex. More women than men were forced to leave work since schools were closed, and they often had to bear the burden of caring for children during remote schooling [51].

2.3.2 Differences between female leadership and male leadership on health outcomes after the pandemic

The pandemic crisis reflects a kind of global “natural experiment” as from early 2020, when the pandemic began, all countries were required to deal with the spread of the virus and its consequences. Preliminary findings of global research on dealing with the virus indicate differences between the policy responses taken by leaders in various countries to address the pandemic, as well as differences in the results of the policies pursued by them (e.g., [52] in a study of the heads of health agencies in the United States; [48] in a study of mayors in the United States; [53] in a study of U.S. state governors), reflecting varied outcomes among countries in terms of the number of deaths relative to the number of residents [11], and tendencies to higher or lower public collaboration [10, 54].

These findings indicate a higher success rate of women leaders, compared with men, to create an atmosphere of cooperation with the public, which is reflected, among other things, in responding to government guidelines, such as maintaining physical distancing, closures, and lockdowns [10, 11]. Despite the public preference, as usually measured by polls, for a leadership figure with masculine characteristics [55], the public preference during the pandemic is for politicians who demonstrate “feminine” traits such as compassion and policy responses that reflect “feminine” patterns such as investing in public participation in dealing with the crisis, rather than “masculine” action patterns including enforcement or legislation [1]. Another claim states that an action based on “feminine” patterns may also miss the target, and that an “androgynous” leadership pattern, which includes both female and male aspects, including risk-taking and rapid response assertiveness [2], is required.

2.3.3 Local government’s role in the battle against Covid-19

The OECD [56] proposed a three-level division of governance for the distribution of powers among levels of government. In general, the local level is responsible for operating and working with the residents, the intermediate level mainly assists smaller authorities with other regional activities, and the upper-level conducts more general activity with the levels below. Specifically in health care, according to the OECD, the role of the local level is to deal with preventive health care and primary

medicine; and the role of the regional level is to engage in the operation of hospitals and the monitoring of local health services. The central government's role is to engage in health policy in the country and to provide medical solutions in relatively weak areas. In most OECD countries, the health field appears to be handled at the regional if not the local government level [7].

During the Covid-19 era, local governments around the world have had an impact on health and public health policy [19], and they have been at the forefront of the health crisis and its economic and social effects [20]. Local authorities were required to do more in regards to health policy, and it was found that they could have an effective impact in a short period of time due to their immediate impact on residents' daily lives, among other things referring to the enforcement of policies of local closures, travel restrictions, the closure of educational institutions, businesses and events, and more. The OECD [57] defined local government activities regarding the virus as the "front-line of the crisis management and recovery" (P. 2). A decentralized regulatory model, usually identified with advanced countries, such as in the United States, had disadvantages during the pandemic, with a consequence of more deaths, when local authorities made independent policy decisions on the basis of local leadership preferences and beliefs [58]. Yet one of the main reasons why local government can respond to issues such as the pandemic more effectively than central government is rooted in a higher homogeneity of the local government members than that of the central government. Thus, while central government guidelines are required to be relevant at some level or other for all residents, local government is by definition more homogeneous and can make more efficient adjustments to the population residing within its borders.

3. Local government in Israel and the coronavirus pandemic

The Israeli relationship between central and local government is highly centralized in relation to the world [21, 59]. This means that many areas of activity, including health, are not an official role of the local government. The Israeli system of government (unitary) is unique in that there are no tiers of government between the local and the national ones. A comparison of Israel to OECD countries [60] shows that Israel is relatively unusual in the absence of such a middle tier. The main advantage of another layer of government (not appointed by the central government) is allowing a diffusion of power into larger units of government than a single locality.

The head and the CEO of the local authority are two key factors in the management of the authority. The head of the local authority is directly elected by the residents and serves as the leader of the executive branch while at the same time serving as a member of the assembly of the local authority. The CEO of the local authority is a personal appointment of the head of the local authority, and unlike the other senior figures in the local authority, is not required to be chosen in a tender, but rather is a political appointment. The first work we know in Israel that showed the influence of a CEO in the local authority when it came to active female representation was that of Steklov and Gofen [23]. Their study found that a female CEO of a local authority leads to a positive and significant impact on the budgeting of the education field in the local authority (self-spending on education minus the appropriation from the Ministry of Education), as opposed to, for example, the lack of significance under the influence of a female head of the local authority or a female treasurer. A parallel study of Steklov et al. [24], regarding the influence of the local authority's political entities on budgeting for education and welfare, found that it was only when a female is head of a local authority that a relatively small and significant positive

impact can be seen of an additional female council member for budgeting of education only, and not overall welfare budgeting. That is, the head of the local authority and the CEO are the essential elements of the local authority.

In order to prevent an increase in national expenditure on health, leaders of the local authorities in Israel do not have responsibility over health issues that local leaders in other countries have, such as opening hospitals or front-line clinics that contain significant medical equipment that requires approval by the Ministry of Health [22]. This concentration of policy leads to the fact that, unlike in other social areas such as education or welfare, where local government is a relatively significant factor in the process of delivering the public good, it is a relatively negligible actor in health.²

Although during routine health periods, the impact of local government in Israeli health policy is negligible, the pandemic brought with it essential duality between the two layers of government. While the management of the crisis and its accompanying policies were set at the central government layer [61] at the beginning of the pandemic, this concentration in determining policy, and the lack of the integration of the local authority in receiving critical information, was due to the duty to protect the confidentiality of information regarding personal details of patients. This conflict was later resolved, and the implementation of directives and dealing with the consequences of the policies (in the areas of education, welfare, harm to business, and more) was carried out by the local government in large part. As the State Comptroller mentioned in the 2021 report: “Local authorities have a central role in emergencies. It is the national government that makes policy, but the local governments have a central role in its implementation processes” (p. 27). That is, local government’s role is not in the formulation of public health policy, which is reserved for the central government, but rather in the implementation of measures to provide vital services and reduce the pandemic’s dimensions through the implementation of the national emergency policy.

The local authorities, throughout the progress of the pandemic, demanded a policy tool for self-activation that was normally reserved for the central government. This included, among other things, the authority to carry out epidemiological investigations, which the local authorities claimed for themselves as early as April 2021, but did not formally receive before August 2021 [8]. Beyond the medical aspect of the epidemiological investigation or the operation of independent testing systems (as the Tel Aviv municipality implemented from a relatively early stage of the pandemic), local authorities were concerned with the social and economic aspects of the pandemic. A review of the government Web site of Project 265, shared by the Ministry of the Interior and the government authority “Digital Israel”, presents various actions carried out by local authorities, such as the establishment of a remote lending library of digital books (Ashdod municipality), babysitters for children of healthcare workers (Arrabe municipality), and more. That is in addition to activities that have to do with encouraging people to be tested, to stay at home during lockdown, or to get vaccinated.

Covid-19 emerged as an effective threat in Israel in March 2020, when a lockdown was imposed (the first of three) before the Passover holiday. In May 2020, the lockdown was lifted, and the daycare centers and the school system were reopened [62], though with

² It should be noted that the Ministry of the Interior previously instructed local authorities to prepare for the potential of a future pandemic. However, the State Comptroller’s Report of 2021 commented that most local authorities were not aware of the 2008 order of the Ministry of Interior director general who demanded the Ministry to prepare a response to operating procedure according to the “Local Authority’s Guideline for Flu Pandemics”.

capacity limits and the use of masks. This is the first date for the data to be examined later. The most verified cases were in January 2022, but for the most part this was made up of the omicron variant of Covid-19 after vaccination, and hence did not have a high mortality rate. The highest number of serious illnesses and deaths from the pandemic occurred during a wave that began in December 2020 and ended at the end of February 2021. This will be used to determine the second date when the data will be checked.

4. Research design

The variables listed in the study include two dependent variables: the rate of verified cases and the rate of tested individuals, as well as five independent variables, which will be specified below:

4.1 Dependent variables

Rate of verified cases from total residents of the local authority. At two time points: May 2020 (at the end of the first Covid-19 wave in Israel) and February 2021 (the date by which the majority of the population would have received the first vaccine) ($Y_1 2020/Y_2 2021$). The second two variables are the rate of tested individuals, taken from data from the Ministry of Health for the months of May 2020 and February 2021. These two measures should reflect throughput metrics for pandemic treatment. They are more effective than the use of measurements of mortality and disease, which are affected by other parameters such as age or access to health care. However, even at a reduced level, the data on testing and cases are also related to other parameters, such as how far away the local authority is located (which affects access to Covid-19 testing) or the socioeconomic cluster (which affects population density). This is why the explanatory variables also need to include those parameters.

4.2 Explanatory variables¹.

1. Gender coding of CEO (CEO)—Based on Ministry of Interior data, 2020 and 2021, 21 women served as CEO.
2. Gender coding of the tenure of a CEO or head of a local authority (woman leader)—A variable of female leadership in a local authority that receives an encoding of 1 if the head of the local authority and/or the CEO is a woman. This is due to the small number of female mayors—only 10 this year in municipal and local councils.
3. Percentage of women in the council of the local authority (LFP)—Based on data from the Ministry of the Interior in the last election (2018).

The following three variables closely gauge the strength of the local authority. This includes, among other things, the assumption that the local authority's economic strength, economic strength of its residents, and its distance from the center of Israel or a center or population nearby will lead to a different manner of coping with the pandemic [61]. It means that the results are not only related to the effects of having women serving in the local authorities. Specifically, low socioeconomic clusters and -peripheral municipalities are characterized by non-Jewish and sometimes "Hare-

dim" (ultra-orthodox) authorities. These authorities may find it difficult to deal with some of the pandemic challenges that include social distancing due to the characteristics embedded in Arab or Haredi society, such as an emphasis on large families with multiple children (which make it difficult to enforce social distancing), a multitude of communal events which culture makes it difficult to forego and, at least when it comes to the Haredi society, the choice of the Torah position represented by the rabbis (e.g., who opposed the ban on indoor graduation ceremonies). The difficulty of managing the coronavirus pandemic in these communities is clear, as presented by Herman et al. [63]

"Haredim strongly prefer the definition of a "Jewish state" and attach only minor importance to the democratic character. Therefore, they are unanimous in agreeing that in the event of a contradiction between the principles of democracy and the tenets of law - the tenets must prevail always" (p. 17).

4. Continuous Socio-Economic Rating (SOC)—This continuous rating ranks each of the 255 local authorities, with 255 being the most powerful authority in Israel for the year of measurement and 1 being the weakest authority. This is based on data from the Central Bureau of Statistics.
5. The Peripheral Index (Per)—A rating based on 10 clusters, which rate each local authority based on how far it is from Tel Aviv and away from a large population center. Cluster 10 is the most central (including Tel Aviv itself), and cluster 1 is the most peripheral. This is based on data from the Central Bureau of Statistics.
6. Sector (Sec)—This rating ranks the authorities in three types of sectors—Jewish, Arab, and Druze or Circassian. This is based on a breakdown by the Central Bureau of Statistics.

Regional councils were omitted from the examination because the inclusion of an intermediate level of government between the national and local levels complicates the analysis of the work of local governments to manage the pandemic.³

4.3 Hypotheses

Based on the literature review above, three hypotheses are presented for this study:

1. A positive effect will be found between the presence of a woman in the leadership of the local authority and the results of the local authority in the struggle against the pandemic in the two parameters examined and the two time points examined.
2. The effect that will be found will be higher in May 2020 than in February 2021.

³ A regional council consists of two levels of government, namely the village committee itself and the regional council. The status of the committee is vested in it by law, but the committee's powers are assigned according to the decisions of the Regional Council plenum and every local authority. Moreover, they also vary between localities. Larger settlements (such as Tzur Yitzhak, Tzur Hadassah or Atlit) are more likely to be given more powers when dealing with the virus than small villages. In contrast, small communities of hundreds of residents may stand out in excess of solidarity among the residents, this homogeneity enabling them to successfully take control of the pandemic.

3. Council members will have no influence, if any, and less than that of the head and CEO of the local authority.

The regression formula is stated below:

$$y_{it} = \beta_1 LFP_{it} + \beta_2 FM_{it} + \beta_3 FCEO_{it} + \beta_4 FMCEO_{it} + \beta_5 SOC_{it} + \beta_6 PER_{it} + \beta_7 ETH_{it} + Ci + Tt \varepsilon_{it} \quad (1)$$

Y1: The rate of those confirmed positive for Covid-19 among the total residents of the Authority at two points in time: May 2020 and February 2021.

Y2: The rate of Covid-19 tests subjects among the total residents of the Authority at two points in time: May 2020 and February 2021.

5. Results

5.1 Introduction

This chapter will present the research findings on the basis of four regression models, where the first two are for the first examination in May 2020, and the last two are for February 2021. **Tables 1** and **2** show the tests performed on the dependent variable: “the proportion of those verified cases out of the total population”, and **Tables 3** and **4** on the dependent variable: “the proportion of tests out of the total population”. The Appendix presents the Table of Descriptive Statistics of the Variables and the Table of Correlations between them.

5.2 The tables

Table 1 shows the regression to identify the factors that affected the rate of those confirmed positive for the virus in May 2020, for which four different regressions were built. Each pair of regressions initially presents the variable under consideration (woman leader \ CEO) without the explanatory variables but only with the members of the council, and the second regression presents the regression together with the explanatory variables.

From **Table 1** it appears that regarding the rate of those testing positive for the coronavirus in May 2020, only the full regression with all the additional variables shows a clear and negative, albeit relatively low, effect of a female CEO on the rate of verified cases, although this is a negligible effect of a reduction of approximately 0.04% in the rate of verified cases. When the additional explanatory variables (socio-economic ranking, peripherality, and religion) are entered into the regression, the effect of the CEO of the local authority becomes significant and negative, although this effect, as mentioned, is relatively negligible. Even though it is not a substantial effect, the importance is that it is a distinct effect and in the expected (negative) direction as expected in the hypothesis.

Table number 2 shows the regression to identify the factors that influenced the rate of testing for the virus in May 2020. Four different regressions were built. Each pair of regressions initially presents the variable under consideration (women leaders \ CEO)

	Reg-1	Reg-2	Reg-3	Reg-4
Woman Leader	0.0000 (0.0002)	−0.0002 (0.0002)		
CEO			−0.0002 (0.0002)	−0.0004 (0.0002)***
LFP	−0.0006 (0.0007)	0.0005 (0.0010)	−0.0004 (0.0008)	0.0007 (0.0010)
Soc		−0.0000* (2.59e-06)		−0.0000* (0.0000)
Periphery		0.0003* (0.0001)		0.0003*** (0.0001)
Rel		0.0007** (0.0035)		0.0007** (0.0035)
Cons	0.0009*** (0.0002)	0.160*** (0.014)	0.0009* (0.0002)	0.0002 (0.0003)
R ² (within)	0.0025	0.1648	0.0037	0.1673
Observations	201	201	201	201

***Correlation is significant at the 0.01 level (two-tailed).

**Correlation is significant at the 0.05 level (two-tailed).

*Correlation is significant at the 0.1 level (two-tailed). Robust standard errors are in parentheses. All regressions include year and local authority's fixed effects.

Table 1.

Variable Y—The rate of verified cases for May 2020.

	Reg-1	Reg-2	Reg-3	Reg-4
Woman Leader	0.0016 (0.0065)	0.0002 (0.0053)		
CEO			0.0013 (0.0079)	−0.0018 (0.0073)
LFP	−0.1260* (0.0161)	−0.0318*** (0.0188)	−0.1256* (0.0168)	−0.0302 (0.0206)
LFP02				
Soc		−0.0002* (0.0000)		−0.0003* (0.0000)
Periphery		0.00534* (0.0014)		0.0054* (0.0014)
Rel		−0.1251** (0.0063)		−0.0123*** (0.0065)
Cons	0.0835* (0.0044)	0.0779* (0.0065)	0.0835* (0.0044)	0.0780* (0.0065)
R ² (within)	0.2314	0.3699	0.2313	0.3701
Observations	201	201	201	201

***Correlation is significant at the 0.01 level (two-tailed).

**Correlation is significant at the 0.05 level (two-tailed).

*Correlation is significant at the 0.1 level (two-tailed). Robust standard errors are in parentheses. All regressions include year and municipality fixed effects.

Table 2.

Variable Y—The rate of verified cases for February 2021.

	Reg-1	Reg-2	Reg-3	Reg-4
Woman Leader	−0.0024 (0.0034)	−0.0008 (0.0003)		
CEO			−0.0013 (0.0039)	−0.0007 (0.0035)
LFP	−0.0210 (0.0122)	0.0152 (0.0175)	0.022−* (0.0126)	0.0153 (0.0183)
Soc		−0.0000 (0.0000)		−0.0000 (0.0000)
Periphery		0.0023** (0.0009)		0.0023** (0.0009)
Rel		−0.0162** (0.0072)		−0.0163** (0.0072)
Cons	0.0419* (0.0037)	0.0363* (0.0063)	0.0419* (0.0037)	0.0363* (0.0063)
R [^] (within)	0.0132	0.0546	0.0127	0.0546
Observations	201	201	201	201

***Correlation is significant at the 0.01 level (two-tailed).

**Correlation is significant at the 0.05 level (two-tailed).

*Correlation is significant at the 0.1 level (two-tailed). Robust standard errors are in parentheses. All regressions include year and municipality fixed effects.

Table 3.
 Variable Y—The rate of testing for May 2020.

	Reg-1	Reg-2	Reg-3	Reg-4
Woman Leader	−0.0228 (0.0765)	−0.0203 (0.0746)		
CEO			−0.0226 (0.0978)	−0.0062 (0.0992)
LFP	0.3610 (0.2308)	0.0245 (0.4045)	0.3581 (0.2332)	0.0161 (0.4257)
LFP02				
Soc		0.0006 (0.0006)		0.0006 (0.0006)
Periphery		0.0192 (0.0161)		0.0190 (0.0161)
Rel		0.0103 (0.0872)		0.0067 (0.0889)
Cons	1.0343* (0.0395)	0.9128* (0.0749)	1.0338* (0.0400)	0.9127* (0.0747)
R [^] (within)	0.0220	0.0435	0.0218	0.0432
Observations	201	201	201	201

***Correlation is significant at the 0.01 level (two-tailed).

**Correlation is significant at the 0.05 level (two-tailed).

*Correlation is significant at the 0.1 level (two-tailed). Robust standard errors are in parentheses. All regressions include year and municipality fixed effects.

Table 4.
 Variable Y—The rate of testing for February 2021.

without the explanatory variables but only with the members of the council, and the second regression presents the regression together with the explanatory variables:

Table 3 shows that there is no significant relationship between women in the leadership of the local authority (head or CEO or only the CEO) and the number of residents tested for Covid-19; however, when there is a woman serving as CEO, there is a negative and distinct relationship between the proportion of female council members and the number of those tested. In other words, female council members have a negative effect on the number of people tested, contrary to expectations.

Tables 2 and 4 show the situation corresponding to **Tables 1 and 3** only for February 2021, that is, about 9 months after the end of the “first wave”, and at the stage when the virus vaccines became available. This phase was defined by the Institute for National Security Studies [64] as the third and final phase summarizing the process of dealing with the coronavirus, while the initial phase was defined as the “containment phase”. The vaccination campaign in Israel began in December 2020. As of the end of February 2022, about 4.8 million Israelis (about half of the total population) had received the first dose of the vaccine, and about 3.4 million had already received the second dose (Epidemiology Division, Public Health Services, March 2021). The effect of vaccinations in Israel was to significantly reduce infection, so that those who were not vaccinated against the virus were infected (that is, they were found to be confirmed positive for it in tests regardless of symptoms) eight times more than those who were vaccinated [65]. Therefore, the following two tables summarize the situation in Israel in February 2021, when in practice relative control of the pandemic had already been achieved through vaccinations.

In contrast to **Table 1**, in which it seemed that the CEO influenced the rate of those testing positive in May 2020, in February 2021, it seems that this effect is no longer significant. On the other hand, female council members have a negative effect; that is, any increase in the rate of female council members reduces the rate of verified cases. In other words, at the beginning of the pandemic there was no significant effect of female members of the council, while after about a year of the pandemic the female members of the council show a relatively high effect of a reduction of between 3 and 12% for every increase in the proportion of female council members on the proportion of verified cases.

Table 4 shows the analysis of February 2021 with regard to the proportion of residents tested out of the total residents of the local authority:

Table 4 does not show significance for any of the gender variables when it comes to the rate of tested individuals in February 2021, although when it comes to CEOs and the variable of female leadership, the direction of the coefficient is negative, as we would expect, even if it is not significant.

The results of the study indicate that none of the research hypotheses were found to be significant. Hypothesis 1 was that a head of a local authority, and/or a female CEO would lead to a significant effect on the two independent variables at both time points. In practice, the significant effect (relatively small at a rate of -0.04%) was only regarding the reduction of the verified cases rate and only regarding the first time point (as expected).

Hypothesis 2 was that the impact would be higher at the first time point (May 2020). Indeed, at this point in time a distinct effect was seen while at the second point in time there was no significance; however, as mentioned previously, the effect was only found regarding the proportion of those who tested positive for the virus and in a relatively small proportion.

Hypothesis 3 was that there would be no negative effect between the proportion of female council members and the fight against the virus, but such a negative effect was found in the second period of February 2021.

6. Conclusion and discussion

This study examined whether women in leadership positions in local authorities in Israel (head, CEO, and council members) led to better results, which are accepted in the literature, in the management of the pandemic. Such results were defined as lower proportion of verified cases and a higher proportion tested out of the total residents of the local authority in two time periods: immediately at the end of the first wave in May 2020 and at the peak of the vaccination campaign in February 2021, after the end of the third wave, which was also the deadliest in terms of cases of serious illness and death. Using an OLS regression model, we examined all local authorities in Israel at those points, except for three sectors: non-Jewish, ultra-orthodox, and regional councils.

It is customary to expect that women in leadership positions will act differently from men, with an emphasis on their preference to focus on “softer” public policy issues, including the field of health [4, 6]. The struggle against the pandemic required “androgynous” leadership that includes feminine aspects of cooperation or informing residents, but also masculine at the same time, including assertiveness and risk-taking [2].

Findings from a comparison between countries have shown that countries and regions led by women are in a better position post-pandemic than those led by men [9–13] or at least featured different epidemiological patterns than in countries led by men [14].

