

# Globalization and Evolution of Public Administrative System in the Middle East and North Africa (MENA)



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**Abstract** This chapter aims to describe the evolution of administrative system under globalization pressures in the MENA region. For this reason and for considering the adaptability of public administration in these countries, government performance as a result of administrative system reforms and globalization is analyzed according to six dimensions: (1) government effectiveness, (2) regulation quality, (3) E-government, (4) political stability, (5) corruption control, and (6) general governance. This study uses the panel data approach covering the period 2010–2017