In Israel, in contrast to countries in which the health sector is a policy area that is at least partially the responsibility of the local level of government [19], the health sector is not under the responsibility of the local authority at all. Health policy is determined by the central government and carried out on the ground by the health organizations (“Kupot holim”) and the hospitals that are funded directly by the state. However, the Covid-19 pandemic required a comingling of responsibility between the two layers of government [61]. This assumption of some responsibility of healthcare policy by the local authorities was not related to the use of tools in the field of public health (e.g., as certain local authorities such as the Municipality of Tel Aviv did in carrying out official Covid-19 tests), but rather to a policy of assistance in enforcing social distancing or assistance to local businesses during closures, and assistance to isolated residents.

The findings of the current study indicate that in regard to the rate of verified cases in May 2020 (the end of the first wave), a local authority in which a female CEO served achieved better results (approximately 0.04%) compared to a similar authority in which a male CEO served. This result regarding the different effect of a female CEO than of a male CEO (and not, e.g., of council members) corresponds with the study of Steklov and Gofen [61] who found a different effect of female CEOs compared to male CEOs when it comes to education budgets in local authorities. In February 2021, no excess effect of a female CEO compared to a male CEO was found on the rate of verified cases; however, a significant effect was found for the share of female council members, when an increase in the share of female council members led to a reduction in the number of verified cases.

The empirical findings above come against the background of the fact that in practice there were several policy tools that some local authorities used during the pandemic differently compared to other local authorities. Among other things, there were authorities that set up a landing page for purchases from local businesses, others that assisted isolating Covid-19 positive residents by bringing supplies to their homes so that they would not have to go out and risk infecting other people, local authorities that opened testing centers in the public space at their own expense, and more.

This article gave an econometric expression to these actions when it modeled the achievements between the local authorities according to two parameters (the share of verified cases and the share of tested individuals) at two different time points. The fact that there is an econometric significance for the reduction in the rate of verified cases both for female CEOs and for the rate of council members, and the nature of the relationship is as expected—negative (that is, the tenure of a female CEO or an increase in the rate of female council members led to a decrease in the scope of verified cases) substantiates the reliability of the findings. On the other hand, the fact that no significance was found for the results at the two time points regarding the two types of examination suggests that the effect may have been inconsistent.

As far as practical implications of this research on public policy in Israel, an increase in the proportion of women in key positions, whether in the local bureaucracy or among the members of the council, could lead to an improvement in the results achieved by the local authority in emergency situations such as the Covid-19 crisis.

These findings require a qualitative follow-up examination that will present the various tools used in the local authorities and their link to gendered management and leadership patterns at the local level. Revealing the mechanism(s) that led to better results of local leadership in dealing with the virus may promote more effective policy in the future in dealing with other events, whether in an emergency or in routine activities. Beyond that, there is room to conduct a similar examination at the international level, but focusing on the local layer rather than the national layer, in order to understand whether the significant results, even if relatively negligible in their impact at least as far as the CEO of the local authority is concerned, correspond with the relatively consistent findings regarding the beneficial effect of national leadership versus local leaders on dealing with the pandemic.

Appendix

See **Tables 5–7**.

Variable	Obs	Mean	Std. Dev.	Min	Max
verifi~52,020	201	.0008539	.001717	0	.0132373
testpe~52,020	201	.0384153	.0315633	0	.3133797
verifi~22,021	201	.0649268	.0395773	0	.278825
testp~022021	201	1.084802	.3551382	0	2.291515
lfp	201	.1491816	.1526178	0	.5714286
womanleader	201	.1492537	.3572281	0	1
ceo	201	.092511	.2903863	0	1
mayor	201	.0440529	.2056661	0	1
religious	201	2.303483	.9707924	1	4
peripheria	201	4.9801	1.94412	1	10
socio	201	4.885572	2.474235	1	10

Table 5.
Descriptive statistics.

	ve ~ 52,020	te ~ 52,020	ve ~ 22,021	t ~ 022021
verifi~52,020	1.0000			
testpe~52,020	0.6251	1.0000		
verifi~22,021	0.4359	0.3108	1.0000	
testp~022021	0.2126	0.3412	0.4324	1.0000
lfp	-0.0492	-0.1119	-0.4808	0.1467
socio	-0.1730	-0.1345	-0.5329	0.1695
ceo	-0.0518	-0.0525	-0.1687	0.0372
mayor	0.0693	-0.0212	-0.0453	0.0141
religious	0.2551	-0.1058	-0.0561	0.3056
peripheria	0.2311	0.0567	-0.0333	0.1654
womanleader	-0.0112	-0.0653	-0.1653	0.0344
rel1	-0.0087	-0.1872	-0.4837	0.1437

Table 6.
Correlations between independent and dependent variables.

	lfp	ceo	mayor	womanl~r	socio	periph~a	rel1
lfp	1.0000						
ceo	0.1269	1.0000					
mayor	0.0763	0.0444	1.0000				
womanleader	0.1567	0.8674	0.4805	1.0000			
socio	0.5045	0.2113	0.1654	0.2483	1.0000		
peripheria	0.3737	-0.0025	0.1855	0.0692	0.3736	1.0000	
rel1	0.5195	0.3312	0.1948	0.3869	0.7318	0.2610	1.0000
verifi~52,020	0.0482	-0.1034	0.0475	-0.0671	-0.2092	0.2402	-0.0770
testpe~52,020	0.1123	-0.1787	-0.0371	-0.1729	-0.2294	0.1258	-0.3012
verifi~22,021	-0.1014	-0.2779	-0.0570	-0.2615	-0.5372	0.0763	-0.5405
testp~022021	0.4126	-0.2253	-0.0286	-0.1979	-0.1158	0.2217	-0.1761
ve ~ 52,020		te ~ 52,020		ve ~ 22,021		t ~ 022021	
verifi~52,020		1.0000					
testpe~52,020		0.6408		1.0000			
verifi~22,021		0.4737		0.5116		1.0000	
testp~022021		0.3023		0.5714		0.6917	1.0000

Table 7.
Correlations between the independent variables.

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The Perceptions' Puzzle: Understanding the Key Drivers behind Politicians' Perceptions of Participatory Practices

Nina De Smedt

Abstract

This chapter aims to unveil the puzzle of local councilors' perceptions about citizen participation practices. In addition to the traditional legitimacy dimensions of input, throughput, and output, I examine how emerging factors (e.g., topic and accountability) shape perceptions of these practices. This chapter addresses the limited understanding of why councilors assess particular participatory practices in certain ways by conducting 19 in-depth interviews with local councilors in four diverse Flemish citizen participation projects (Kortrijk, Mechelen, Genk, and Oostende). This study reveals reflections and key drivers of councilors' attitudes. Findings indicate that politicians prioritize different legitimacy dimensions depending on the type of participation and the kind of local councilor. Input legitimacy remains essential for both vote- and talk-centric citizen participations due to the inherent need to represent diverse voices in citizen participation. Vote-centric participation seems to be more linked to output legitimacy and talk-centric participation seems to be tied to throughput legitimacy. The study reveals political dynamics between opposition and government, where the opposition is critical and the government emphasizes positive aspects. Additionally, left-wing councilors consider input- and throughput-oriented rationales, while right-wing councilors emphasize output-oriented rationales. With citizen participation now a mainstream practice in policymaking, this chapter offers a comprehensive evaluation framework to assess citizen participation among several stakeholders. It enables future research in identifying commonalities and differences in reflections and drivers in multiple governmental settings.

Keywords: local government, democracy, qualitative, legitimacy, local elected politicians, citizen participation

1. Introduction

Many local governments have recently reformed their decision-making processes adding elements of citizen participation to the traditional system of representative democracy [1, 2]. Citizen participation is assumed to offer society several advantages:

It would strengthen the democratic capacity, improve efficacy, enrich policy process by including multiple and innovative solutions, and create a solid base of public support [3–5]. The democratic policymaking setting became layered due to citizen participation especially in local democracies which face complex problems that representative democracy struggles with [6, 7]. However, citizen participation might also have some valid or practical challenges, leading local councilors to obstruct its implementation [5, 8]. The assumed advantages and valid challenges could be the key drivers for local elected representatives to (not) support citizen participation.

Our definition of citizen participation covers a wide range of practices where citizens get involved in policymaking. I exclude practices such as voting or party-political participation [9–12]. The traditional electoral chain of command among politicians is at risk, potentially granting citizens more direct influence [13]. This risks diminishing the traditional mandate of councilors which includes representing citizens, formulating legislation policy frames and scrutinizing. These might thus come under pressure due to the new political reality with citizen participation as a mainstream practice [14, 15]. Moreover, successful implementation of citizen participation can only occur with support from political and administrative leaders [16–18]. They can play a ‘gatekeeper’ role *vis-à-vis* participatory processes (from initiating to institutionalizing), but they can also resist and even obstruct the introduction of participatory practices [19, 20].

Whereas prior studies have predominantly focused on members of parliament [21–23] and citizens [24–26], local councilors remain generally underexposed when it comes to evaluations of citizen participation. Local councilors merit attention in this discussion because they are traditionally mandated to represent, scrutinize, and formulate legislation policy frames, despite facing an executive dominance [27, 28]. In this chapter, I investigate why local councilors assess participatory practices in certain ways (RQ). This chapter aims to provide insights into the underlying reasons behind local councilors’ legitimacy perceptions of participation arrangements by adopting a qualitative research approach. This chapter specifically examines how their perceptions might be shaped. The drivers included in the study include the three dimensions of legitimacy and politicians’ interests, ideology, and the type of citizen participation at stake. These are assumed to be *underlying rationales for attitudes of politicians toward citizen participation* (see framework in **Figure 1**).

Earlier quantitative studies (based on large-scale surveys) clearly show variation in elected politicians’ attitudes toward participatory arrangements [5, 19, 29, 30]. This

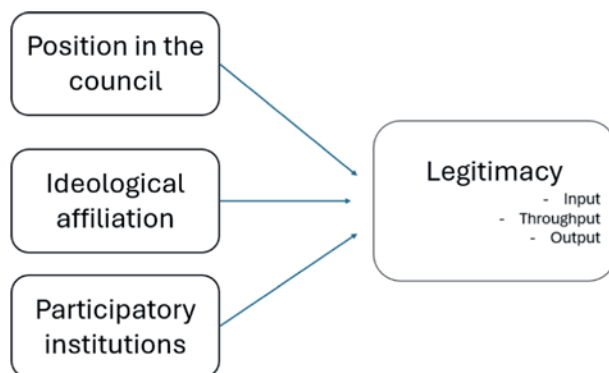


Figure 1.
Framework for underlying rationales.

chapter aims to capture a more nuanced perspective toward these processes, rather than labelling them simply as 'good' or 'bad' [31, 32]. Perceptions can be captured through the concept 'legitimacy' that consists of *input, throughput, and output legitimacy* [33–35]. Earlier studies tend to focus on merely one or two of these dimensions [36–38]. Thus, the first novelty of this chapter is the more fine-grained focus on legitimacy perceptions (input, throughput, and output) of local politicians' evaluation of citizen participation. These three dimensions of legitimacy grasp whether these politicians consider participatory arrangements acceptable, rightful, proper, or just [35]. Moreover, I study the three legitimacy dimensions across a large variation of types of citizen participation. Second, most previous studies only mapped evaluations of citizen participation arrangements, while it is less clear what the *rationale of politicians* is for their perceptions toward citizen participation [16, 37, 39], with Koskimaa, Rapeli, and Himmelroos [22] being the exception. This prompted me to conduct in-depth qualitative research to uncover those rationales. I examine real-life factors that drive local politicians' legitimacy perceptions (input, throughput, and output) toward citizen participation. The current literature provides evidence on which politicians support what type of citizen participation (e.g., left-wing politicians are more in favor of talk-centric participation, and right-wing are more pro vote-centric initiatives) [22, 25, 37, 40], but literature lacks qualitative evidence on why this is the case. Therefore, a third new element of this chapter is to explain the drivers that shape local politicians' evaluations of citizen participation practices. I aim to uncover the underlying rationales associated with perceptions to established explaining factors: ideas (party ideology), interests (politicians' position in the local council) and participatory institutions (type of citizen participation). While these factors are frequently used to interpret and define stakeholders' attitudes toward citizen participation [26, 36, 41–43], the underlying mechanisms are only seldom explored.

I investigate this in Flemish (Belgian) municipalities where various citizen participation instruments are used. This in order to capture perceptions within a context where citizen participation is richly adopted. This highlights the strength of the research context wherein local councilors have knowledge of citizen participation projects and are able to discuss their attitudes and arguments. The cases were chosen for its similarities in local governments system and urban governance setting. Moreover, local governments, due to their proximity to citizens, primarily serve as testing grounds for citizen participation [5, 44].

This chapter first gives a theoretical underpinning of legitimacy perceptions for citizen participation, determinants for politicians' attitudes, and the empirical evidence thereof. The next section describes the procedures and methods used in this investigation to uncover general patterns in local councilors' legitimacy perceptions highlighting the fundamental distinctions between these participatory approaches. Further, it describes the qualitative research design with four Flemish (Belgium) cases and the data obtained through semi-structured in-depth interviews. The fourth section presents the findings specifically being rationales which we define as the drivers for politicians' attitudes toward particular participatory practices. Here, I investigate how local politicians view the legitimacy of participatory practices in terms of input, throughput, and output. Next, I identify the mechanisms that lead local politicians to perceive citizen participation as legitimate in these terms. In sum, councilors' attitudes are influenced by different priorities for input, throughput, or output legitimacy. For vote-centric participation, output-oriented perspectives are key, while talk-centric participation relies on throughput-oriented views, with input-oriented perspectives being crucial due to the need for diverse representation in decision-making. Councilors are willing to involve citizens in local policy.

2. Perceived legitimacy of citizen participation

To gain further understanding of legitimacy perceptions of local politicians, I first explain the concept of legitimacy. Legitimacy perceptions will be adopted in this chapter as a synonym to attitudes. Rather than relying on a general assessment of legitimacy, this study uses a threefold model of legitimacy [35, 45]. Legitimacy can be viewed as a multifaceted perspective that politicians use to support specific citizen participation practices [34, 45, 46]. Each legitimacy dimension represents a framework for examining attitudes for which the general judgments only partly account. This chapter follows the line of reasoning by Hendriks [46] arguing that several key values underpin politicians' legitimacy perceptions of citizen participation. First, input legitimacy encompasses inclusion and equal input of diverse citizens [34, 46]. Second, throughput legitimacy refers to the appropriateness of decision-making, the proper process, and fair procedures [46]. It is commonly equated with procedural fairness, which presumes that fair procedures will foster the acceptance of outcomes [47]. Thirdly, output legitimacy is generally understood to imply efficiency and effectiveness of decisions [46]. This points out the significance of qualitative outputs, outcomes, and solutions. When politicians do not take stock of outcomes and information out of participatory initiatives, there is a possible lack of responsiveness. This chapter maps local councilors' legitimacy perceptions split up into three dimensions and explores the mechanisms that steer these perceptions.

When it comes to explaining the mechanisms behind politicians' legitimacy perceptions, earlier quantitative research already identified some elements shaping their views [21, 23, 29, 30, 48]. The following subsection provides an overview of previous empirical studies that uncover patterns in politicians' evaluation about participatory practices. Many researchers adopt the following framework: ideas, interests, and institutions driving politicians' attitudes toward participation [4, 23, 43]. Starting with '*ideas*,' research found that left-wing politicians have more positive attitudes towards citizen participation also depending on the kind of participation. Junius et al. [23] investigated national- and regional-level representatives across a number of European countries, distinguishing between deliberative events and referendums. They found that left-wing politicians are more supportive of deliberative events, while right-wing politicians (and radical right politicians even to a larger extent) favor vote-centric participation such as referenda. Koskimaa et al. [22] investigating Finnish state-level elites and Caluwaerts et al. [49] studying local party sections in Flanders (Belgium) come to similar findings as Junius et al. [23]. Populism, as an ideological position, was typically found to promote direct democracy [50]. Populist parties aim to solidify their role as the protectors of 'the people,' which explains their strong support for referendums.

The strongest factor shaping perceptions in previous research was, however, found in '*interests*,' which covers administrative and problem-solving motivations behind supporting citizen engagement [17]. Núñez et al. [43] for instance described self-interest as an important determinant for politicians to not introduce participatory tools at the supralocal level. Those in power are, according to a strategic reasoning, less supportive of deepening citizen participation [23, 41]. Local politicians are assumed to support certain participatory tools according to their own possibility to have an influence [29].

This chapter will explore '*institutions*' as the type of participatory process, whereas earlier studies mainly examined the governmental system. Looking at the type of participatory process is thus a rather novel angle where the political system will be kept

constant. Several scholars investigated the impact of the 'institutions' on the support of (local) participatory initiatives [51–53]. Radzik-Maruszak and Haveri [5] found that 'old democracies' support citizen participation when it provides good output, while 'new democracies' support for citizen participation depends on the input.

Recent qualitative studies have started to uncover politicians' perceptions including legitimacy by addressing reflexive questions, for example, Refs. [54, 55]. They explain support through untangling discourses, while this chapter will uncover rationales behind legitimacy perceptions. The way issues are discussed (discourses) influences the reasons people give for supporting or opposing something (rationales). For example, if the discourse around citizen participation emphasizes certain democratic values, the rationale for supporting it might be framed around enhancing democracy. A first study by Niessen [54] identified four perspectives with regard to participatory budgets at the provincial level: elitist (focusing on political primacy), expert (a technocratic view), (re)connection (bridging the gap through citizen participation), and reinvention (integrating citizen participation into representation). Second, Rangoni et al. [55] inductively found a power-sharing discourse that involves MPs transferring decision-making power to citizens through binding mini-publics on major issues. This contrasts sharply with the elitist discourse, aligning with Niessen [54]. Between these extremes lies the consultation discourse, where politicians prefer citizen participation to be optional, consultative, and limited in topic with final decisions made by politicians.

Elected politicians face decisions that can lead to different priorities and goals [56]. This idea of priorities with regard to citizen participation was mentioned by Nederhand and Edelenbos [37] as orientations that may influence local politicians' approach to citizen participation. They deduct two main motivations, namely throughput-oriented (emphasizing procedural integrity and citizen involvement) and output-oriented (focused on efficient decision outcomes). They conducted a very innovative Q-methodology approach combining qualitative and quantitative efforts to investigate the perspectives of politicians. The first motivation shows willingness to lessen their own control and empower citizens, while the latter is fixed on their political primacy as the final decision-maker [22, 37].

While the literature generally identifies a research gap in understanding the reasons behind elite views on citizen participation, Koskimaa et al. [22] stand out as an exception, being the first exploratory qualitative study to investigate these reasons. They concluded that policymakers are rather positive about consultative institutionalized citizen participation, where they see themselves as '*gatekeepers*' in representative democracy, while doubting citizens' capacity to govern, local politicians maintained their final decision-making role of local politicians.

3. Interviewing the gatekeepers

Recent evidence on citizens suggests that it is needed to 'assess actual features of the democracy in practice' [25]. In this chapter, I follow a holistic and qualitative approach untangling underlying reasons for attitudes by local politicians. This qualitative research analyzes the micro-level of local citizen participation by viewing in detail new participatory dynamics in democracies *in the eyes of councilors* [57]. This research focusses on the *local level* as it is known for being a citizen participation laboratory that inspires and fuels democratic changes at the (supra-)national level too [29, 52]. Flemish municipalities are selected since they have experimented with

many kinds of participatory tools to enhance citizen engagement, and it is thus fairly representative of the richness of participatory tools [58]. Alongside emerging diverse participatory instruments, Flemish municipalities are commonly referred to as having an intermediate level of municipal autonomy, making them relatively free to organizing citizen participation [59]. There is a dynamic interplay of a partitocracy and localism in place. Municipalities are governed either by an absolute majority party or a coalition of multiple parties. All interviewees were elected in Flemish local elections, held every 6 years. Local governments in Flanders (Belgium) use a monistic system in which the board of mayor and alderman—the executive local politician—are inherently part of the municipal council [60].

Four different participatory cases were selected for this chapter using a variety of participatory practices and thus investigating attitudes in different settings (see **Table 1**). The methodological approach here is to cover the complex and rich differences in reality by investigating diverse settings and uncovering patterns within these. The chapter investigates cases covering four of the families of democratic innovations described by Elstub and Escobar [61]. First, in Kortrijk councilors were interviewed on a referendum, in Mechelen on a collaborative governance project, in Genk on a mini-public, and finally in Oostende on a digital participation process. The fifth family is participatory budgeting and has recently been extensively researched in Belgian municipalities [62–65], and this chapter therefore does not include such a participatory process. Additionally, the variation of the cases lies in a distinguish between participatory arrangements focusing on specific policy areas or on wide-ranging policy areas [61, 66]. The comprehensive participatory frameworks are designed to address a wide range of policy topics, providing a broad platform for citizen involvement and input across diverse areas of governance. These types of citizen participation thus give some agenda-setting power and a broader mandate to citizens. In contrast, participatory arrangements that center around a specific policy area offer a targeted and concentrated approach. This makes the project more dependent on the relevance of and position toward the particular topic. Citizens in these participatory cases have a restricted mandate for decision-making confined to discussing only that subject. This choice allows for an in-depth examination of these specific cases creating high internal validity. The mode of participation encompasses first vote-centric ways to ensure citizens directly pronouncing their opinion on policymaking [67–69] and was described as ‘asking the people to vote on important public issues’ [70]. Second, the concept of talk-centric participatory practices engages citizens through discussions and deliberations around policy problems and related solutions [61, 71].

Participatory trajectory	Mode of participation	Participant selection method	Extent of authority	Families of democratic innovations
Digital referendum in <i>Kortrijk</i>	Talk-centric	Self-selection	Decisive	Referenda and citizen initiatives
Deliberative panels in <i>Mechelen</i>	Talk-centric	Self-selection	Co-decisive	Collaborative governance
Mini-public in <i>Genk</i>	Vote-centric	Sortition	Advisory	Mini-publics
Citizen survey in <i>Oostende</i>	Vote-centric	Self-selection	Advisory	Digital participation

Table 1.
Overview of Flemish participatory cases (*municipality underlined*).

In the first case, *Kortrijk* implemented an annual *digital referendum* as part of its current municipal legislature. This case was selected due to its uncommon and thus experimental practice using a vote-centric and digital approach. A local party with close ties to the national liberal party and the ethnic and regional party New Flemish Alliance governs this municipality. While the second case was also vote-centric, it is a more common practice in local democracy, namely a *citizen survey in Oostende*. This municipality is governed by a coalition of Greens, Liberal democrats and the New Flemish Alliance. In *Mechelen*, our third case, talk-centric methods are integrated into municipal policy-making. Specifically, the aim of these *deliberative panels* was to brainstorm and discuss the utilization of public open spaces. Here, a cartel list of liberals (Open Vld), greens (Groen), and an independent local politician is in charge. The fourth and final case was another talk-centric instance, specifically a *mini-public* consisting of 22 randomly selected inhabitants of *Genk*. They debated challenges arising from the superdiverse nature of Genk, to manage potential conflicts and cultivate a shared perspective on dealing with citizen diversity. A coalition of the social democrats (Vooruit) and Christian democrats (Christian Democratic and Flemish) governs this municipality.

This chapter uses 19 *semi-structured interviews* conducted between February 2023 and July 2024 to provide rich, detailed personal insights from local councilors going further than their attitudes. It focuses exclusively on local elected politicians outside the executive board, targeting viewpoints of those in this strict group of *legislative councilors*, providing us with insights on the way councilors understand citizen participation. Although the executive dominates local policymaking, these legislative local politicians have—as earlier described—a possibility to play a ‘gatekeeper’ role *vis-à-vis* citizen participation. Local politicians were selected on their position in the local council (government or opposition), their ideological affiliation (party in the local council), and their connection with the participatory process (assessed through desk research on policy regulations, commission reports, and media outlets) (see **Figure 1**). Each respondent ID begins with the initial of their respective municipality. To facilitate a comprehensive comparison, positions and ideologies span over several ideological parties and with councilors representing both governing parties and opposition factions (See **Table 2**). The acknowledged local branches of national parties collectively account for 77% of all votes in local elections [72, 73]. Additionally, non-national lists participate in local elections, securing 23% of all votes. Often there is only a short time frame to interview local councilors, which serves as a challenge, since local councilors mainly fulfill their political mandate next to a job. Next, this councilors group is a very hard to reach population which increased the time commitment of the researcher.

A main advantage of this approach with semi-structured in-depth interviews is that it allows for descriptive thematic analysis [74]. This specifically captures rich and detailed personal experiences and interpretations [75–77]. Therefore, interviews included questions about legitimacy perceptions toward citizen participation and their underlying reasons. They were asked particularly to reflect on each dimension of legitimacy. Specifically, for the input dimension councilors were invited to assess perspective inclusiveness and people inclusiveness, while for throughput they had to consider the fairness and the transparency of the participatory process. The last question considered the output dimension, specifically asking whether councilors perceived the process as efficient and effective. Deductive codes related to the legitimacy dimensions are given to (parts of) sentences that situate within the definition of a certain dimension or with their general perception. An example code for input legitimacy: *And then we must be careful that everyone can be included in this. Otherwise,*

City	
Kortrijk	6
Mechelen	6
Genk	4
Oostende	3
Party affiliation	
Communists	1
Greens	1
Social democrats	4
Christian democrats	3
Liberals	1
Flemish nationalists	4
Radical right	1
Independent/local	3
Political position	
Government	8
Opposition	11

Table 2.
Respondents.

yes, as I mentioned earlier, it's the loudest voices that will have the most influence in the whole process. The research may indeed reveal patterns that fall outside the framework, such as structural and practical limits of participatory processes [78].

By additionally investigating codes on general perceptions toward participatory projects, this study remains open to factors emerging from empirical observations, adopting an additional inductive approach [79]. Inductive codes such as 'topic' appeared; for example: *Yes, okay, the topic itself is about something completely different. Uh, the emotions surrounding traffic and mobility are obviously very different from those of, 'What are we going to do with that piece of land?' (K2).* By doing so, the various rationales of local elected politicians are categorized by inventory mechanisms that are not explicitly defined within the theoretical framework of input, throughput, and output legitimacy.

4. Local politicians' reflections

The factors and shared themes from the in-depth interviews with Flemish local councilors will be categorized within the threefold concept of legitimacy (input, throughput, and output). When specifically considering differences within the 3I-framework, participatory institutions are immediately described, while interests and ideas will be further entangled in separate sections.

4.1 Input legitimacy

This section highlights several key patterns regarding input legitimacy of the four participatory processes, deductively being *perspective inclusiveness and people*

inclusiveness. While inductively concerns were raised about accessibility, these will be described after the deductive rationales. Concerns exist in Genk—a talk-centric instrument—on perspective inclusiveness: being a lack of persuasion that government communication can have to ensure balanced opinions brought to the table (see quote G1). This was described as bringing a lack of transparency for the broader public, which needs stronger moderation and better communication of outcomes (see quote G4)

“Very often, the communication doesn’t reach the people. You feel that they might have received something in the mail, seen it on social media, or in the city’s magazines. And yet they say, ‘Huh, I know nothing about it.’” (G1)

So yes, in that respect, it could be made more known or more widely known. Oh yes, could I have participated in that, or does it even exist? (G4)

Additionally, both vote- and talk-centric instruments (described by K2 above and M6 below) are assessed for people inclusiveness: The problem shows that the most motivated, vocal, and highly educated individuals tend to dominate the process. This was described by K1 as ‘the loudest voices’; however, those underrepresented are not heard. This can be linked to the participation paradox which is an established critique in the literature.

That’s what I’m afraid of. I don’t think the average worker or cleaning lady—with all due respect to those who did show up—would be the ones participating. I think it was more the, well, it’s a difficult word, but the intellectual upper class of our society that was drawn to this. (M6)

From the codes that were inductively captured, I withdrawn a pattern where politicians talk about *accessibility*. I embed this rationale in the input legitimacy dimension. Digital tools are often stated to exclude certain demographics, such as the elderly or those without Internet access. This exclusion raises questions about input legitimacy. In Oostende, the citizen survey was also made available in paper format upon request to overcome this problem. This is an example of broadening access but also actively reaching out to citizens, shown by a quote of councilor O3.

Uhm, I do think it’s good that it didn’t only happen online. It was also done on paper. So, this broad survey is really an attempt to include everyone. In terms of age groups, it was actually quite homogeneous. (O₃)

In sum, perspective inclusiveness was less often referred to as an important underlying reason for input legitimacy, while the people inclusiveness seemed to be of crucial importance for all councilors in all cases. They were mainly concerned with a participatory elite; thus, councilors seem to focus on representativeness of all participatory cases in terms of socio-demographics. The underlying mechanism mentioned was a non-reading audience of municipal information. The accessibility concern was even more intense for digital citizen participation, which was linked to the representation of social groups. Councilors stated an inherent tension for digital participation being an extra inequality for the underrepresented social groups.

4.2 Throughput legitimacy

Second, several key patterns regarding *throughput legitimacy* emerged, particularly concerning deductive codes of *transparency* and *procedural fairness*. Inductively the following themes emerged: agenda-setting and neutrality. First, the aspect of transparency in participatory cases surfaced by government councilors, while others pointed out issues like manipulation and lack of clarity in question or topic formulation. Across all cases, transparency is often linked to how clearly the process and its steps are communicated to the participants. For instance, in Kortrijk, there were concerns about the transparency of question formulation and the manipulation of the digital referendum process making it undemocratic as K3 described.

“Although that voting process, for example, was influenced by changing the hours and by the fact that staff were walking around with those iPads, uh, essentially observing the voting behavior. That’s, of course, undemocratic.” (K3)

The respondents say that it is important to provide participants with sufficient information to make informed decisions. In Oostende, the survey was seen as transparent because it was methodologically sound, and results were communicated clearly see quote councilors O₂.

“The results were also broadly explained. It was quite an extensive survey. Uh, I found it to be, uh, an open line of questioning as well. I didn’t feel it was tendentious or anything. It also felt vulnerable, in the sense that there was room for criticism. [...] People appreciate it when we don’t try to steer the survey, because that’s normal.” (O₂)

Moreover, talking about procedural fairness, the deliberative panels in Mechelen were seen as fair due to the open and participatory nature of the discussions. The process was valued for fostering compromise and collaboration as described by councilor M3.

“Yes, well, I think it’s good. Everyone gets a chance to speak, I assume, so I don’t see how it could be any fairer, really. Being present, yes, and making your voice heard. [silence]” (M3)

However also inhabitants had other expectations than what the government intended. It clearly relates to the inductive themes *agenda-setting* and *neutrality*, specifically covering the policy stage and thus the timing that citizens are asked for input. It was mentioned many times and mainly by opposition respondents such as O₃ that it was ‘too little, too late.’ Citizens in this reasoning should be involved in earlier stages since it allows them to genuinely feel heard and to have potential impact. Councilor G1 additionally highlights this concept of procedural fairness showing how people get dissatisfied due to being asked for input too late in the process or when the input solicited falls short of their expectations.

“So, in itself that is very much the approach is good, but people usually have the feeling that it is already decided policy before they are involved. [silence] That’s the feeling I often hear from people.” (G1)

A significant number of interviewees, mainly from the opposition, prefer citizen participation focusing on certain high political topics where participants can

potentially have a substantial impact. While others are more reserved due to concerns about potential negative consequences, like local polarization or disinterest, a balance between relevance of the topic and avoiding polarization of the local community is achieved. This appears challenging by K5 since a polarizing topic might undermine throughput legitimacy of citizen participation.

“Or often revolves around a societal issue or a question that holds societal significance, but then it puts groups against each other.” (K5)

This polarization is especially the case in a referendum, while the irrelevance and sensitivity of the topic also comes along in talk-centric citizen participation such as in the case of Mechelen and Genk, described best by M5 who specifically taps into the divisiveness coming out of citizen participation next to irrelevance of certain topics. Also in the deliberative panels, opposition respondents critique the topic definition and call for clearer communication see quote M4

“But I see that regularly in the news or when reading the newspaper, that it is set up around sensitive topics. One time it's the merger, the next is the underground car park, and then when people take action for and against a specific theme, that often causes division, I would say. It leads to discord, and even then, there are usually no results; it tends to be around half.” (M5)

“But I think it needed to be a bit more defined. I'm not saying it should be limited, it doesn't have to be, but just clearly stating from the beginning, look, these are the topics we can address, uh, but we can only act on these things so that there is no disappointment afterwards, you understand, so they don't come up with the biggest tax reform while we can't implement it.” (M4)

4.3 Output legitimacy

Thirdly, rationales for (non-)support are linked to output legitimacy, for which interviewees describe common themes efficiency, effectiveness, and accountability. Starting with *efficiency*, several interviewees expressed worries about the expense for conducting citizen participation processes, seeing it as a potential waste of funds as stated by K3. This rationale thus refers to the (cost-) efficiency of citizen participation projects.

“Uh, well, it was too simplistic, it was too straightforward. And then, politics, yes, the cost of, well, that digital referendum, the first one cost €26,000—we inquired about the numbers — [...] and the third, I think, cost €10,000.” (K3)

On the other hand, other interviewees valued the significant allocation of time and resources to collect citizens' input, believing it to be worthwhile and thus *effective* (see quote M1). Consequently, views on this output aspect may vary depending on the personal values of the politician.

“So more of those kinds of things, and I also think it's okay for it to cost something and take some time, and that it's something worth maintaining. Yes, very open participation.” (M1)

As mentioned before, interviewees highlighted that vote-centric participation often polarizes, which could lead to oversimplified decisions. These might not reflect

the intricacies of the issues at hand, for which K1 reasoned on skepticism regarding effectiveness of citizen participation. Moreover, many respondents pointed to a lack of meaningful solutions. They observed that citizen participation rarely translated into actual implementation. This led to a perception that the processes were more of a symbolic gesture rather than a tool for real democratic engagement.

“I’m not convinced that a referendum is a good indicator for solving complex, nuanced, and societal problems. Yes, because a referendum tends to polarize rather than provide solutions.” (K1)

Secondly, there was a sentiment that while referendums could foster public participation, they often lacked the necessary feedback and thus *accountability*. M6 shows this criticism by focusing on the follow-up of the process. Respondents felt that the process should include more comprehensive feedback mechanisms and clearer communication about how the results would influence policy. Without these elements, the output legitimacy was questioned, as participants doubted whether their input would lead to tangible outcomes.

“That’s possible, but ultimately, it’s the feedback that matters—like, okay, what are we going to do with it now? How are we going to translate this into actual policy implementation? Because what’s even more frustrating than the idea of only being asked for your opinion once every six years, and having to make do with a single mark among ten parties, is, in my opinion, asking people what they think and feel, and then doing nothing with that input.” (M6)

4.4 Underlying interests and ideas

In the following paragraphs, the legitimacy perceptions will be connected to interests and ideas. This section will be starting with differences concerning interest particularly distinguishing between *opposition and government* respondents. Those aligned with the government (namely K1, K4, K6, M3, M4, G2, G4, and O₂) are likely to emphasize the mechanisms for support. While opposition members (namely K2, K3, K5, M1, M2, M5, M6, G1, G3, O₁, and O₃) may criticize citizen participation—albeit on the same topics—government councilors mention the reasons for being supportive. Government respondents seem to particularly defend the processes’ inclusiveness and transparency, especially in talk-centric practices using sortition or vote-centric practices. On the other hand, opposition respondents highlight issues like digital exclusion and political manipulation. Some government councilors also show that more could be done to include certain social groups, for example, the less vocal or digitally excluded. Surprisingly, all opposition councilors in Mechelen believe that the process was very open, transparent, and diverse in terms of the ideas of councilor M1. At the same time opposition respondents in Kortrijk indicated to be very positive about the process in which many inhabitants participated. The statement of opposition councilor G1 indicates another nuance, since it describes a very positive general perception, focusing on a high level of citizen engagement, a fair process, and meaningful contributions.

“Yes, that it is very open. So, uh, that it is not within a specific framework for a particular site or project, and so I find that very, uh, yes, due to the openness, it is very diverse in terms of what came out of it.” (M1)

"So, I do think that there are many people who are involved in that and who do those projects, who do feel that they are contributing something, yes." (G1)

Moreover, not all government councilors view the use of referendums positively because of their polarizing nature (see quote K1). This also holds true for the case in Mechelen where government respondents highlight the successful engagement and transparency of the deliberative panels. Also, the case of Oostende was highlighted by government councilors as broad participation and methodological rigor, whereas opposition respondents raised concerns about the survey's representativeness and integration into policymaking. Although the opposition was also positive about the methodology and the process as councilor O₃ stated, the perspective of the government councilor is also nuanced, as councilor O₂ highlights the insufficient utilization of the citizen survey results in local decision-making.

"But many societal problems cannot be solved with a simple yes or no answer, as was the case. [...] That is not a nuanced question." (K1)

"Yes, in itself, yes. Yes, if it is methodologically well executed and my impression was that this was the case here, then it is a good instrument." (O₃)

"Uh, how do you then come to policy decisions? Yes. It is actually an instrument yes, um, yes, that somewhere is perhaps still somewhat insufficiently valorized. So, you could perhaps summarize it like that, I think." (O₂)

Turning now to differences between *ideological perspectives* is less clear cut, since respondents span the whole of the ideological spectrum. According to this research, those aligned with left-wing parties like Social Democrats (namely K4, M1, M4, and G2) and Greens (namely K5, M4, and O2) seem to prioritize inclusivity and fairness as key democratic rationales. In contrast, center- to right-wing councilors (G1, G4, O1, M2, M3, M5, M6, K1, K2, K3, and K6) emphasize more the efficiency, effectiveness, or practical considerations of citizen participation. The former group view open debate as highly legitimate, reflecting a left-wing inclination toward talk-centric decision-making. K5 expresses negative views toward vote-centric participation as it involves only one way of participating. In their ideal democratic view, citizen participation should involve interaction in both ways, going from citizens to politicians and back.

"Participation is always a mutual interaction. Therefore, a referendum is by definition one-way. Yes, it is participation that only goes in one direction, that is worthless." (K5)

Additionally, the wide inclusion of people seems to be an important rationale for left-wing councilors to support citizen participation (see Quotes of O2 and K4).

"Yes, because it just covers a very broad scope. So, a very broad survey instrument to find out what inhabitants of Oostende consider important." (O₂)

"Euhm, since inclusivity is very important and that remains true to this day." (K4)

However, the rationale for perceiving general legitimacy is similar to that of non-left-wing councilors, the focus of their rationale seems to vary. More specifically these politicians emphasize the effectiveness, efficiency, and a more pragmatic rationale in

citizen participation. These councilors are thus concerned about cost and effectiveness. Councilor G2 undoubtedly criticizes the low effectiveness and related lack of feedback loops, while K3 shows the focus on cost-efficiency and its effectiveness. They worry that polarization could eventually disrupt decision-making, and K1 clearly highlighted this concern. Left-wing politicians, on the other hand, tend to be more sensitive to the harm polarization can do to the democratic ideal and its processes.

“And I find that with many of those things, uh, uh, it’s too much, it’s, and it’s not really well communicated back.” (G2)

“The cost of, well, that digital referendum, yes, the cost of, well, that digital referendum, the first one cost €26,000—we inquired about the numbers — [...] and then for the third one, they allocated a similar budget of around €25,000. So, it still costs a lot of money for the taxpayer. Yes, with no further impact.” (K3)

People are questioned, and instead of having a basis for decision-making or consensus, polarization is actually created, which sooner or later negatively affects coherent decision-making. (K1)

5. Conclusions

Overall, these findings highlight the complexity of councilors’ legitimacy perceptions and the importance of adopting a qualitative and holistic approach to investigating participatory governance. In this chapter, a comprehensive *evaluation framework* centered around the three dimensions of legitimacy is established: input, throughput, and output. This chapter uses elite interview as a further enhancement of the exploratory qualitative study of Koskimaa, Rapeli, and Himmelroos [22] who categorized *principal reasons for the perceptions* of policy-makers on *citizen participation*. Our findings confirm that Flemish councilors fit into the belief profiles of Nederhand and Edelenbos [37]: Some exhibit a throughput-oriented motivation, eager to delegate power to citizens, while others maintain an output-oriented motivation, prioritizing their role as ultimate decision-makers. Importantly, our research adds a new dimension: input-oriented motivation. This perspective emphasizes that councilors’ assessments are also driven by the inclusiveness, representativeness, and accessibility of those engaged in participatory processes. This novel insight underscores the distinct value of our research, offering a fresh angle that complements and expands upon previous studies.

First, the study contributes to the understanding of why local politicians support or reject various forms of citizen participation, particularly vote- versus talk-centric institutions. The study reveals a clear pattern linking vote-centric participation to output legitimacy, as councilors focus on the effectiveness and tangible outcomes of such processes. In contrast, talk-centric participation is more closely tied to throughput legitimacy, with councilors emphasizing transparency, fairness, and agenda setting. Both types of participation are crucial for input legitimacy, ensuring that citizen voices and various social groups are adequately represented. Second, the integration of the framework that focuses on *ideas and interests* provided valuable insights; first, this research identifies certain trends mainly between *government and opposition councilors*. Government councilors tend to emphasize the strengths of these initiatives, particularly regarding high participation rates, methodological rigor,

	Input	Throughput	Output
Underlying reasons	• Perspective inclusiveness • People inclusiveness • Accessibility	• Transparency • Procedural fairness • Agenda setting	• Effectiveness • Efficiency • Accountability
Link to participatory institutions	All citizen participation	Talk-centric practices	Vote-centric practices

Table 3.
Oversight of elements included in the input-, throughput-, and output legitimacy.

transparency, and the mechanisms for citizen input. They often view these participatory processes as successes, but acknowledge areas for improvement, such as ensuring better inclusion of less vocal or digitally excluded groups and ensuring that citizen input is effectively utilized in policymaking. On the other hand, opposition councilors are more likely to criticize these participatory initiatives, pointing out issues like digital exclusion, political manipulation, the need for stronger moderation, better feedback, and effective implementation. Despite these critiques, opposition members also recognize the value engaging many citizens in meaningful ways and acknowledge success of citizen participation. For *party ideology*, this study shows that left-wing councilors tend to have greater input- and throughput-oriented motivations, while right-wing councilors tend to the output-oriented motivation. In addition, councilors' rationales are not mutually exclusive. Councilors may blend input, throughput, and output-oriented concerns when evaluating participatory processes, ensuring that the process is assessed from multiple angles. This holistic evaluation framework is thus essential. **Table 3** highlights the core legitimacy dimensions linked to underlying reasons and certain practices.

Although this study reveals interesting findings and rich data, it comes with limitations. First, external validity is primarily limited by its explorative approach concentrating on four municipalities within Flanders. To address this limitation, further research could expand to a more diverse set of municipalities from various regions. Respondents were asked to reflect on underlying reasons, making some reasons context specific. However, I aimed to identify broader trends that most councilors abstractly referred to.

Another potential limitation is the self-selection bias among councilors who participated in the interviews, as some declined due to time constraints or feelings of insignificance. Offering flexible scheduling options, like online or evening sessions, helped include a diverse range of councilors, reflecting various ideological perspectives. The high level of commitment required for the interviews reflects the study's depth and rigor, while acknowledging the time demands faced by councilors managing both full-time jobs and political mandates. Investigating real-life reflections of local councilors provides useful insights into their evaluations of citizen participation.

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Conflict of interest

The author declares no conflict of interest.

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Chapter 6

The Synergy between Integrated Development Plan and Local Economic Development in Creating Employment in South African Municipalities

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Abstract

South African municipalities encounter inherent challenges in utilizing local economic development (LED) to execute their integrated development plans (IDPs). Numerous problems have prevented several municipalities in South Africa from utilizing LED to address their IDP challenges. Insufficient coordination and integration between the two present an issue in engineering development across the different municipalities in South Africa. In this chapter, the collaboration between LED and IDP in generating job opportunities was examined. The research approach used for the original research on which this chapter is based includes both primary and secondary data collection methods. The research utilized a mixed method. This chapter aims to examine the strategic connections of municipal planning *via* a regulated IDP process and local economic development. The primary emphasis is on the collaboration between the LED and IDP. A conversation about municipal issues related to their LED units and the key contributors to the promotion of LED is underway. Ultimately, the chapter explores a dialog on an ideal practice model for improving the IDP process.

Keywords: local government, local economic development, integrated, development plan, employment, synergy

1. Introduction

Municipalities encounter urgent and fundamental challenges in utilizing local economic development (LED) to fulfill their integrated development plans (IDPs). A multitude of problems has prevented numerous municipalities in South Africa from utilizing LED to address their IDP challenges. According to Koma [1], one of the biggest challenges facing municipalities in South Africa is the lack of synergy between IDP and LED.

The absence of coordination and integration between the two creates challenges in engineering development across numerous municipalities in South Africa. In this regard, Koma [1] notes that the integration of LED in the overall policy of the local government in South Africa is the litmus test for its supposed development. Legislation acknowledges the role of IDP in facilitating LED. Indeed, any municipal IDP should incorporate LED into its strategy.

According to Abrahams [2], LED and IDP are municipal interventions that are “power twins” designed to respond to the challenges and dissatisfactions caused by long years of apartheid in South Africa. Moreover, they claim to share comparable characteristics and have a unique bond with constructive local advancement at the municipal level. Regarding the lack of connection between LED and IDP in South African municipalities, it is important to observe that a thorough analysis of both concepts and their expressions reveals a convergence in their objectives and roles. The chapter of the book will reflect on the historical development of LED and IDP in South Africa.

This chapter serves to consider the strategic linkages of municipal planning through a regulated IDP process and local economic development. The key focus is on the synergy between the LED and IDP. A discussion regarding municipal challenges on their LED units and the role players in the promotion of LED is advanced. In the final analysis, the chapter considers a discussion of a best practice model for enhancing the IDP process.

1.1 Background

Along the “power twins” designation, the practical relationship of IDP and LED is explored by Koma [1]. Focusing on Mangaung, she contended that an inclusive and participatory IDP process that mirrors the local needs and aspirations of municipal residents can be realized through LED. In her research, she demonstrated the method by which a community-oriented and citizen-centered IDP was created for Mangaung Municipality. With 43 wards, close to 100,000 persons attended the planning process of IDP, which was linked up with various national development programs [3]. The final outcome was an IDP that fully reflected the needs and ambitions of the local community in that municipality. This plan can be considered an accurate representation of local needs and desires that can be tackled through LED. More so, Hologram and Malefane [4, 5] posit that theoretically, IDP is the driver of LED in municipalities, even though LED policy in South Africa is not all that effective [6], but the adoption of IDP by municipalities has forced many to think toward LED, even though it is wishful thinking in some cases. Despite the benefits linked to IDP and the potential for utilizing LED to generate employment and alleviate poverty in South Africa, significant challenges still exist.

The enforcement of both the IDP and LED in South Africa is backed by multiple legal frameworks. These Acts encompass the Republic of South Africa [6], as revised. The Act mandates that municipalities create and execute IDPs within their areas of authority. The implementation of IDPs is further supported by Republic of South Africa [7, 8], which give primacy to the local government sphere as the vehicle for the reconstruction and development of the new society. These Acts require municipalities to prioritize developmental goals within their jurisdictions rather than solely providing services.

The IDP and LED initiatives work together to generate employment in local municipalities. Transformation and restructuring as shared traits indicate that both

IDP and LED were introduced to support the transformation agenda of the new political environment. The interventions are aimed at realizing the vision, goals, and objectives of the new democracy [5], attempting to provide a clear ideological framework for development [8], and serving as frameworks that assist South African municipalities in their role as agents of change, growth, and development. The interventions are set to deal with the distortions of apartheid by providing a catalog for direct intervention to mitigate problems associated with previous planning approaches [9].

Apart from their role of transformation, the interventions are developmental in nature and orientation. Development is a complex process, but it is mostly used to refer to a state in which people are reaching an acceptable standard of living. It means that people have the basic commodities they need to live, and that all people have the right to make choices about their lives and have opportunities to improve their living situations [10]. In terms of their consultative and multi-sectoral characteristic, the interventions position both municipalities and various local players (including community members) as active protagonists rather than passive recipients of external developments [11].

2. Conceptualization and contextualization of IDP and LED in South African local government

This chapter is conceptualized in terms of and based on the following conceptual frameworks: synergy, integration, development, integrated development plan, local economic development, and local government.

2.1 Development

According to Ndabula [12], the narrowest economic definition of development is to make poor people less poor by increasing their income. This study defines the concept of development as being and continues to be imprecise, but it indicates steady progress toward development in the human condition, reduction and eventual elimination of poverty, ignorance, and disease, and expansion of well-being and opportunity for all [13].

Development encompasses both existence and action. Circumstances in communities like deprivation, degradation, and poverty indicate a level of underdevelopment. Consequently, a significant portion of development involves strategizing and creating programs intended to improve these situations. According to Buchanan [14] development implies three core values, which are the ability to provide basic necessities (life sustenance), the ability to realize a sense of worth and self-respect (self-esteem) and the ability to have the freedom or emancipation from the captivity of the conditions of life, the dogmatic beliefs, and misery (freedom from servitude).

The process of development was originally conceived in terms of economic growth [15]. In reality, the environment as a whole must be altered if the overall well-being of the populace is to be advanced. This alteration to the environment must fulfill the criteria for enhancing or improving the welfare of the individuals. Intentional alterations to the environment aimed at creating a “better” living space are referred to as development. According to Nel and Binns [16], development is aimed at:

- Eliminating poverty caused by a lack of the means to provide for food, clothing, housing, and other material needs.

- Equipping the people/citizens materially and spiritually so that each person is able to pursue a specific standard of living, enjoy a meaningful job opportunity, and live according to personal values.
- Eliminating social problems such as insufficient housing and a lack of insufficient services.

It has been noted earlier that every community exists within a distinct environment. To enhance the quality of life for individuals, all elements (or “sectors”) of the environment must be upgraded and elevated to a desirable and acceptable standard. Different preventive, healing, and promotional measures must be implemented; for instance, poverty can easily spiral into a vicious cycle. Reduced financial income typically results in a decreased level of personal investment (savings), restricted job prospects, elevated unemployment rates, and diminished productivity.

Development serves as a response to the primary injustices of the modern world [17], and it ought to be integral to community life. The members of a community ought to be taught to work toward progress. For the reasons mentioned above, development is inherently a fundamental role of any government. Development can be advanced in the economic, social, political, and physical environments, depending on the perspective used. The outcomes of this development can be assessed both quantitatively and qualitatively [16]. It is important to recognize that a “good life” must adhere to particular norms or standards. The standards that the “good life” must adhere to are established and defined by the members of the respective community. The manner of living and human activities incorporate elements that are so deeply intertwined with the complete existence of humans that they make every community distinct; this leads to various interpretations or definitions of development.

2.2 Integrated development plan (IDP)

An IDP is a framework guiding the activities of agencies from other spheres of government, corporate service providers, non-government organizations (NGOs), and the private sector within a municipal area [9]. All planning for key social, economic, and environmental sectors is incorporated in the IDP [18]. It serves as the central support of the budget and the primary connection with the community, becoming a crucial point on which the entire municipality functions. It has been launched to encourage municipalities to be more proactive and responsive in their service delivery and responsibility management. It is a comprehensive and sophisticated planning tool for assessing municipal service delivery and infrastructure development [19].

Wissink [20] defines integrated planning as a process that “takes into account diverse perspectives and impacts, allowing decision makers to find optimal solutions to critical issues, as well as effective ways to respond to those issues”. The integrated development plan is a component of government legislation aimed at promoting local government in South Africa to adopt LED. According to Wissink [20], IDP contains the most inclusive legislation that compels local government to engage with LED policy. The inception of IDP can be linked to the necessity of helping newly established municipalities in South Africa perform their functions, duties, and responsibilities efficiently and effectively. It was based on the aim of fostering coordinated, strategic, developmental, and financially responsible local governance in South Africa [3].

IDP is a method through which the local government can perform this developmental duty. IDP symbolizes a paradigm shift in local government in South Africa

because it places the people at the local level and their leaders at the center of development [21]. It has assumed a much bigger role given that it is used by municipalities to make rational decisions on issues such as budget formulation and implementation, fiscal and economic development, land management, and distribution [22].

To be sure, the concept of IDP can also be regarded as a critical management tool that can promote transformation, growth, and development at the local government level [23]. Furthermore, it serves as a tool central to enhancing the viability of local government in South Africa by generating employment and alleviating poverty. It is the logic behind making municipalities more strategic, inclusive, responsive, and performance-driven in character in South Africa. Malefane [5] add that it is far more than a plan. For them, it serves as a strategic instrument and a management tool with approaches for managing a municipality, as well as a detailed and advanced planning tool for evaluating municipal service provision and infrastructure advancement. They point out that an IDP provides a recognized legal structure for all municipal activities. They contend that even citizens can utilize an IDP as a standard to evaluate the effectiveness and trustworthiness of their municipal leaders while in office. Also, an IDP is much more than an instrument; it is a legal requirement of any municipality in South Africa, as it is part of the constitutional process required of South African municipalities [24].

Also, IDP is a process that entails the sharing of problems and their possible solutions between and among various local governments with the intention of solving the needs of their citizens, particularly the poor [25]. It is the totality of efforts that takes into consideration all issues such as economic, social and spatial within a given locality with the view to tackling them [25]. In this regard, IDP is an intricate planning procedure where local government representatives are legally required to develop plans and strategies to address issues within a community. Additionally, an IDP aims to offer a feasible vision, along with the requirements and priorities of a municipal council for its elected term. This type of vision must also be based on the legislative provisions concerning IDPs, allowing stakeholders like communities to participate in the final document. In this situation, identifying budgeting and performance management issues would be essential to ensure the continued prioritization of municipal activities based on the document. Thus, it is the final arbiter in which an assessment of municipal performance in achieving its own goals would be made for a particular period of time [1].

The 1998 White Paper on Local Government highlights the importance of this developmental strategy. The White Paper states that municipalities must promote the active involvement of communities during both the planning and execution phases of municipal strategies. Additional regulations mandating municipalities to participate in IDP include the Local Government Transition Act 1993 and its 1996 second amendment. The Act asserts that local government, by executing IDPs, focuses on significant issues impacting their local communities.

The Constitution of the Republic of South Africa, 1996, the Local Government Municipal Systems Act, 2000, and the Local Government Transition Act, 1993 (as, respectively, amended) enjoin municipalities not only to seek to provide services to all, but to be fundamental in orientation [23]. The IDP is a crucial instrument that municipalities can utilize to manage their developmental responsibilities. Unlike the role that planning had in earlier times, the IDP is now viewed as a component of municipal management and as part of a cohesive planning and delivery system. The IDP holds a legal status and takes precedence over any other local development plans [7, 8] and is intended to reach decisions on matters like municipal budgets, land management, economic growth, and institutional change in a consultative, systematic, and strategic way. Hence the above definition.

2.3 Local economic development (LED)

Bovaird [26] considers local economic development as a process where stakeholders within a municipality craft a direction and are aware of their economic potential and possible failures. This approach encourages full involvement by prioritizing collaboration on developmental initiatives to execute strategies. This approach could sustainably unlock the competitive advantages of different municipal areas, fostering job creation and genuine economic growth that benefits citizens.

According to Mlele [25], LED is the process with which local government or community-based organizations engage to stimulate or maintain business activity and/or employment. Going further, United Cities and Local Government Asia Pacific [11] explain that local economic development offers local government, the private and not-for-profit sectors, and local communities the opportunity to work together to improve the local economy. It aims to improve competitiveness, boost sustainable growth, and guarantee that growth is inclusive. Local economic development includes various fields such as physical planning, economics, and marketing. It additionally includes various local government and private sector roles, such as environmental planning, business growth, infrastructure supply, real estate development, and financing.

Local economic development is a multifaceted and interconnected process that spans various activities and aims at enhancing a local area, involving changes like employment, skills, investment, enterprise, innovation, productivity, quality of life, and positioning. On the whole, South African Local Government Association [9] defines LED to be the process in which the local government, or some agency, authority or organization on behalf of the local government, engages to enhance a community's capacity to effect economic progress in both a quantitative and qualitative manner. In the same vein, Musitha [27] observes that LED is a contributing process where local people from all sectors within a specific area come together to activate and stimulate local economic activities, with the purpose of ensuring a resilient and sustainable local economy. It is concerned with the use of local resources, skills and even ideas to galvanize economic growth and development in the local area [28].

According to Canzanelli [29], LED is an initiative handled by municipalities, based on the constitutional mandate in South Africa for advancing socio-economic development. It is also considered to be the "local economy's capacity to create wealth for the local residents" [2]. Litman [24] suggests that municipalities should strive to determine the means with which to solve economic problems and provide other ways to improve and enhance competitiveness to participate globally. In addition, Rogerson [30] argues that "LED is a participatory process where local people, from all sectors within a specific area, work together to achieve and sustain local economic activities, with the aim to ensure a resilient and sustainable local economy". This is important because, for effective development at the local level, all stakeholders (public, private, non-governmental organizations (NGOs)) and all arms of government must collaborate to improve quality of life through initiatives that will lead to economic development within the geographic location [31].

A more appropriate definition adopted in this discussion is that of Ceasar and Theron [28], who iterated that "LED is the total of all economic activities by all stakeholders within a specific defined geographical region, working together in partnership to create economic development and ultimately improve quality of life for all residents in the area". Historically, numerous governments embraced the top-down strategy for governance and developmental projects. Nevertheless, in the worldwide

context of local economic development discussions, it is evident that this approach has not delivered the desired outcome, prompting a reassessment of the process due to its lack of effectiveness. The resulting outcome of the review brought about the adoption of LED, which is a bottom-up approach, geared toward the involvement of the people and resources at the local level, proven to be a more effective way of solving developmental problems globally [32].

The Constitution of the Republic of South Africa, 1996, is the most important piece of legislation that guides various laws, policy papers, and regulatory frameworks. It acts as a base for the institutionalization of LED, which is referenced as a strategic role of municipalities. As per sections 152(c) and 153(a) of the Constitution, 1996, municipalities are required to “promote and manage their administration, budgeting and planning processes to give priority to the basic needs of the communities”. The Act also mandates the advancement of the social and economic growth of the communities.

The Reconstruction and Development Programme [33], as an integrated, coherent socio-economic policy framework, attempts to mobilize the country’s resources toward the final eradication of apartheid by building a democratic, non-racial and non-sexist future for all. The framework was designed inter alia to restructure the economy by addressing serious inherent weaknesses. The framework was also intended to tackle problems associated with racial and gender disparities in ownership, employment, and skills, historical industrial policies linked to oppressive labor practices, disregard for training, exclusion from the global economy, and an excessive accumulation of economic power among a minority.

The Growth Employment and Redistribution [34], as replaced by the Accelerated and Shared Growth Initiative (AsgiSA), emphasizes and suggests initiatives to enhance private sector involvement in the operations of municipalities. It views collaborations between private and public sectors as a way to tackle the socio-economic challenges that municipalities encounter. AsgiSA, despite its focus on growth driven by the development of priority skills, also focuses on sector investment or industrial strategies, the development of second economy interventions, and macroeconomic issues that are eminent at the municipal sphere of government in South Africa [35].

2.4 Local government

Chapter 7 of the 1996 Constitution states that the three branches of government are unique, mutually dependent, and interconnected. Section 151(1) of the Constitution, 1996, states that local government is the lowest sphere of government and consists of municipalities which are established for the whole territory of the Republic of South Africa [7]. The Constitution, 1996, brought democracy and transformation improvement by raising the status of local government (from the lowest sphere of government) by granting it delegated responsibilities. Republic of South Africa [8] states that local government is a local democratic unit within a unitary democratic system. Indeed, the functions, roles, and responsibilities of local government have evolved unlike before. In South Africa, local governance is viewed as a means for economic expansion and rural advancement.

Section 151(1) of the 1996 Constitution specifies that the local government level comprises municipalities, and a municipality must be formed throughout the entire territory of the Republic of South Africa. Moreover, Section 155(1) of the Constitution, 1996, outlines the following categories of municipalities: category A: municipality that has exclusive municipal executive and legislative authority in

its area; category B: a municipality that shares municipal executive and legislative authority in its area with a category C municipality within whose area it falls; and category C: a municipality that has municipal executive and legislative authority in an area that includes more than one municipality. Koma [1] states that local government is the sphere of government found within communities and is also the closest government to the people, which aims to identify local needs and strategies to meet those needs.

Local government has transformed considerably since 1993, from one that was racial, to one that sought a more developmental trajectory that considers all stakeholders without bias. Trousdale [36] mention that prior to the year 2000, when the local government elections were conducted, the transformation led to the number of municipalities being reduced to 284 from the initial 843, which was further reduced to 283 after the 2006 election, due to the removal of cross-boundary municipalities. This transformation has led to some enhancements in service delivery that were not uniformly offered before. What makes local government management different, in the distinction between it and other professions, is the perception that local government is not totally detached from the public view and is located within a volatile, political space [21].

2.5 Synergy

Synergy in management and teamwork pertains to the collective effort of individuals as members of the team. The situation occurs when the components of the organization collaborate to create a combined effect that exceeds the total of the individual parts acting separately. Synergies can be either positive or negative. In such situations, positive synergy yields beneficial outcomes like enhanced operational efficiency, better opportunity exploitation, and increased resource utilization. Negative synergy, on the other hand, has negative effects such as reduced efficiency of operations, a decrease in quality, underutilization of resources, and disequilibrium with the external environment [12]. This represents social synergy, a type of cosmic synergy, the fundamental constructive principle of the universe. In a business context, synergy signifies that collaborative efforts yield superior outcomes compared to individuals pursuing the same objective alone. Nevertheless, it is important to take into account the idea of group cohesion. Group cohesion refers to the characteristic derived from the quantity and intensity of shared positive feelings among group members. As the group grows more unified, its operation is influenced in several ways. Initially, the interactions and communication among members rise. Shared objectives, interests, and a compact size all play a role in this. In addition, group member satisfaction increases as the group provides friendship and support against outside threats [13]. A second possible adverse effect of group cohesion is groupthink. Groupthink is a thinking pattern that occurs when individuals are highly immersed in a cohesive group, where the members' pursuit of consensus takes precedence over their desire to critically evaluate different options.

3. Methodology

The research approach adopts both primary and secondary data collection methods. The study employed a mixed-methods research. There are three main research approaches, namely, quantitative, qualitative, and mixed-methods research. This

chapter focused on the mixed research method, wherein both quantitative and qualitative research methods are defined.

3.1 Mixed research

Mixed research is defined as collecting, analyzing, and mixing both qualitative and quantitative data in a single study or series of studies [37]. Cameron [38] concur that the method includes qualitative and quantitative dimensions. A mixed research approach was utilized as it offers a more comprehensive understanding of research issues than relying solely on one method. The mixed research approach helps in addressing research questions that neither qualitative nor quantitative methods can answer by themselves.

3.1.1 Quantitative research

Quantitative and qualitative research methods differ in terms of their epistemological, theoretical, and methodological underpinnings. Cameron [39] agrees that quantitative research is informed by objectivist epistemology and seeks to develop explanatory universal laws in social behaviors by statistically measuring what it assumes to be a static reality. Bryman [40] defines quantitative research design as a research strategy that emphasizes quantification in the collection and analysis of data. In a research study, conclusions are applied to an entire population or sub-population, since it includes a larger randomly selected sample, addressing research inquiries like 'how many, how much, and to what degree'.

3.1.2 Qualitative research methods

Parry and Watts [41] describes a qualitative research design as an approach which looks at a constructivist epistemology and explores what it assumes to be a socially constructed dynamic reality through a framework which is value-laden, flexible, descriptive, holistic and context-sensitive. In addition, Bryman [40] notes qualitative research design as a systematic subjective approach used to describe life experiences and situations and to give the meaning of such experiences. Qualitative research design is normally used due to the fact that it emphasizes the participation of stakeholders, their mutual learning, and sharing of experiences.

4. Regulatory frameworks for integrated development plan

The regulatory frameworks underpinning IDPs in the South African municipalities are discussed in the paragraphs that follow.

4.1 Constitution of the Republic of South Africa, 1996

Republic of South Africa [7] is the supreme law of the country and it advocates for community participation in local government. The constitutional requirement for municipalities to align their management, budgeting, and planning activities with their goals clearly illustrates the purpose of municipal integrated development planning. Section 151 of the Constitution stipulates that developmental local governance must ensure a government that is democratic and accountable to communities. It also

urges municipalities to deliver services to communities sustainably to foster social and economic growth. Local authorities should foster a secure and healthy atmosphere while stimulating community participation in local government issues, including municipal transportation, health services, roads, and parks and recreation.

4.2 The local government: Municipal systems act, 2000

Section 16(1) of Republic of South Africa [8] requires all municipalities to develop a culture of community participation and municipal governance that complements formal representative government with a system of participatory governance. This should aim to motivate and establish circumstances for the local community to engage in the municipality's matters, such as the execution and assessment of its IDPs. The concept "governance" refers to the manner in which power is exercised in managing economic and social resources for a country's development [23].

Section 76 of the Act outlines various methods that municipalities can use to provide services to their communities. The processes that will be pertinent to the research involve the implementation of effective governance in local government. Regarding the stipulations of this Act, every council is required, within a set timeframe after beginning its elected term, to implement a unified, comprehensive strategic plan for the municipality's development [42]. Section 25(3) (a) specifies that a newly elected council can approve the IDP established by the former council.

4.3 White paper on local government, 1998

Intergovernmental Relations Framework Act 13 of 2005 [43] puts forward a new developmental local government system and identifies such as performance management, to realize a developmental local government. The White Paper highlights that municipal infrastructure is a crucial element of social and economic advancement. This principle suggests that infrastructure planning ought to be done holistically rather than in a fragmented manner, focusing instead on how infrastructure can address key development challenges in a municipality.

The White Paper also indicates that infrastructure investment should initially focus on communities facing the greatest demand for essential services. In the near future, projects will, therefore, likely focus on addressing needs. In the medium-term, improving growth will become a progressively vital factor. It assigns municipalities the duty of collaborating with communities and their groups to discover sustainable methods for addressing their social, economic, and material requirements, thereby enhancing their quality of life. The White Paper further indicates that the provincial government must monitor municipalities with regard to the objectives of local government as provided for in Section 152 of the Constitution [44].

4.4 Development facilitation act, 1995 (act 67 of 1995)

The first major piece of post-apartheid planning legislation, the Development Facilitation Act of 1995 [45], was promulgated toward the end of 1995. Among various aspects, it offers overarching guidelines relevant to planning across all levels of government; establishes a national planning commission; initiates a streamlined approval process for development; introduces a novel planning method *via* the formulation of "land development objectives" (LDOs); and stipulates the creation of

provincial development tribunals as autonomous entities to adjudicate development applications, whose decisions will be grounded in the overarching principles and LDOs.

The concept of integrated development planning was not entirely new as it had been introduced in 1996 with the Local Government Transition Act, 1996 (Act No 97 of 1996) [6] and followed shortly after the introduction of LDOs in the Development Facilitation Act, 1995. Nonetheless, the Systems Act enhanced the content and procedure of the IDP, along with its primacy in municipal planning, budgeting, spending, and even organizational structure. Furthermore, the integrated development plan was intended to integrate the plans of national and provincial governments and state-owned enterprises acting within the municipal area [46].

4.5 Local government transition act, 1993 (act 209 of 1993)

Republic of South Africa [6] contends that local government, through the implementation of IDPs, concentrates on key challenges facing its immediate communities. It mandates that municipalities advance economic and social growth. Urban regions are equipped to foster coordinated economic growth. The Act additionally mandates that municipalities establish, develop, and execute an IDP. An integrated development plan serves as an overarching framework that encompasses all planning activities for important social, economic, and environmental sectors. Furthermore, the Act provides for the establishment of local government demarcation boards for each province [47].

4.6 Intergovernmental relations framework act, 2005 (act 13 of 2005)

Intergovernmental Relations Framework Act 13 of 2005 [48] provides for the obligation of all spheres to participate in the planning processes. The Act is shaped by the planning process of the IDPs. What matters for this research is to examine how local government initiatives are incorporated into both national and provincial programs. In light of this, there ought to be a harmonization of cooperative governance principles as stated in Chapter 3 of the Constitution. A perspective that Koma [49] has provided is that the Act is a departure from intergovernmental relations that had been in the main informal and resulted in discretionary and ineffectively coordinated relations between and among the three spheres of government.

4.6.1 Revisting IDP process in south African municipalities

Various phases constituting the IDP process are identified and discussed in the paragraphs below.

4.7 The analysis phase

The first stage of the IDP process is the analysis phase. South African Local Government Association [9] points out that with the analysis during this phase, information is collected regarding the existing conditions within the municipality. It emphasizes the kinds of issues encountered by individuals in the region and the reasons behind these issues. The recognized issues are evaluated and ranked based on

urgency and which actions should be taken first. Information about the availability of resources is also collected during this phase. Buhlungu and Atkinson [50] recommends that during this phase the municipality must provide – an assessment of the existing level of development; details on priority issues, problems and their causes, as well as and Information about available resources.

4.8 The strategies phase

The second phase of the IDP process offers the municipality a chance to comprehend the issues impacting the people and the reasons behind those issues. The municipality will be able to come up with a priority list and be able to develop a list of available solution to address all the identified problems or challenges within the community [51]. It is at this stage where there is a need for the municipalities to formulate a vision and in the meantime formulate other aspects such as development objectives, development strategies and project identification. Cooper [52] states that public debates must include the role of the traditional authorities since they have had considerable experience of delivering services to their communities, therefore, the public debates put the municipalities in a better position to share their experience with the elected leaders.

4.9 The project phase

Kondlo et al. [53] provides information that all the projects have been identified based on the summarized problems. It is at this stage that the proposals for programs/projects are also established. One of the most essential initiatives often pertains to infrastructure. Kondlo [54] and IDP Guide Pack [55] stipulate that whenever traditional authorities participate, the process must also engage community members; this serves as an obligation for both traditional authorities and community members. The phase is subsequently finished by creating a monitoring plan. It is also the responsibility of traditional leaders to ensure that the projects are carried out in accordance with the established and planned guidelines.

IDP Guide Pack [55] points out that it is at this phase that the design and specification of projects for implementation are scrutinized, therefore, the municipality must ensure that the projects identified have a direct linkage to the priority issues and the objectives that were identified in the previous phases. Specific details for each project need to be clarified regarding the following: Who will gain from the project? What will the cost be? What will be the source of funding for the project? How much time will it require to finish? Who will oversee the project? Targets must be set, and performance indicators should be worked out to measure performance, as well as the impact of individual projects [10].

4.10 The integration phase

Once all programs/projects have been identified, the municipality should check again that they contribute to meeting the objectives that were outlined in Phase 2 (strategies). These initiatives will offer a comprehensive overview of the development strategies. All development plans need to be unified, and the municipality should also possess comprehensive strategies for matters like addressing HIV/AIDS, reducing poverty, and managing disasters. These strategies should be integrated with the

overall IDP; to implement projects in a successful manner, key performance indicators would also need to be developed to monitor what occurs in this stage [56].

Khuzwayo [10] points out that the municipalities must ensure that the projects are in line with the objectives and strategies of the municipalities. The individuals considered traditional leaders, who represent conventional authorities in municipal councils, must also take part in the discussions. The entire strategy, regarding the project's start and its execution up to oversight, needs to be organized during this stage. The municipality should design a program for a period of 5 years, as required by law [57].

4.11 The approval phase

Pieterse et al. [58] states that the IDP is submitted to the Municipal Council for review and approval during the adoption phase. The Municipal Council can present a draft for public feedback prior to finalizing an IDP. When the completion of IDP is done, it must be submitted to the municipal council, for consideration and approval, as confirmed by Todaro and Smith [17]. One of the most vital areas that the Municipal Council should be careful of and bear in mind, is whether the IDP process was followed correctly [59]. The public must have an opportunity to comment on the IDP draft before it is approved, and once the IDP is amended according to the feedback from the public, the Municipal Council will consider the IDP for approval [55].

The IDP process is governed by legislation and relies on three key pillars: consultation, strategy, and implementation. Key elements of these critical aspects of the process are discussed below:

4.11.1 Consultative process

This process entails a meeting of the various stakeholders from the government, NGOs, civil society and the private sector to Mathye [60]: Analyze problems affecting service delivery; prioritize information relating to issues based on importance and urgency; develop a shared vision and strategic framework; formulate relevant project proposals; compile an inventory of proposals and integrate them; and assess, align and approve IDP plans.

4.11.2 Strategic process

As a strategic process, the IDP aims to ensure that the Department of Provincial and Local Government [61] local knowledge is combined with the knowledge of technical experts, and service delivery delays are overcome through consensus building within the given time period. Both the underlying causes and symptoms of service delivery problems are addressed, the most effective and efficient use is made of scarce resources, and an IDP is not planned and budgeted for in isolation, but rather integrated from the start with other complementing sectors [62].

4.11.3 Implementation-oriented

The aim of IDP is to become a tool for better and faster service delivery by ensuring that it is concrete [8], technically sound project proposals are designed, planning budget links are created with feasibility in mind, and that sufficient consensus among key stakeholders on the planned projects is reached.

5. Regulatory frameworks of local economic development

The regulatory frameworks underpinning LED in the South African municipalities are discussed in the following paragraphs.

5.1 Constitution of the Republic of South Africa, 1996

The Constitution of the Republic of South Africa, 1996, is the key legal document that acts as a basis for referencing the establishment of LED as a strategic role of municipalities. As per sections 152(c) and 153(a) of the Constitution, 1996, municipalities are required to support and oversee their administration, budgeting, and planning activities to prioritize the fundamental needs of the communities. The Constitution additionally mandates the advancement of social and economic growth within the communities.

5.2 Local government: Municipal systems act, 2000 (act 32 of 2000)

The Municipal Systems Act, 2000 (Act 32 of 2000) outlines the internal structures of municipalities that allow them to function in a manner that continuously advances the social and economic improvement of local communities. The Act guarantees that everyone has access to essential services that are within their financial means. Section 26 of this legislation requires that every local municipality develop an integrated development plan. Local economic development is a component of the IDP, which means that local municipalities are required by law to strategize and implement LED initiatives.

5.3 White paper on local government, 1998

The 1998 White Paper on Local Government presented the idea of developmental local government. The policy document clearly states that local government does not have the responsibility of generating jobs. Rather, it will be accountable for making sure that the general economic and social conditions of the area are favorable for generating job opportunities. Therefore, local government is charged with creating and enabling this environment [63].

5.4 Local government transition second amendment act, 1996 (act 97 of 1996)

Indicates that local authorities ought to be accessible for examination by interested residents and various stakeholders within their city limits. The Act additionally acknowledges that municipal transitional arrangements facilitate economic development and the creation of jobs. This legislation mandates local governments to encourage economic and social growth. Urban regions are authorized to advocate for LED. This Act further requires that local authorities determine, formulate and implement an IDP [64].

5.5 National Framework for local economic development, 2006

Department of Provincial and Local Government [65] in South Africa has been developed as a guide that seeks to advance an understanding of LED and has put forward a strategic implementation approach that municipalities, provinces, national

government, state-owned enterprises and communities may concentrate on in order to improve local economic development. This framework also seeks to guide the implementation of the LED key performance indicator of the five-year Local Government Strategic Agenda through the suggested actions [66].

5.6 Local government: Municipal finance management act, 2003 (act 56 of 2003)

Local Government: Municipal Finance Management Act 56 of 2003 [67] in terms of good governance, it aims at strengthening the principle of transparency, which leads to accountability. In this context, the primary aim of this Act is to guarantee responsible and sustainable handling of financial matters within local government. The Act also seeks to enhance corporate governance and financial management practices within local government. Corporate governance refers to the practice by which companies are managed and controlled [3] and states the requirements for local government, one of which includes the municipal performance report.

5.6.1 Characteristics of local economic development

Definitions of local economic development and its theoretical foundation: LED as a development concept is characterized by different meanings and interpretations; and as International Republican Institute [68] states that the discipline of local economic development is a complex mix of concepts, practices and rhetoric. Therefore, it is evident that while there is no singular, comprehensive, concrete definition for LED, its methodologies are probably rooted in comparable traits.

These traits consist of:

- The reality that LED is location-focused, aiming to enable individuals to enhance the future of the community where they reside. Therefore, external stakeholders are invited to participate in LED methods to support their effectiveness; however, LED strategies are inherently locally managed and predominantly crafted and executed by local participants.
- The second trait pertains to the concept that LED relies on involvement. The method suggests that different local stakeholders should collaborate with regional and local authorities, along with non-governmental and international entities, to realize the complete economic potential of the community. This involvement leads to the establishment of partnerships among public and private entities, as well as other social and political organizations.
- Thirdly, in its pursuit of sustainable economic development, LED approaches, through encouraging the interaction of different stakeholders, try to find ways to link the ideals of economic growth and employment generation with the aims of reducing poverty and inequality [57].

According to Malefane [5], LED attempts to promote a truly inclusive policy process, valuing the opinions of a wide range of local stakeholders and promoting equality among them. Simultaneously, it creates opportunities for voice and social dialog in both formal contexts, like local elections, and informal settings, such as community forums and local meetings.

6. The synergy between IDP and led in creating employment in South Africa

The operation of local government in South Africa is deemed essential for achieving the developmental goals of the nation and its municipalities. The municipal realm and emphasis are governed by the IDP process, which aims to create and execute specific plans that can significantly contribute to local economic growth. In creating municipal plans *via* the ID process, municipalities must take into account the impact of local economic development. This means that the economic activities of a particular municipality that offer a competitive advantage need to be prioritized [69].

One challenge confronting LED in South Africa is realizing IDP across the different municipalities. This is because the IDP has fundamental implications for the LED as it is at the core of IDP [20, 47, 51]. Undeniably, the significance of LED in generating jobs, alleviating poverty, and enhancing the living standards of individuals in local communities is thoroughly documented in the literature and deserves emphasis. However, understanding LED linkages with the IDP process and their impact on local municipalities in South Africa is beginning to receive serious academic attention [17, 19, 29, 37]. Prior to examining their relationship and the obvious challenges associated with it, an attempt will be made to offer a comprehensive description, detailed understanding, and historical development of LED and IDP, along with their dynamics and expressions in South Africa.

All planning for key social, economic and environmental sectors is incorporated in the IDP [26]. It serves as the central foundation of the budget and the primary connection with the community, becoming a crucial aspect around which the entire municipality functions. It has been launched to encourage municipalities to be more proactive and responsive in how they provide services and handle their duties. It is a comprehensive and sophisticated planning tool for assessing municipal service delivery and infrastructure development [21].

Despite the conceptual ambiguity surrounding the term IDP, it can essentially be viewed as a strategy implemented by the national government to ensure that local governance in South Africa adopts LED. It is a type of planning that involves coordination and linkage between all sectors of activity that impact on the operation of a local government [48]. An IDP, according to Intergovernmental Relations Framework Act 13 of 2005 [48] holds a view that in a participatory approach, the intention is to integrate key economic, sectoral, spatial, social, institutional, environmental and fiscal strategies. This integration aims to enhance the distribution of public resources within specific regions, economic sectors, and among the population. This method is viewed as vital for encouraging sustainable economic development, enabling empowerment for marginalized and impoverished communities.

Legislative requirements of IDP have made municipalities in South Africa aware of LED. Linking IDP with LED, Canzanelli [29] argue that they are not the same but highly interrelated and complimentary. These authors assert that the IDP process establishes LED as an interdisciplinary and cross-sector tool for municipal planning that executes municipal planning. Typically, LED is closely linked to the IDP of a municipality, playing a crucial role in achieving a successful municipal planning process and effective implementation results of those plans. In municipalities, the different sector departments are seen as essential for influencing the final IDP, which integrates their diverse focuses.

While they made little effort to provide a clear-cut distinction between LED and IDP, Canzanelli [29] tried to interrogate their interplay by submitting that effective and efficient IDP must have sound and logical LED plans that contain the lucid strategies and programs required to ensure job creation, reduction in poverty and the overall economic development of the locality. They further contend that the plans ought to be connected or aligned with various national and governmental strategies, including the National Spatial Development Perspective, the New Growth Path, and the Provincial Growth and Development Strategy. For them, if designed and implemented correctly, IDP can serve both distributive and integrative purposes as it acts as a bridge between affluent and impoverished communities in delivering essential goods and services. Focusing on the distributive and integrative aspect of IDP, Ceasar and Theron [28] posits that IDP should be considered an instrument for redistribution of social services in order to reduce poverty and starvation. The use of IDP as a means of social justice is frequently mentioned in the literature [29, 40, 44].

Research on IDP views it as a remedy to rejuvenate municipalities in South Africa if effectively implemented. For example, Canzanelli [29] note that it is through IDP that the achievement of the physical and economic needs of local communities is made possible and is done in line with the broad municipal goals. Therefore, it is an essential component of local governance in South Africa. The IDP is designed to ensure that a municipality meets its integrated service delivery and development objectives. The aim of the IDP is to create a unified plan that outlines development priorities and objectives for a five-year timeframe. The IDP is a crucial resource that must be utilized for planning. The IDP encourages community involvement. The IDP concentrated on eliminating poverty within our communities. The IDP processes provide planners with a framework of where to focus resources.

Meyer [44] argues that an IDP can help in the redistribution of social goods in South Africa, while noting that it is a product of collective effort in the first place to fight white minority government in South Africa. This is evidently not true. Although an IDP talks about inclusiveness, it is much broader and more encompassing than that Canzanelli [29]. The function of an IDP in advancing municipalities in South Africa is acknowledged for uniting all sectoral departments within a municipality, resulting in a more cohesive and targeted development strategy.

To this extent, Bryman [40] argues that an IDP seeks to promote a future-oriented, problem-solving approach within local government and the citizenry. While this evaluation of the essence of an IDP is rather naive, it highlights the significance of an IDP in South Africa. In fact, IDP is a must for municipalities in South Africa because the Local Government: Municipal Systems Act, 2000 [8] requires municipalities to develop integrated development plans that will guide the overall development of that area and must be annually reviewed. Such plans, according to the Municipal Systems Act, 2000 as amended, cited in World Bank [19] must contain the following objectives: (1) to link, integrate and coordinate plans and to take into account proposals for the development of the municipality, (2) to ensure that resources and capacity of the municipality should be aligned for the implementation of the plan, (3) to ensure that the plan forms the basis on which annual budgets are to be based, (4) to ensure compatibility with national and provincial development plans and planning, and (5) to commit the municipality to adhering to the legislation.

Republic of South Africa [70] argue that LED involves a partnership between local governments, the private sector, community-based groups and NGOs, with

the aim of managing existing resources, creating jobs and stimulating the economy of a well-defined territory. In fact, the meanings of LED are quite broad. In fact, a myriad of theoretical, techniques, methodological, and conceptual approaches exist on LED. Hologram [4] efforts in exploring these various perspectives are rather original and enlightening. He recognized and examined neo-classical economics, welfare economics, liberal strategies, the Marxian perspective, input-output analysis, multiplier analysis, impact assessments, elements of change analysis, and other methods within the framework of approaches, techniques, and methodologies in the study of LED. Nonetheless, he provided only a short and succinct depiction of them, which did not offer a comprehensive account. Nonetheless, the common thread across the different competing methods in LED theory and practice is the concept of endogenous development, highlighting the use of local human, physical, and institutional resources. Going further, the process of LED can be understood within the purview of collaboration and mutual understanding between and among important stakeholders in a local area with the goal of ensuring growth in that particular area [1].

7. Conclusion

The convergence of municipal planning and economic development efforts *via* the mandated IDP and LED continues to be an essential factor for local government governance in South Africa. The core of this premise is the necessity to acknowledge competitive advantages in communities that can influence local economic activities. Dynamic economic activities are vital for local government as they provide a chance to support small, medium, and micro-enterprises in not just flourishing but also generating employment for local residents.

The concerns regarding synergies between IDP and LED initiatives in the local government sector are crucial for sustaining advancements in tackling the challenges encountered by municipalities. The involvement of various stakeholders in advancing the LED is viewed as crucial for reinforcing a participatory method in local governance, aiming to achieve an authentic developmental local government. Grasping advanced insights into the optimal practice model for improving integrated development planning could boost the capability and effectiveness of local government.

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Conflict of interest

The authors declare no conflict of interest.

Notes/thanks/other declarations

None.

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Transparency in Public Management: A Key Element in the Fight against Corruption

Miriam Salvador and Daniel del Valle Inclán

Abstract

This chapter explores the fundamental role of transparency in the context of public administration, as a means of combatting corruption. The argument is made that transparent government operations improve accountability, reduce opportunities for corruption, and build public trust. A range of strategies for implementing transparency are emphasized, including open data initiatives, public access to information, and regular audits. The study's key findings indicate that transparency is an effective anti-corruption strategy and can enhance government efficiency, whilst also promoting citizen participation. The present study is founded upon a thoroughgoing review of the extant literature and a documentary analysis, with a focus on academic articles, government reports, and case studies, in order to identify effective transparency practices. The collected data were synthesized to develop a theoretical framework and were critically evaluated to highlight the strengths and weaknesses of transparency practices, as well as areas for improvement. The conclusion drawn from this analysis is that transparency is a fundamental tool for the prevention and mitigation of corruption in public institutions.

Keywords: transparency, public management, corruption, good governance, accountability, efficiency

1. Introduction

Transparency in public administration is increasingly recognized as a fundamental component in the battle against corruption. By ensuring that government operations are open and accessible, transparency enhances accountability, reduces opportunities for corrupt practices, and fosters public trust. This article examines the theoretical and normative frameworks of transparency, highlighting its essential role in democratic societies.

Democracy requires an informed citizenry capable of evaluating the actions of public authorities. Transparency mandates the flow of timely and reliable information, enabling individuals to form rational and well-founded opinions about governmental operations. In the current political, economic, and social context, transparency is an essential value that must be promoted at all levels of society to achieve social equity and economic efficiency.

This chapter explores various strategies for implementing transparency, such as open data initiatives, public access to information, and regular audits. These strategies aim to improve citizen oversight and provide necessary, reusable, integrated, aggregated, and comparable data. The transparency established in Law 19/2013 is designed to regenerate democracy, prevent corruption, and strengthen governmental efficiency through the incentives and disincentives it generates.

Furthermore, the paper discusses the interconnectedness of transparency with other concepts like accountability, efficiency, and good governance. Numerous studies demonstrate the necessary connection between transparency and accountability, with transparency often being the initial step for accountability to occur. Transparency also incentivizes greater efficiency by reducing information asymmetries and preventing monopolies through facilitating competition among ideas and policies.

Regarding corruption prevention, transparency emerges as a highly useful mechanism focused on prevention. It is vital for cultivating public trust in government and effectively deterring, preventing, and detecting corruption. Organizational and procedural designs that promote transparency serve as preventive mechanisms against negligent or fraudulent public conduct.

Transparency and good governance are closely related, with transparency ensuring that information is accessible and public, providing the environment for the development of good governance. Good governance, in turn, ensures that transparency has a positive effect. Citizen participation in political activities depends on a high level of transparency, and the trust citizens place in the government depends on good governance.

The chapter also highlights the importance of public access to documents and information offered by institutions. Transparency requires public institutions to make information about policy-making and spending public, respecting the principle of freedom of information. These principles are enshrined in the EU treaties, ensuring that decision-making is open and close to the citizen.

2. Transparency: Theoretical and normative framework

Democracy requires an informed citizenry. It demands individuals capable of judging the actions of public authorities, and this can only be achieved through transparency and education. The flow of timely and reliable information that transparency mandates should allow for the evaluation of the institutions providing it and enable those who make decisions—as well as those who participate in or are affected by those decisions—to form rational and well-founded opinions.

Transparency becomes an essential and necessary value in the current political, economic, and social context and constitutes a fundamental pillar that must be developed and promoted at all levels of society as a key element for achieving social equity and economic efficiency. Among the types of transparency [1], we should advocate for the kind that is clear that seeks to improve citizen oversight and information about how public affairs and institutions operate, with necessary, reusable, integrated, aggregated, and comparable data [2]; and that is active, based on providing compatible and reusable databases. In this way, we could affirm that the transparency established in Law 19/2013 aims to regenerate democracy [3], prevent corruption, and strengthen governmental efficiency, thanks to the incentives and disincentives that transparency generates.

2.1 Transparency and other related concepts

2.1.1 Accountability

Numerous studies demonstrate the necessary and indisputable connection between transparency and accountability, as the former often constitutes the initial step for the latter to occur. Similarly, the link between transparency and responsibility is also noted. Thus, a higher level of transparency generates greater responsibility [4, 5], despite the difficulties in proving this without simultaneously considering other factors.

Regarding the nature of this link, some authors consider transparency as a dimension of responsibility [6], while others, such as Gray [7], believe that accountability increases the transparency of organizations. Mulgan [8], for his part, points out that the disclosure of information is the cornerstone in building a responsible representative government, alongside practices such as open government and Freedom of Information Laws.

In this context, Bovens [6] argues that transparency appears to be a necessary but insufficient condition for accountability. Meijer [9], as well as Michels and Meijer [10], emphasize that transparency is a means that facilitates horizontal accountability—through administrative accountability to citizens—and vertical accountability, by providing access to data that allows citizens to be aware of administrative practices and to report possible dysfunctions to the competent authorities.

There is a close relationship between transparency and accountability, with the former conceived as a prerequisite for the latter. Without information there can be no accountability.

2.1.2 Efficiency

Regarding the links between transparency and efficiency, Cunill [11] considers that transparency incentivizes greater efficiency by reducing information asymmetries in the processes of rule-making and/or policy formulation and by preventing monopolies through facilitating competition among ideas, arguments, and policies [12].

Transparency thus becomes a driver of efficiency, indirectly, by disseminating results in the process of evaluating public management, as well as by generating public trust in an institution that operates transparently.

There are, however, dissenting voices. Grimmelikhuijsen [13] found that a higher degree of transparency regarding the documentation supporting decision-making led to a decrease in perceptions of municipal authorities' competence. Villoria [14] points out how effective transparency can be achieved through the use of new technologies linked to open government, enabling continuous interaction through user feedback.

On another note, authors such as Stiglitz [15] have highlighted the beneficial effects of transparency on national economies, as it is strongly correlated with per capita income. Those countries that are more transparent have better economic indicators, which enables better functioning of markets by providing reliable information to producers, investors, and consumers [16]. Villoria [17] adds further arguments, such as the reduction of market uncertainties regarding policymakers' preferences, and the generation of trust among stakeholders.

2.1.3 Corruption prevention

Regarding the transparency–corruption prevention nexus, it is essential to recognize that corruption constitutes one of the most significant problems in the

contemporary world. On one hand, it not only undermines citizens' trust in the democratic system, but also conditions economic development and erodes the social and economic credibility of countries. Likewise, it limits investment, hinders development, and leads to government inefficiency. Furthermore, corruption delegitimizes public action, incentivizes citizen apathy and political disengagement, causes inequity, and undermines trust in the foundations of democracy: institutions and governments.

In contrast, transparency emerges as a highly useful mechanism focused on prevention. Transparency is vital to cultivating public trust in government and to effectively deterring, preventing, and detecting corruption. According to Ponce Solé [18], transparency is inextricably linked to objectivity, efficiency, and good administration as outcomes. Organizational and procedural designs that promote transparency and good administration serve as preventive mechanisms against negligent or fraudulent public conduct, which lies at the root of corruption [11].

However, as Bauhr and Grimes [19] argue, reducing corruption may not depend solely—or at least not exclusively—on the level of transparency achieved. While transparency is strongly associated with lower levels of corruption, its effectiveness is maximized when accompanied by mechanisms that enable citizens to act on the information received, such as reporting wrongdoing, participating in oversight, or sanctioning corrupt officials. Thus, transparency is a necessary but not sufficient condition for the sustainable reduction of corruption.

There is a general belief that a higher degree of transparency would help to better detect existing cases of corruption, discourage corrupt activities, and combat citizen disengagement. According to Dahl [20], transparency makes a highly valuable contribution to ensuring democratic quality and its criteria: participation, free elections, adequate understanding of policies and alternatives, government oversight, and citizens' rights, among others. Added to these criteria is the need to implement a new model of public governance [21] based on pillars such as open and transparent administration.

Constant [22] emphasized the fundamental role of transparency in generating trust between the governed and the government, and in promoting justice and democratic legitimacy, based on the premise of a well-informed citizenry. Studies conducted in the United States have shown that there is a slightly negative relationship between mere awareness of transparency rights and requirements (latent transparency) and trust in government agencies [23].

Regarding corruption, which is a clear obstacle to good governance, not only its prevention is required, but also the demand for accountability, known as accountability [24]. The European Union has established oversight bodies and implemented sanction mechanisms for corruption and non-compliance, resulting in the corresponding responsibility of the relevant institutions.

2.1.4 Good governance

Transparency and good governance are two central concepts in modern governance, crucial for establishing an effective, fair, and honest government. Both concepts are closely related: transparency ensures that information is accessible and public, providing the environment and mechanisms for the development of good governance, while good governance ensures that transparency has a positive effect. In democracies, citizen participation in political activities depends on a high level of transparency, and the trust citizens place in the government depends on good

governance. Therefore, ensuring transparency and implementing good governance are essential paths to achieving sustainable development and promoting economic and social growth. Given the importance of transparency and good governance in public administration, identifying problems and obstacles in the implementation process and anticipating future opportunities and challenges is critical.

In many cases, transparency is identified with political openness, as it implies that citizens understand and are deeply aware of the course of political activity. Transparency encompasses aspects such as the unilateral disclosure of information by the government, citizen participation, and the level of understanding of the available information.

The close relationship between transparency and good governance is essential for achieving high-quality democracy. Transparency and good governance are closely linked. Good governance contributes to transparency, and concrete actions can promote increased transparency. Transparency is a key factor in building a trustworthy government, as achieving good governance requires a real increase in government transparency. One of the manifestations of good governance is, undoubtedly, citizen participation and debate which are, at the same time, ways to increase transparency. Transparency is also a means to facilitate political education [25]. For a quality democratic government, both concepts are indispensable and inseparable in order to achieve better governance of the country.

With regard to good governance, its recipients are the citizens and society as a whole, who demand high standards of justice, responsibility, and efficiency.

2.1.5 Public access to documents

Undoubtedly, the most studied aspect of transparency is public access to documents and information offered by institutions. Being transparency one of the fundamental democratic principles, it requires public institutions to make information about policy-making and spending public and to respect the principle of freedom of information.

These principles are, for instance, enshrined in the EU treaties. The article 10 of the Treaty on European Union stipulates that decision-making shall be “as open and as close as possible to the citizen.” Article 11 establishes that citizens and representative associations must have the opportunity to “express and publicly exchange their views in all areas of Union action”. The Treaty on the Functioning of the European Union expands on these points. It provides that EU institutions are required to act publicly and to ensure that citizens, or any natural or legal person residing or having their registered office in an EU country, can access documents (Article 15).

In practical terms, this means that one can access documents from EU institutions, bodies, and agencies, including legislative texts, official documents, meeting minutes, and agendas. Access is provided through public databases and registers, allowing documents to be obtained directly online or upon request.

The Lisbon Treaty reinforced these principles, emphasizing both representative and participative democracy. It requires that “decisions are taken as openly and as closely as possible to the citizen” (Article 10.3 TEU), and that the institutions maintain an open, transparent, and regular dialog with civil society (Article 11 TEU). Legislative transparency is now a constitutional obligation under Article 15(2) TFEU, mandating that the European Parliament and the Council meet in public when considering and voting on draft legislative acts.

These measures collectively aim to ensure that transparency is not only a formal principle but also a practical reality in the daily functioning of the EU, fostering accountability, participation, and trust in European institutions.

To increase transparency, the European Commission, the European Parliament, the European Council, and the Council of the European Union publish their meeting schedules in advance and share information about their outcomes in press conferences. Sessions of the Parliament and parts of Council meetings can also be followed online.

All programming priorities, including the Commission's political guidelines, the State of the Union address, and the Commission's work programme, are made public. The European Council's strategic agenda and the subsequent Council priorities are also published.

The agendas of the Commissioners, the President of the European Council, and the President of the European Parliament can be consulted. Other EU institutions and bodies also publish the agendas of their presidents, meeting calendars, and meetings broadcast online.

These transparency measures are part of the EU's commitment to open decision-making and public access to information, as established in the EU treaties and regulations. Citizens and stakeholders can access documents, meeting minutes, and agendas directly online or upon request, ensuring that the EU's policy-making process is as open and accessible as possible.

2.1.6 Transparency and ethics

The ethical dimension is almost always present in recent formulations regarding the essence of good governance and good administration of public institutions. The governance and management of public institutions and public affairs revolve around the objective service to the general interest and have a profound ethical dimension. This orientation is directed toward the comprehensive well-being of citizens and should facilitate the exercise of freedoms and real participation in the sphere of public deliberation.

Civic participation by citizens should be understood both as an end and as a method [26]. The current crisis facing democracies requires a regeneration of democratic life. Democratic life means, above all, the action and protagonism of citizens—their participation. Participation should be understood as the civil protagonism of citizens, as civic engagement.

Technological evolution in public administration must align with principles of equity, transparency, and the protection of rights, ensuring that digital transformation not only optimizes institutional management but also contributes to strengthening a citizen-centered organizational model.

The absence of transparency and lack of accountability have created an environment of distrust among citizens. The lack of transparency, general ignorance, and resistance to change generate considerable uncertainty. In this context, it is crucial to ensure broad citizen participation, which should be the main driver of this transformation process. For this to occur, public administrations must provide a trustworthy environment that enables such participation, promoting information campaigns for citizens in educational centers and citizen committees. It is essential for governments to focus on diligence, transparency, and the adoption of more effective and efficient governance models.

In the words of the Court of Justice of the European Communities (now the Court of Justice of the European Union), “the principle of transparency aims to ensure

better citizen participation in the decision-making process, as well as to guarantee greater legitimacy, effectiveness, and accountability of the administration toward citizens in a democratic system. It contributes to strengthening the principle of democracy and respect for fundamental rights.”

3. The impact of transparency on legal systems

3.1 Transparency in Spain

At the constitutional level, transparency is linked to several fundamental rights, such as the right to receive truthful information (Article 20.1.d of the Spanish Constitution), the right of access to public records and archives (Article 105.b), the principle of publicity of laws (Article 9.3), and the democratic and rule of law principles (Article 1.1). However, there is no absolute consensus regarding its legal nature. The prevailing view is to consider transparency as a constitutional principle that guides the actions of public authorities and underpins the right of access to information.

Some authors argue that transparency does not have a constitutionally defined content in Spain, but rather functions as a constitutional value or as an extension of the principle of publicity and the general prohibition of state secrecy. This value allows judges to balance transparency against other interests, such as national security or privacy, when making legal decisions. In practice, transparency serves as an essential tool for exercising the fundamental rights to receive information and participate in public affairs and for the optimal realization of the principles of a democratic state and the rule of law.

The potential effects of transparency in public administration are mentioned both in the Preamble of the national law (Law 19/2013, of December 9, on Transparency, Access to Public Information and Good Governance) and in numerous regional laws on the subject¹. Transparency is widely recognized as a powerful tool for the prevention and fight against corruption, as it allows for greater scrutiny and accountability in public management and strengthens citizens’ trust in institutions.

At the dawn of drafting the national regulation, its crucial importance was already emphasized as a means to address citizens’ disaffection with the political class, particularly in a context of representative democracy. At this point, it is worth noting the significant influence that the political circumstances at the time of the law’s inception had, as well as the fact that in some respects it functions more as an anti-corruption law than a transparency law—a kind of “vaccine against corruption.” More than regulating transparency, this law acts against public disengagement and in favor of strengthening representative democracy [27]. It has been one of the “institutional

¹ The majority of regional transparency laws are also applicable to local entities within their territorial scope and to their public sector, although a small number of these laws are not. Among the former, to name a few, are Law 1/2014, of 24 June, on Public Transparency of Andalusia; the Law on Transparency of Public Activity and Citizen Participation of Aragon, Law 8/2015, of 25 March; Law 8/2018, of 14 September, on Transparency, Good Governance and Interest Groups of the Principality of Asturias; or Catalan Law 19/2014, of 29 December, on Transparency, Access to Public Information and Good Governance. In the second group are, among others, Galician Law 1/2016, of 18 January, on Transparency and Good Governance; or Law 12/2014, of 16 December, on Transparency and Citizen Participation of the Autonomous Community of the Region of Murcia.

reform initiatives that society demands, and democracy needs to maintain the vigor and strength with which it was born.” The aim is to restore the lost trust between political representatives and the citizenry.

Guichot [28] points out the profound institutional and political trust crisis, which is present in the parliamentary debate.

Within the articles of the regulation, it is highlighted that countries with higher levels of transparency and good governance standards have stronger institutions, which foster economic growth and social development. The law also notes that its implementation enables citizens to better and more critically assess the capacity of their public officials and to make decisions accordingly. This circumstance allows for improved oversight of public activity and makes a decisive contribution to the necessary democratic renewal.

Regional transparency laws, such as Catalonia’s Law 19/2014 of December 29 on Transparency, Access to Public Information, and Good Governance, reiterate that oversight of the administration directly affects the democratic quality of society and impacts citizens’ knowledge of data—something fundamental for evaluating public actions and ensuring the responsible exercise of public power. The Andalusian Transparency Law (Law 1/2014 of June 24) considers that transparency makes democracy more real and effective.

The Galician Transparency Law (Law 1/2016, of January 18, on Transparency and Good Governance) emphasizes that transparency and good governance mechanisms function as checks and balances that guarantee the protection of citizens against possible arbitrariness by public authorities and the misuse of public funds or assets. The law asserts transparency regulations as a means for citizens to become fundamental actors in the monitoring, oversight, and supervision of public authorities’ activities¹⁸.

Finally, the Canary Islands Law (Law 12/2014, of December 16, on Transparency and Access to Public Information) highlights the fact that citizens’ loss of trust in public management has increased over recent decades, often fueled by a lack of knowledge about the objectives and actions carried out by public institutions. Therefore, the law states that transparency is one of the essential values for institutions and administrations to be considered as belonging to, and in tune with, the expectations, needs, and perceptions of the public.

It is important to note the significant increase in citizens’ interest in participating actively and continuously in the political, social, and economic life of the country, for which it is absolutely essential to guarantee access to clear, agile, and high-quality public information.

There are various effects that national and regional transparency regulations aim to achieve, among which the following stand out: improving accountability to citizens; promoting citizen participation through better information; facilitating the exercise of citizens’ rights; improving the relationship between the administration and the public; combating corruption; enhancing the efficiency and effectiveness of public administration; achieving a more rational and effective organization of public information; increasing citizen satisfaction; and, more broadly, achieving a higher quality democracy.

3.2 Transparency in the European Union

In order to improve transparency and strengthen public oversight, the EU has implemented a unique and distinctive transparency guarantee system. In this sense, the aim is to reinforce the sense of responsibility and transparency of EU institutions

and to promote interaction and trust between the EU and its citizens, with the goal of consolidating the EU's image as a democratic organization. In this regulatory ecosystem, the EU actively promotes the publication of information by government institutions and encourages public participation in policy-making and decision-making processes, ensuring that public opinions are fully considered.

With the development of the Internet and new information technologies, transparency and good governance in the European Union have experienced substantial improvements. The Internet has greatly facilitated transparency, as the official Web site of the European Union EUR-Lex² allows the various EU institutions to promptly publish the latest information on decisions, while also providing immediate access to all legislative work, records, documents, treaties, and agreements of interest.

The Member States of the European Union cooperate, share information, and improve transparency to guarantee the fundamental rights and interests of citizens.

In the wake of the debate initiated in the EU to open up the functioning of institutions to the public, a wide range of principles have to be considered:

- The principle of openness ensures working in a more open manner, communicating proactively, and using comprehensible language that guarantees citizens' right to information.
- The principle of participation involves strengthening the active participation of citizens at all stages of each process [29].
- The principle of the rule of law implies that all government actions must be carried out in accordance with the law, in strict compliance with the principle of legality—a *sine qua non* requirement to guarantee the legality of all actions.
- The principle of transparency is also fundamental to good governance. If we take as a reference Law 19/2013 of December 9 on transparency, access to public information, and good governance, two other basic principles of good governance can be inferred: the principle of equity, which involves maintaining impartiality without favoring any particular interest, and the principle of efficiency, which consists of taking effective measures to satisfy the public interest.

4. Transparency in public management as a means of preventing and combating corruption

In this section, we start from Amartya Sen's capabilities approach, which is oriented toward the objective of economic development, and which defends the basic idea that increasing human freedom is both the main objective of development and its main instrument. In this sense, he argues that it is necessary to go beyond proclaiming the fundamental importance of the general freedom of individuals and to consider the instrumental role of the following types of freedom: political freedoms, economic services, social opportunities, guarantees of transparency, and protective security, with each of these types of rights and opportunities contributing to the enhancement of the individual's set of capabilities.

² Available from: <https://eur-lex.europa.eu/homepage.html?locale=es>

4.1 Corruption causes

Knowing the direct and indirect causes of corruption is an essential task for eradicating or combating the phenomenon of corruption, which affects all the capabilities of the individual. Among these causes, and without wishing to be exhaustive, we highlight the following: the existence of high taxes, high levels of public spending, new regulations, financing of political parties, quality of the bureaucracy, level of public salaries, lack of transparency in public management, opacity in rules, laws and procedures, slowness in the actions of the judicial apparatus, and lightness in sanctions or convictions, to which we must add the deficiencies in institutional controls. All this, without forgetting the deficiencies in public ethics or ethics for politics and public administration, in the general frame of reference of a set of basic and universal moral principles and values.

On the other hand, we must consider in a very prominent and special way the governmental and administrative decentralization as one of the causes of corruption. The existence of different levels in the Public Administration, as is the case in Spain, with the State of the Autonomies and the Local Administration, where the proximity between the administered and the administration is more evident, constitutes a sector of risk that often escapes the direct controls of the central administration.

It is worth remembering that at the basis of every act or process of corruption is the mechanism known in microeconomic theory as the principal-agent problem, which initially arose to analyze the problems existing in large companies as a result of the increasing separation between ownership (shareholders) and control through the company's managers. These agency models are perfectly transferable to relations between the government and civil servants, with the former being the principal and the latter acting as agents. The key lies in the fact that, since there is a problem of asymmetric and incomplete information, the latter (the officials) have incentives to act not only in the interests of the principal, but also in their own interest, which incorporates the possibility that the official does not fulfill his or her task, but acts for the benefit of a third party (the corruptor), in exchange for the corresponding bribe.

In addition, corruption distorts markets in such a way that it reduces efficiency in the allocation of resources, increases inequality in the distribution of income, tends to harm small businesses more, complicates and limits the application of a correct fiscal policy, and tends to generate significant public deficits, to the extent that such practices increase public spending by granting unjustified subsidies, awarding public investment projects to companies with high costs, etc., while reducing budget revenues (unjustified tax breaks and other similar measures), limiting or distorting the role of the State as guarantor of the rules of the economic game, and finally, limiting or distorting the role of the State as guarantor of the rules of the economic game, while reducing budget revenues (unjustified tax breaks and other similar measures), and limiting or distorting the State's role as guarantor of the rules of the economic game, and, finally, it can contribute to the deterioration of the perception of the legitimacy of the market economy and even of democracy.³

When stating the causes and effects of corruption, it is important to bear in mind that the relationship between the two is truly peculiar. Indeed, Rose-Akerman, whom we have just quoted, in her excellent Introduction to the International Handbook on Economics of Corruption, referring to the work contributed by one of the book's contributors, states: As Lambsdorff survey shows, the consequences of corruption are

³ See. Rose-Akerman [30].

difficult to distinguish from the causes because the causal arrow frequently appears to go both ways. This inequality is associated with high levels of corruption, but the econometric evidence on causation is mixed.

Some authors relate the causes and effects of corruption to the concept of governance, which they do through empirical work in order to calculate the correlation between governance and income, for which they first carry out a measurement of the perception of governance for a given period, using several indicators such as the indicator of human, civil, and political rights; political stability and the absence of violence; government efficiency; the quality and scope of regulation; the role and quality of justice; and the control of corruption.

Here, beyond this correlation, we are interested in the one that exists or may exist between governance and corruption, in which we find a feedback process. Indeed, when governance is inefficient and lacking in transparency, when it is poorly and excessively regulated, or when the judiciary acts without rigor and independence, governance is not good, and the existence of corruption is unquestionable. Similarly, where corruption is permitted, tolerated, or encouraged, there is unquestionably no good governance, and so we are back to square one. In fact, corruption arises from problems with the underlying institutional structures of state and of society, and that is where policy must be directed.⁴

4.2 The principle of transparency

On the other hand, it is evident that the principle of transparency is closely linked to both the principle of legality and the principle of efficiency, a linkage that allows it to carry out the cost–benefit analysis that justifies the need and requirement to comply with it, putting into operation everything necessary to know the behavior of the public sector, evaluate it, and make the results available to the citizens. Indeed, the monitoring and control of the principle of legality in all public management makes it possible to know the degree of cleanliness or corruption with which this task is carried out, as well as the cost that this may entail for public funds. On the other hand, the application of the principle of transparency is clearly related to the principle of efficiency in the sense that, as with the principle of legality, the set of institutions, techniques, and instruments of control makes it possible to calculate the cost that inefficient public management entails for the economy as a whole. This close link is a key element in determining the extent to which public management is being carried out correctly.

As stated by José Carlos Alcalde Hernández, public management can only be effective and efficient, as required by Articles 31 and 103 of the Spanish Constitution, when its objectives, lines of action, means and resources, and the results obtained can be known in due time and form, analyzed and assessed by society, by the citizens, the recipients of such management, and whose assessment will be an essential element for the exercise of their political rights.⁵

This idea perfectly summarizes the need for the highest degree of transparency in the activity of the public administration as a whole and certainly helped to inspire and guide the task of legislators when drafting the Spanish Transparency Law enacted in 2013, without direct allusions to corruption, since what was really being sought was, on the one hand, to address the citizen's right to have access to information related to

⁴ See. Kaufmann et al. [31].

⁵ See. Hernández [32].

public management, and on the other, to take advantage of this better knowledge that the citizen possesses in order to stimulate public action and thus improve its operation and results.

But, although this is so, it is increasingly clear that all this concerns corruption, because ultimately, maximum openness and information is sought on the part of the public manager to have a powerful weapon in the fight against this criminal activity.

5. Conclusion

Transparency in public management is a cornerstone in the fight against corruption, playing a crucial role in enhancing accountability, fostering public trust, and promoting good governance. By ensuring that government operations are open and accessible, transparency reduces opportunities for corrupt practices and enables citizens to hold public officials accountable.

The implementation of transparency through strategies such as open data initiatives, public access to information, and regular audits has been shown to improve citizen oversight and provide necessary, reusable, and comparable data. These measures not only regenerate democracy but also strengthen governmental efficiency by creating incentives and disincentives that promote ethical behavior.

The interconnectedness of transparency with accountability, efficiency, and good governance has been highlighted throughout the article. Transparency is often the initial step for accountability, as it provides the information necessary for citizens to evaluate and hold public officials responsible. It also incentivizes greater efficiency by reducing information asymmetries and fostering competition among ideas and policies.

In the context of corruption prevention, transparency serves as a preventive mechanism by promoting organizational and procedural designs that deter negligent or fraudulent conduct. However, it is important to recognize that transparency alone is not sufficient to eradicate corruption. It must be accompanied by mechanisms that enable citizens to act on the information received, such as reporting wrongdoing and participating in oversight.

The relationship between transparency and good governance is essential for achieving high-quality democracy. Transparency ensures that information is accessible and public, providing the environment for the development of good governance. In turn, good governance ensures that transparency has a positive effect, fostering citizen participation and trust in government.

Public access to documents and information is a fundamental democratic principle that enhances transparency and accountability. The European Union's commitment to open decision-making and public access to information serves as a model for promoting transparency and good governance.

In conclusion, transparency is a powerful tool in preventing and addressing corruption, contributing to more effective and equitable public management. By fostering an environment of openness and accountability, transparency enhances democratic quality and promotes sustainable development. It is imperative for public administrations to continue promoting transparency at all levels to ensure the integrity and efficiency of government operations.

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Political Landscape of Sri Lanka's 2022 Economic Crisis

Jayathry Gunaratne

Abstract

This chapter investigates the root causes of Sri Lanka's first-ever economic crisis through a political lens. It examines the role of three political regimes since 2005 (to 2022) for this purpose. It adopts a qualitative, in-depth case study approach, predominantly utilizing the secondary data collected through a thorough analysis of existing documents, including the review of the literature. The findings of the research reveal how the extreme level of *clientelism* practiced by the 2005–2014 government (prioritizing short-term political gains over sustainable economic policies) ultimately weakened the country's economy and made it vulnerable to external shocks. It further reveals how the succeeding governments (2015–2022) continued the same practices for their “political survival” rather than correcting such policies, thereby leading the economy of the country to be fragile over the years. The research also emphasizes the “rationality” of the political patrons in making the policy decisions, which were rooted in their expected (personal) political gains rather than collective benefits for the community. While acknowledging the impact of external triggers like the *COVID-19 pandemic* and *Easter Sunday Attacks* on eliciting the crisis, the chapter emphasizes how the two major political decisions, that is, reliance on Chinese development funds and capital market borrowings, led Sri Lanka's economy into an economic crisis, through exacerbating foreign debt in the long term. This research, taking Sri Lanka as an example, reveals the intricate relationship between a country's political landscape and its economic outcomes.

Keywords: economic crisis, Sri Lanka, post-conflict state, Clientelism, foreign debt, patron-client relations

1. Introduction

The initial warning signs of Sri Lanka's economic crisis became unmistakably visible in early 2022, as the daily lives of its citizens were thrown into disarray. The country was gripped by relentless power cuts and severe shortages of basic necessities, including fuel, food, and medicines. These shortages triggered a dramatic surge in the prices of essential goods, exacerbating the already rising inflation, which rose up to 49.7% in 2022 [1]. The economic strain was felt across all sectors of society, disrupting normalcy and plunging the nation into a state of uncertainty: schools were forced to

close, and long, winding queues became a common sight outside gas stations, food stores, and pharmacies. In an effort to conserve dwindling resources, citizens were instructed to work from home, further highlighting the severity of the crisis. The healthcare system, already strained by the COVID-19 pandemic, faced unprecedented challenges. Hospitals struggled to procure essential medicines and critical surgeries were postponed or canceled, leading to a tragic increase in preventable deaths – some reports even suggested that the death toll from the economic crisis surpassed that of the pandemic itself [2, 3].

By the end of the first half of 2022, it was evident that Sri Lanka was experiencing its worst economic crisis since gaining independence in 1948. The collapse of the economy not only disrupted the livelihoods of millions but also laid bare the vulnerabilities of the nation's economic and political systems. On 12 April 2022, the Government of Sri Lanka (GoSL) marked a grim milestone in its economic history by unilaterally defaulting on its external debt. This decision entailed the temporary suspension of debt servicing to foreign creditors, with the exception of multilateral debt obligations. The gravity of the situation deepened in May 2022 when the GoSL failed to make an interest payment on its foreign debt for the first time in the nation's history. This default was not merely a financial misstep but a symptom of a deeper economic malaise that had been brewing for years.

The economic crisis of 2022 did not remain confined to the realm of finance; it quickly escalated into a full-blown political crisis. The repercussions of this economic collapse were felt obviously by the citizens of Sri Lanka. The government's inability to import essential goods such as food items, medicine, and fuel brought daily life to a standstill. Long queues for fuel, shortages of life-saving medications, and skyrocketing prices of basic commodities became emblematic of the crisis. This growing scarcity of essentials, coupled with rising living costs, fueled widespread public discontent toward the government. The public's frustration with the government's handling of the economic collapse culminated in mass protests demanding accountability and change. This dissatisfaction soon manifested in the form of anti-government protests, which began in Colombo, the nation's capital, and rapidly spread across the country.

The protests, which began as a response to economic hardship, evolved into a broader movement calling for systemic reform and governance overhaul. The pressure became untenable for the then-ruling administration led by President *Gotabaya Rajapaksa* and soon led to the resignation of the Prime Minister in May 2022, followed by the unprecedented resignation of the President in July 2022, marking a dramatic shift in the country's political landscape. The resignations of the Prime Minister and President underscored the profound interconnectedness of economic stability and political legitimacy. The crisis not only exposed the fragility of Sri Lanka's political and economic systems but also highlighted the urgent need for structural reforms to prevent such future collapses.

2. Background

Although the declaration of bankruptcy appeared to be a shock to many, the warning signs of an impending debt crisis had been evident for years. Economic institutions such as the World Bank and the International Monetary Fund (IMF), along with economists like Bussiere and Fratzscher and Maitra [4, 5], had long

predicted Sri Lanka's vulnerability to a debt crisis. Their analyses pointed to the country's escalating foreign debt, rising inflation rates, dwindling foreign reserves, and persistent mismanagement of macroeconomic policies (by the policymakers) as clear indicators of an unsustainable economic trajectory. The former governor of the Central Bank of Sri Lanka (CBSL) had also warned that the country was on the verge of sovereign default since 2015 during an interview with the *Daily Financial Times*, a leading local newspaper [6].

Sri Lanka's economy has always been fragile since its independence in 1948, with economic growth remaining erratic and uneven: the country has experienced multiple instances of negative GDP growth rates throughout its history, including in 1972 (−0.4%), 2001 (−1.5%), 2019 (−0.2%), 2020 (−4.6%), and 2022 (−7.8%) [7]. Despite repeatedly teetering on the brink of a balance of payments crisis, successive governments managed to avert disaster through temporary measures such as import-substitution policies or seeking bailouts from the IMF. However, these stopgap solutions failed to address the structural weaknesses plaguing the economy. The government's budget consistently faced a twin deficit: fiscal deficit and current account deficit, both of which worsened over time. By the end of 2021, the current account deficit stood at −7.3%, while the fiscal deficit reached −11.7% [8]. Despite being able to manage the economy of being bankrupt, none of succeeding political regimes of the country was successful in executing an effective solution to stabilize the economy over the years.

The economic crisis that engulfed Sri Lanka in 2022 was the culmination of multiple interconnected factors, with unsustainable foreign debt standing out as the primary catalyst [9–11]. By 2022, the central government's foreign debt had soared to 113.8% of GDP, a staggering figure that underscored the country's inability to manage its financial obligations. While foreign debt had been rising steadily over the years, it remained relatively sustainable until 2005. However, from 2005 onwards, the pace of debt accumulation accelerated dramatically, becoming increasingly untenable for a small economy like Sri Lanka. The total debt surged from 11.3 billion USD in 2005 to 21.7 billion USD in 2010 and further skyrocketed to 56.3 billion USD by 2020 [12, 13]. By the time the government declared a moratorium on debt repayments in April 2022, the central government's external debt stood at 58.8 billion USD. The largest portion of this debt was owed to international capital markets (14.7 billion USD), followed by bilateral debts (10.6 billion USD) and multilateral debts (9.5 billion USD). This unsustainable debt burden placed immense pressure on the economy, ultimately pushing the country toward default.

The actual root causes of this policy failure stem from the short-sighted approach of successive political administrations, which consistently prioritized short-term electoral gains and political survival over the country's long-term economic stability. This myopic nature (or prioritizing of the short-term political gains) has been evident in recurring cycles of populist spending and clientelistic practices, coupled with a persistent avoidance of necessary structural reforms that were not favorable for the political patronage of the country; all of which undermined fiscal sustainability in long term. This chapter will examine these dynamics in detail.

The following subsections outline the key political and economic developments that superficially appear to have precipitated the crisis. While these factors undoubtedly contributed to the economic collapse of 2022, attributing the crisis solely to them would be misleading. A deeper examination reveals that the true causes lay elsewhere, a point that will be substantiated by the end of this chapter.

2.1 The lingering shadow of civil war

It is crucial to acknowledge the profound and lasting impact of Sri Lanka's nearly three-decade-long civil war (1983–2009) on the nation's economic trajectory. The protracted conflict not only inflicted significant human and social costs but also severely hindered the country's economic growth. Successive governments during this period prioritized resolving the civil war, diverting substantial economic resources toward military expenditures and conflict management. This focus on security and stability came at the expense of long-term economic development and infrastructure investment.

Moreover, the persistent security threats and instability associated with the war deterred foreign direct investment (FDI), a critical source of income for a developing economy like Sri Lanka. The absence of a stable and secure environment limited the country's ability to attract international investors, further constraining its economic potential. Even after the war's conclusion in 2009, the legacy of conflict continued to weigh heavily on the economy as the government struggled to shift its focus from post-war reconstruction to sustainable economic policies.

2.2 The unexpected external shocks

The major trigger of the 2022 economic crisis was the series of unexpected external shocks that exacerbated Sri Lanka's pre-existing vulnerabilities, with *Easter Sunday attacks* in 2019 and the *COVID-19 pandemic* being the significant accelerations onset. However, it is noteworthy to recall that these events did not cause the economic crisis in Sri Lanka but triggered the crisis by further attacking the already drained economy of the country. These events had a devastating impact on the country's primary sources of foreign income: tourism, exports, and remittances. The pandemic, in particular, dealt a severe blow to the tourism sector, with income plummeting to 507 million USD in 2021, while remittances fell to 5.49 billion USD [8]. Simultaneously, prolonged lockdowns disrupted industrial activity, leading to a sharp decline in exports. By the end of 2021, net exports had contracted to –7.9% of GDP. Compounding these challenges was the government's decision to maintain tax reductions introduced in 2019, which further strained public finances and limited the state's ability to respond effectively to the crisis.

2.3 The miscalculated policy decisions

The second and most critical factor that precipitated Sri Lanka's economic crisis was the series of irrational economic decisions made by the then government, led by President *Gotabaya Rajapaksa*, who assumed office following the 2019 presidential election. One of the most significant policy missteps was the drastic reduction of taxes, including a cut in the value-added tax (VAT) from 15–8%, the reduction of the telecommunications tax from 25%, and the elimination of eight other major taxes. While such tax reductions, according to macroeconomic theory, are intended to stimulate economic growth in the medium to long term by increasing disposable income and boosting consumption [14], they proved disastrous in Sri Lanka's context. The country's already fragile macroeconomic conditions, exacerbated by the COVID-19 pandemic, rendered these measures ineffective and counterproductive. Simultaneously, Sri Lanka lost its access to the international capital market (which was the main funding source of the

government budget over the past decade) by the second half of 2020, along with the credit rating agencies rate Sri Lanka as a “near default” state [15].

The tax cuts were emblematic of the populist policies pursued by the Sri Lanka Freedom Party (SLFP), a left-leaning political party represented by Presidents *Mahinda Rajapaksa* and *Gotabaya Rajapaksa*. These policies stood in stark contrast to the pro-rightist, capitalist ideology of the United National Party (UNP), which had increased taxes during its tenure from 2015 to 2019. The UNP's tax hikes, though aimed at stabilizing public finances, contributed to its electoral defeat in 2019, among other factors, paving the way for the SLFP's return to power and the subsequent implementation of its populist agenda.

Another ill-conceived policy was the government's abrupt decision in 2019 to ban chemical fertilizers and transition to organic farming overnight. This move, ostensibly aimed at promoting sustainable agriculture and reducing health and environmental risks, had devastating consequences. Agricultural output plummeted, leading to a sharp decline in staple crops such as rice and tea, forcing the government to import rice for the first time in decades. Production of tea, one of Sri Lanka's major export commodities, fell by 18% by the end of 2021 [16]. The policy also disrupted the livelihoods of over 2 million Sri Lankans, approximately 27% of the labor force, who relied on farming as their primary source of income. The lack of a sufficient national supply of organic fertilizers further compounded the challenges, leaving farmers without viable alternatives. It is argued that the fertilizer ban was less about sustainability and more about reducing the annual import cost of synthetic chemicals, estimated at 400 million USD [17]. While this may have been a politically expedient decision to cut expenditures without directly alienating citizens, its sudden implementation backfired spectacularly. The policy not only increased food import costs but also reduced export earnings, further straining the country's already precarious foreign reserves.

3. Methodology

This research adopted a qualitative structure: it employs both content analysis and interpretative analysis methods in its discussion. The rationale for using a qualitative research framework is twofold: first, qualitative research is inductive; it allows building patterns/categories and themes by using data to support its argument by going back and forth between these. Second, the qualitative method permits one to learn about the problem(s) from the viewer's perspective and to prove the argument(s) by obtaining relevant information and interpreting those appropriately, both of which are vital for the goal of this research.

The main source of data utilized in this research is from secondary sources: this study will conduct an extensive analysis of documents including a rigorous review of existing literature. In addition, the main sources of documents utilized in this research include the government policy documents [i.e., election manifestoes, budget records, statements made by government officials (the President, Prime minister, Minister of Foreign Affairs, etc.), official data published by government sources such as the Central Bank of Sri Lanka, Department of Census and Statistics, Sri Lanka Port Authority, Department of Inland Revenue, the publications issued by MFA, Parliament of Sri Lanka, Ministry of Finance, Presidential Secretariat and Prime Minister's office, etc.], the reports published by international organizations such as the World Bank, Asian Development Bank (ADB), International Monetary Fund,

UN institutions including the Human Rights Council, etc., coupled with newspaper and web articles, publications by the institutions such as Amnesty International and Human Rights Watch, etc.

This research can broadly be categorized as an “analytical narrative”: an approach utilized in social science research that combines formal modeling with detailed case studies to better understand complex phenomena.

4. 2005–2010: The shift of policy decisions

President *Mahinda Rajapaksa* was elected as the 5th executive president of Sri Lanka in November 2005. He represented the Sri Lanka Freedom Party (SLFP), which drew its support primarily from the rural, Sinhalese Buddhist population in the Southern part of the country, a base deeply intertwined with Sinhalese nationalism and Buddhism. The 2005 election results revealed a stark ethnic polarization, with *Rajapaksa's* voter base predominantly comprising the Sinhalese Buddhist majority.

At the time, Sri Lanka was embroiled in a protracted civil war, and the electorate's central demand was to end the conflict, which had caused severe socioeconomic devastation and posed significant security threats. President *Rajapaksa* recognized that fulfilling this promise was crucial to maintaining his political power and stability. He pledged to bring the war to a decisive end, a key campaign promise that resonated with his voter base. Hence, After a series of failed peace talks, *Rajapaksa* opted for a military solution, granting full authority to the armed forces to defeat the LTTE, regardless of the economic, human, or diplomatic costs of it [18]. This approach necessitated controversial decisions, including shifting away from traditional practices and seeking new alliances, which had unexpected long-term economic repercussions for the country that paved the way to the 2022 economic crisis.

Although *Mahinda Rajapaksa* is identified as a populist leader, this characterization was not evident when he first assumed office in 2005. His initial electoral victory was narrow, and he entered the presidency with limited parliamentary backing. From the outset of his term, President *Rajapaksa* encountered substantial challenges in consolidating both public and legislative support [19]. In this context, rallying popular backing became essential for his administration, particularly as it sought to embark on a decisive military campaign against terrorism amid strong international opposition.

President *Rajapaksa* knew that he had to take controversial decisions at this stage, if he was to pursue this direction. This is particularly due to two reasons. First, the government had to mobilize domestic support (it is important to recall that President *Rajapaksa* only had a marginal victory in the elections, and the citizens were skeptical of the government's capacity to conclude a war that any of the previous regimes could not finish until two decades [20]); second, due to the mounting allegations of human rights violations and breaches of international humanitarian law [21, 22], the Sri Lankan government faced intensified scrutiny in international fora. This diplomatic pressure strained its traditional alliances, particularly with India, creating an urgent need for strategic realignment. Seeking to counterbalance these challenges, the government under President *Rajapaksa* turned to alternative partnerships.

Hence, the government needed to mobilize both domestic and international support to achieve its military objectives. Securing international backing was crucial for several reasons. First, the government was fighting a Tamil militant group (LTTE) with a powerful global diaspora capable of lobbying and mobilizing financial

resources for them. On the other hand, Tamils shared ethnic ties with India, the influential neighbor and traditional (economic and political) ally of Sri Lanka. The issues pertaining to the civil war eventually resulted in shifting the dimensions of the cordial bilateral relations shared by Sri Lanka and India. Secondly, the civil war in Sri Lanka, despite being an intra-state conflict, drew significant attention from the global community, including major powers like the United States, the European Union, Canada, the United Kingdom, and Nordic countries like Norway [23]. On top of these, the government was in immense need of military assistance, that is, weapons, to continue its military operations against LTTE since it decided to offer a military solution to conclude the war in 2006 [24].

Against this backdrop, the first calculated decision taken by the then GoSL at this stage is to secure the support of a powerful international ally that can support them through military weapons and financial to support the budget, while assuring the support at international fora, when deemed. Accordingly, China emerged as a critical ally, offering military and financial support, including arms procurement on credit and direct budgetary assistance to bolster the government's position both domestically and internationally. As reported in *The Diplomat* [25], China provided Sri Lanka with annual grants and loans totaling nearly 1 billion USD to offset fiscal pressures, particularly as defense spending rose to 4% of GDP, with military allocations consuming roughly 40% of the budget. Beyond financial aid, China facilitated arms transfers, including brokering deals with Pakistan to supply additional weaponry [18, 21]. Diplomatically, China leveraged its UN Security Council position to shield Sri Lanka from international scrutiny, blocking efforts to add the country to the Council's agenda [22] while also helping GoSL at the UN Human Rights Council.

Along with securing international support, the government also had to address and galvanized the domestic support to implement military actions against LTTE; and the most viable strategy for the government to mobilize public backing at the time was to instill hope for national economic progress, with large scale infrastructure initiatives serving as a central instrument [20]. Despite Sri Lanka's classification as a middle-income country since 1997, it continued to face significant infrastructural deficits typical of nations at that economic level. In this environment, offering a vision of tangible development became an effective means of securing popular support.

Accordingly, the government launched strategic projects such as the Puttalam coal power plant (2006), the Hambantota port development (2007), and the Southern Expressway (2009), all financed with Chinese assistance. These initiatives were not merely developmental endeavors but also politically significant, reinforcing the administration's commitment to modernization while consolidating its domestic legitimacy. While these mega-development projects served as a collective hope of the development of country to the general mass, the government focused its attention to address the needs of the poor communities in the rural areas of the country (which represents the majority of the country): these groups include, that is, farmers, fishers, low-income families and the communities that were engaged in occupations related to tea plucking industry of the country. The government continued and/or implemented new allowance systems for these specific groups, targeting their specific requirements. This strategy, according to the CBSL, is a pro-poor, pro-growth development strategy implemented by the government.

From a theoretical perspective, these efforts can be understood as rational political decisions aimed at consolidating domestic support and securing international backing to facilitate military operations against the LTTE. The subsequent sections reveal how two pivotal policy choices made by the Sri Lankan government (with the

intention of enhancing the infrastructure development of the country) during this period, driven by these strategic objectives, ultimately contributed to the economic crisis of 2022 in an unexpected manner.

The first critical decision was the alignment with China as a new economic and political partner. This shift was motivated by several factors: as previously discussed, Sri Lanka's traditional development and bilateral partners had distanced themselves due to the repercussions of the civil war. In contrast, China, adhering to a policy of non-interference, extended financial assistance and diplomatic support to the GoSL in international fora.

The second major policy decision was the entry into international capital markets in 2007, a high-risk maneuver for a small economy like Sri Lanka. The non-conditionality of these funds allowed the government discretionary control over their allocation, often directing borrowed capital (acquired at high interest rates) toward politically expedient expenditures. According to the CBSL, the main reason behind this decision is the need to finance the government's portion of Chinese-funded mega-development projects (the Chinese side only financed 70%, and the remaining 30% had to be financed by the receiving government). However, in reality, a significant portion of these funds was used to bridge fiscal deficits while sustaining subsidies for targeted groups, reinforcing patron-client networks essential for political stability. These decisions, though strategically rational in the short term, set in motion the structural vulnerabilities that culminated in the 2022 economic collapse.

This period marks a defining shift in Sri Lanka's external debt structure, featured through the introduction of two new financing mechanisms that fundamentally transformed the country's borrowing landscape. During this period, Chinese bilateral debt emerged as a significant component, growing to an estimated 1.2–1.5 billion USD (by the end of 2009). Equally transformative was Sri Lanka's entry into international capital markets, with the government issuing its first sovereign bonds in 2007. By 2009, these International Sovereign Bonds (ISBs) had reached 1.2–1.5 billion USD, a notable departure from the pre-2005 era when the country maintained zero ISB exposure. These changes represented a strategic pivot from traditional concessional financing from multilateral institutions and bilateral partners toward more commercial, market-based borrowing instruments. While this shift provided immediate fiscal flexibility, it also introduced new risks through higher-interest, less flexible debt obligations that would later contribute to Sri Lanka's debt sustainability challenges. The period 2005–2009 thus marked a crucial transitional phase in the evolution of Sri Lanka's external debt profile, setting important precedents for the country's future borrowing patterns. Consequently, Sri Lanka's foreign debt increased to 21.68 billion USD (in 2010) from 11.3 USD billion in 2005 [13].

5. 2010–2015: Electoral triumph and the political economy of post-war Sri Lanka

The conclusion of the civil war precipitated an unprecedented surge in popularity for the SLFS government under President *Mahinda Rajapaksa*. Having secured a narrow electoral mandate in 2005, the regime achieved resounding victories in both the subsequent presidential and parliamentary elections, reflecting broad public endorsement of its wartime policies. This dramatic shift in electoral fortunes underscores how the government's rational decisions, particularly its military campaign to end the conflict, were rationalized not merely as security imperatives but as calculated

political investments. The overwhelming mandate can thus be interpreted as the anticipated dividend of these earlier choices, reinforcing the regime's legitimacy.

At the same time, this transition offers a revealing case study in the dynamics of clientelism in democracies. The electoral outcome laid bare the mechanisms of patronage politics, wherein wartime mobilization, economic concessions, and nationalist rhetoric were deployed to consolidate a durable patron-client network. The government's ability to convert military success into political capital illustrates how such relationships are cultivated and sustained within competitive electoral systems where state resources, public sentiment, and strategic rewards become intertwined in reinforcing elite dominance. In this sense, post-war Sri Lanka exemplifies the paradoxical nature of democratic clientelism, where electoral contests coexist with deeply entrenched structures of asymmetric reciprocity between the state and its constituencies.

The political patrons' decision-making during the post-war reconstruction period is instrumental in precipitating Sri Lanka's 2022 economic crisis. While the 2005–2009 period established the crisis trajectory through two pivotal but economically myopic policy decisions, the subsequent 2010–2014 phase saw these same actors systematically exploit those decisions to entrench clientelist networks: a strategic gambit intended to perpetuate their political dominance. This calculus, however, ultimately failed, as evidenced by the electorate's rational rejection of these patronage politics during the 2014 elections. The crisis thus represents both the culmination of short-sighted political engineering and the limits of clientelism as a sustainable governance strategy.

During its second term, the government prominently positioned its “National Economic Policy” as a central priority, declaring its next objective to be “winning the economic war”, with the explicit target of elevating Sri Lanka to upper-middle-income status by 2016. Central to this vision was leveraging the nation's strategic Indian Ocean location through massive infrastructure development. Accordingly, the political administration launched an ambitious program of megaprojects including ports, airports, power plants, and highways primarily financed through a new bilateral partnership with China. Chinese funding accounted for approximately 70% of all public infrastructure projects initiated between 2005 and 2015 [26].

5.1 Investing on Clientelism: Unproductive development projects

Theoretically, this infrastructure focus aligned with established post-conflict development principles. Prolonged civil wars typically devastate existing infrastructure, making its reconstruction a fundamental prerequisite for economic recovery [27–29]. Such investments are widely recognized as essential drivers of long-term growth and fiscal stimulus in developing nations [30].

In reality, Sri Lanka's post-war reconstruction sharply deviated from theoretical expectations. Rather than achieving projected long-term prosperity, the country faced sovereign bankruptcy within a decade after the conclusion of the war. This outcome was not coincidental but rather symptomatic of systemic failures in translating infrastructure investments into productive economic outcomes. While the government aggressively pursued megaprojects, it critically neglected to develop a coherent strategy for their utilization: a fundamental oversight given that infrastructure's developmental value lies not in its existence but in its capacity to catalyze foreign direct investment (FDI), strengthen manufacturing sectors, and enhance market access for local enterprises, particularly SMEs.

In Sri Lanka's case, infrastructure became an end in itself rather than a means to economic transformation. The absence of measurable linkages between these projects and key growth sectors, coupled with their disproportionate concentration in politically symbolic locations, reveals their primary function as instruments of political propaganda for the ruling SLFP regime rather than as genuine drivers of development.

Conversely, these megaprojects exemplify what might be termed “politically motivated infrastructure development” prioritizing electoral rewards over economic rationale. *Hambantota*, President *Rajapaksa's* parliamentary constituency since 1970 and one of Sri Lanka's poorest and most drought-prone regions, became the focal point of this strategy. By channeling investments into non-agricultural, employment-generating projects such as the port, airport, expressway, and recreational facilities, the government cultivated political capital among its local electorate. However, this approach largely disregarded considerations of long-term economic viability or national developmental impact, favoring immediate political gains over sustainable growth.

In brief, despite their intended role as catalysts for economic growth, many of these infrastructure projects failed to deliver their anticipated returns. The *Hambantota* Port envisioned as a regional financial and logistics hub, was leased to China on a 99-year agreement in 2017 after proving commercially unviable. Similarly, *Mattala Rajapaksa* International Airport dubbed the “world's emptiest airport” due to chronically low traffic, never attracted projected aviation or trade activity. Even the Lotus Tower, initially promoted as a telecommunications modernization project, was repurposed as a leisure attraction amid underutilization [31–33]. Beyond these flagship failures, ancillary projects like the *Mahinda Rajapaksa* International Cricket Stadium and *Hambantota* International Conference Centre have remained largely vacant since completion, with studies documenting their negligible socioeconomic impact over an eight-year period [26]. Collectively, these outcomes underscore a stark misalignment between infrastructure ambitions and tangible developmental outcomes.

Although infrastructure development projects were initially presented as symbols of the government's commitment to economic growth (raising public expectations for prosperity), as explained above, many of these initiatives were disproportionately concentrated in the Hambantota district, reflecting political patronage rather than strategic economic planning. Consequently, these projects failed to deliver their intended benefits: funded largely by Chinese loans, many became “white elephant projects” straining national finances without generating meaningful returns.

Unlike development financing from OECD members, which emphasizes transparency and collective benefit, Chinese funding lacked stringent oversight regarding project viability. Hence, it was easy for the political patrons to utilize these funds, obtained under high interest rates (in comparison to traditional low interest rates offered by OECD members), to invest in the projects as they deemed. This further exacerbated the government's already unsustainable foreign debt. Approximately 60% of China's loans to Sri Lanka were concessional, while the remaining 40% were non-concessional [34]. However, even concessional loans carried relatively high interest rates (2–6.3%) and shorter repayment terms (15–20 years, with a 4–7 year grace period) compared to the more favorable conditions offered by OECD lenders [20, 34]. According to CBSL data, Sri Lanka's bilateral debt to China was estimated to be around 3.6–4.0 billion USD by the end of 2014. This reflects a sharp increase in bilateral debt to China, rising from 25% in 2010 to 85% by 2014. By the end of this

period, China had emerged as Sri Lanka's largest bilateral creditor, surpassing traditional lenders such as Japan, India, and Western donors.

Simultaneously, the government continued borrowing from international capital markets. While the CBSL framed this as evidence of Sri Lanka's creditworthiness to global investors [35, 36], the underlying motivation was the non-conditionality of such funds, granting the government unrestricted fiscal flexibility. In practice, capital market borrowings served as a short-term remedy for the twin deficits plaguing the national budget.

Unlike project loans from bilateral and multilateral partners, which are disbursed in installments, capital market borrowings were received in lump-sum USD allocations. The Central Bank credited these funds to its foreign reserves, helping bridge the dollar gap, while issuing an equivalent amount in Sri Lankan Rupees (LKR) to the Treasury's consolidated fund. This mechanism enabled the government to finance its current account deficit and other fiscal needs without conditionalities. In effect, capital market borrowings served as a temporary remedy for the twin deficit problem, allowing the government to utilize USD reserves for imports, debt servicing, and interest payments. Despite these loans providing short-term fiscal relief, they merely deferred structural economic challenges of the country.

According to data from the CBSL and the Ministry of Finance, Sri Lanka's total outstanding debt to international capital markets, comprising sovereign bonds and other commercial borrowings, reached approximately 8.5–9.0 billion USD by the end of 2014. This represents an increase of over 300% from 2010 levels, reflecting a sharp escalation in reliance on market-based financing.

Despite being an attractive solution to address temporary financial issues of a country, capital market borrowings carry significant risks compared to concessional loans. While sovereign bonds typically yield 5–9%, concessional financing from bilateral and multilateral sources often carries interest rates of just 1–2%. On the other hand, the shorter maturity period of these bonds (i.e., 5–10 years) created a “debt cliff,” exacerbating the refinancing pressures of the government by 2019–2022. This particular reason had a direct impact on 2022 economic crisis given over 6 billion USD Sovereign Bonds (ISBs) matured between the period of 2019–2022, leaving the 2019 government with no option other than claiming bankruptcy.

5.2 Accumulating power: State-centered economic policies

The economic policies of the SLFP regime were characterized by a strong nationalist orientation, aligning with its political ideology [37–39]. This approach emphasized state-led market interventions [40–42], which, while framed as a means to strengthen domestic industries, effectively centralized economic power [43]. The regime's revival of inward-looking development strategies and import-substitution policies [44, 45] ultimately constrained Sri Lanka's economic potential, rendering it increasingly non-tradable in a globalized world, a particularly unsustainable trajectory for a small, resource-limited island economy.

Coupled with rapidly increasing foreign debt, the state-centered economic policies had significant fiscal consequences. Export taxes and protectionist measures stifled growth rather than stimulating it [45], while the nationalization of state-owned enterprises (SOEs) resulted in cumulative losses of 1.2 trillion LKR (roughly 3.85 billion USD) between 2006 and 2020 [46]. The resulting revenue shortfalls exacerbated the government's reliance on capital market borrowings to sustain essential goods and services, further compounding macroeconomic vulnerabilities.

While the government's revenue declined to 16.4% of GDP by the end of 2014, Sri Lanka's foreign debt surged up to 43.93 billion USD by early 2015, from 9.5 billion USD in 2000 to 11.3 billion USD in 2005. By this period, external debt servicing accounted for the second-largest share of the GoSL recurrent expenditures (30%), trailing only public sector wage payments (33%) [47]. This escalating debt burden underscored growing fiscal vulnerabilities, as debt service costs increasingly strained the national budget.

By the second half of 2014, the SLFP regime's excessive reliance on state resources to sustain clientelist networks had become increasingly apparent. The country's economy was in a critically fragile state, prompting the government to call for early presidential and parliamentary elections before the completion of its six-year term. Despite concerted efforts by the SLFP to retain political power, the party was ultimately defeated in the 2015 elections. This outcome suggests that voters acted rationally, prioritizing a government capable of ensuring both political and economic stability in post-conflict Sri Lanka. When such expectations remain unfulfilled, constituents, operating within a clientelist framework tend to withdraw their support, effectively dissolving the implicit political contract.

Despite the political transition brought about by the 2015 presidential and parliamentary elections, successive governments in Sri Lanka remained constrained by the policy framework established during the 2005–2014 SLFP administration. These policies, particularly in fiscal management, debt accumulation, and infrastructure financing, created structural dependencies that proved difficult to dismantle. Subsequent political regimes, despite their reformist agendas, found themselves locked into sustaining these inherited economic trajectories, unable to fully reverse their long-term repercussions.

The following sections analyze how the two succeeding administrations (2015–2019 and 2019–2022) were compelled to operate within these institutional and policy constraints, perpetuating similar patterns of economic governance. This path dependency ultimately contributed to Sri Lanka's severe financial crisis, culminating in the country's declaration of bankruptcy in the first half of 2022.

6. 2015–2022: Continuation of past practices

The 2015 elections brought to power a coalition led by the United National Party (UNP), which represented the country's principal political opposition. The UNP's political ideology was distinctly liberal-democratic, characterized by a Western-aligned, cosmopolitan outlook and a pro-market economic approach [48]. The new administration was sharply critical of the previous government's China-centric development model, warning of its long-term financial risks. As a symbolic rejection of this approach, it temporarily suspended the (261.4 billion USD) Chinese-funded Colombo Port City development project in March 2015 [49], a decision that contributed to a noticeable decline in foreign direct investment during 2015–2016.

However, despite its rhetorical shift and policy intentions, the government soon confronted a structural dilemma: Sri Lanka's economy remained deeply entrenched in Chinese financing, particularly due to pre-existing debt obligations and infrastructure dependencies. This constrained the government's intention to diverge from China's dependent development strategy. Sri Lanka owed over 8 billion USD in debt to China by 2015 (accounting for roughly 12–15% of Sri Lanka's total external debt), with debt servicing consuming 9.5% of government revenue in 2016 [50].

Sri Lanka's foreign debt burden intensified dramatically during this period. The government's total debt servicing increased from around 60% from 2015 to its two major creditors, the primary cause being the maturity of sovereign bonds [51]. During this period, annual debt repayments revealed a dangerous duality: China accounted for 19–25% of payments (2015–2016), while ISBs represented up to 50% of obligations by 2019 [19]. This repayment structure proved unsustainable due to fundamentally different risk profiles: Chinese loans (6–7% interest) financed infrastructure projects like *Hambantota Port*, whereas high-yield ISBs (8–10%) were essentially refinancing instruments.

The crisis was compounded by continued payments to multilateral institutions (IMF, World Bank) and traditional bilateral lenders like Japan, with total debt service consuming 45% of government revenue by 2019 [52]. Simultaneously, the economic growth of the country decreased over the years (2.3% in 2018 and –0.2% in 2019). Despite a decrease in government income, government expenditures remained relatively unchanged due to domestic and international obligations, such as maintaining subsidies and making foreign debt payments, alongside regular budgetary expenses.

Dwelling with an unmanageable debt crisis, the Sri Lankan government sought IMF assistance to address its worsening balance of payments situation. The IMF program mandated structural reforms including tax policy adjustments, privatization of loss-making state-owned enterprises, and subsidy reductions to curb budget deficits. Simultaneously, the government urgently needed to attract foreign direct investment (FDI) to alleviate foreign exchange pressures. With Chinese private-sector investments representing the most readily available option [20], the administration was compelled to recalibrate its initially skeptical stance toward Chinese-funded projects. This policy reversal manifested in two significant decisions: the resumption of the Colombo Port City project in 2016 and the controversial 99-year lease of Hambantota Port to China Merchants Port Holdings in 2017 [53].

While this move has been widely characterized as a “debt-to-equity swap” or evidence of “debt-trap diplomacy” [54–57], the actual financial arrangements tell a more nuanced story. Under the *Hambantota* agreement, China Merchants acquired an 85% stake for 974 million USD, with the Sri Lanka Ports Authority retaining 15% ownership. Crucially, the proceeds were deposited into government accounts and bolstered foreign reserves, with a significant portion allocated to servicing capital market debt obligations [20, 58].

Despite concerted efforts to stabilize the economy, Sri Lanka's debt crisis continued to deepen between 2015 and 2019, as the government increasingly relied on expensive international capital markets to service existing obligations and finance budget shortfalls. Central Bank data reveals a troubling trajectory: foreign debt surged by 27.7% in just 4 years. This borrowing occurred under particularly adverse conditions: sovereign credit downgrades in 2018–2019 forced the government to issue bonds at punishing yields of 9.5% compared to 6.2% in 2015, while over 60% of borrowed funds (from the capital market) were simply used to refinance maturing debt. The situation represented a classic debt trap: even the 974 million USD Hambantota lease proceeds and IMF program conditionalities proved insufficient to break the cycle of dependency on commercial borrowing. By 2019, with debt to GDP exceeding 86% and foreign reserves covering less than 3 months of imports, Sri Lanka's eventual 2022 default became inevitable, demonstrating how middle-income economies can become ensnared in destructive refinancing spirals when structural reforms fail to keep pace with debt accumulation.

7. 2019–2022: External shocks and the breaking out of the crisis

The Sri Lanka *Podujana Peramuna* (SLPP) government, led by President *Gotabaya Rajapaksa* (younger brother of then-President *Mahinda Rajapaksa*), came to power in November 2019 amidst the nation's most severe economic crisis in decades. Inheriting an economy teetering on the brink, the new administration faced multiple systemic challenges: anemic GDP growth had slowed to 2.3%, foreign debt ballooned to 56.12 billion USD, and 7.6 billion gross foreign reserves [59]. Compounding these structural weaknesses were immediate liquidity pressures, including \$4.8 billion in debt repayments due in 2020 alone. The situation was further aggravated by the previous administration's controversial 2019 tax cuts (which reduced government revenue by 25%) and the emerging COVID-19 pandemic that would soon devastate tourism revenues.

Amidst Sri Lanka's deteriorating economic fundamentals, the newly elected SLPP government made a fateful decision to abandon the IMF-backed structural reforms implemented by the previous administration. Continuation of these policies (which included progressive tax policies, market-based fuel pricing, and state enterprise restructuring) could have possibly represented the country's best chance for long-term economic stability [20]. Instead, the administration reverted to the state-centered economic strategy of 2010–2014, following similar populist policies. These include, among others, implementing sweeping tax cuts that slashed government revenue by 25%, reinstating costly fuel subsidies, and expanding public sector employment by 65,000 positions [60], all while foreign reserves plummeted to crisis levels with the sluggish economic growth.

These politically expedient but fiscally irrational measures, enacted as debt to GDP crossed 101% and pandemic shocks loomed, drew sharp criticism from international institutions. The IMF warned such policies "severely undermined macroeconomic stability," while the World Bank noted their contradiction with Sri Lanka's urgent need for fiscal consolidation. This deliberate unraveling of economic reforms, coupled with the maintenance of artificially low fuel prices and bloated state payrolls, effectively accelerated the country's already weakened budget deficits. On top of this, the concerns related to the pandemic resulted in a decrease in the government's foreign income while increasing the government's domestic disbursements for health and other welfare facilities. The CBSL examines that the government's public health expenditures expanded from 1.5% in 2018 to 2.3% in 2021 as a percentage of GDP due to the impact of the COVID-19 pandemic.

The pandemic also dealt a severe blow to Sri Lanka's already fragile fiscal position by crippling three critical foreign exchange earning sectors. The pandemic paralyzed the manufacturing sector while reducing the income generated from tourism, which accounted for nearly 12% of GDP prior to the pandemic; at the same time, remittances dropped by 23% as overseas employment opportunities dried up [61]. This triple shock created an unprecedented foreign currency crunch just as debt obligations were peaking, forcing the government to drain its already depleted reserves.

Faced with a rapidly deteriorating economy, the government chose to wait without seeking the assistance of the IMF and other sources (that is often recommended in such instances) and leaned heavily on its foreign exchange reserves to keep the economy going. This led to a rapid erosion of the foreign reserves: this led to a decrease in the government's foreign reserves by more than 70% within a span of 2 years [62]. While the government was expecting that the tourism sector (one of the major foreign income-earning sources of Sri Lanka) will catch up eventually [63]. The series of sovereign credit rating downgrades in 2020 by major agencies including Moody's and

Fitch proved decisive, effectively cutting off Sri Lanka's access to international capital markets [15], the primary source of government financing for the preceding decade. This market exclusion created an existential fiscal crisis, as the state lost its ability to refinance maturing debt or finance budget deficits through conventional borrowing channels.

By the first quarter of 2022, Sri Lanka's economic crisis had reached catastrophic proportions, marked by a 7.8% GDP contraction and a soaring debt-to-GDP ratio of 115.5% [64]. Total foreign debt stood at an unsustainable amount of 58.7 billion USD, which was equivalent to nearly 120% of the nation's shrunken economy. With foreign reserves depleted to a mere 1.9 billion USD (covering less than 1 month of imports), the government faced an impossible liquidity crunch. This situation culminated in April 2022 when Sri Lanka defaulted on its sovereign debt for the first time in history, failing to service its due foreign debt payment of 6.9 billion USD. The default represented both a symbolic and substantive turning point, confirming the collapse of Sri Lanka's decade-long reliance on debt-fueled growth and exposing the fatal flaws in its fiscal management framework.

8. Conclusion

Sri Lanka's descent into sovereign default offers a paradigmatic case of how middle-income democracies become ensnared in a vicious cycle of clientelist policy-making and debt accumulation. As the chapter demonstrates, Sri Lanka's post-2009 infrastructure financing strategy was reliant on bilateral Chinese loans and volatile capital market borrowings, which ultimately created structural dependencies that successive governments (2015–2022) proved unable to unwind. The root cause lay in the myopic political calculus of competing regimes: the 2009–2014 administration prioritized showcase projects to cement patronage networks, while subsequent governments alternated between partial reforms and populist reversals to appease electoral bases.

Sri Lanka's debt crisis reveals three pivotal lessons for developing economies. First, the clientelism-debt nexus demonstrates how short-term political survival strategies, expansive subsidies, including regressive tax cuts, and bloated public sector hiring systematically eroded fiscal capacity while compounding unsustainable obligations. Second, the phenomenon of path dependence became evident when even asset monetization strategies like the *Hambantota* port lease provided merely temporary liquidity relief, as proceeds were diverted to service existing debts rather than fund productive investments that could generate future growth. Third, and perhaps most consequentially, the case highlights missed alternatives: as comparative ASEAN examples (such as Singapore and South Korea) illustrate, the same infrastructure investments could have catalyzed sustainable development had they been paired with competent governance structures, export-oriented industrial policies, and rigorous anti-corruption safeguards a stark reminder that capital allocation matters as much as capital accumulation. Together, these lessons underscore how middle-income democracies can become trapped in cycles of myopic policymaking, where immediate political imperatives consistently override long-term economic rationality.

In brief, Sri Lanka underscores a fundamental tension in developing democracies: where political horizons rarely extend beyond electoral cycles, even rational short-term political decisions can become economically catastrophic when divorced from long-term economic strategy. Sri Lanka's tragedy lies not in its initial borrowing but in

its persistent failure to convert debt-financed assets into productive capital, a warning for other middle-income states navigating the geopolitics of development finance.

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Many of the challenges facing economies worldwide are the result of public policies.

From poverty, inequality, and corruption to economic crises, which often arise from poorly developed or ineffectively implemented policies. A good policy may be formulated and approved, and fail because it has not been fully implemented. Lack of capacity in a substantial number of state institutions, insofar as the implementation of public policy is a major setback. Capacity may be in the form of human, financial, or technical capacities. Approved budgets by particular state institutions are public policies that reflect the intentions of that state department or agency. Some of the approved budgets are under- or overspent, fruitlessly spent, or wasted. This has become a regular occurrence in most economies. Some of these budgets are not adequately developed because budget approval is, in most instances, the terrain of politicians who are not adequately skilled or capacitated. Policymaking is a skill that must be imparted to those who are responsible for it. Equally, the implementation and evaluation of public policies should receive the necessary attention to ensure they are carried out effectively.

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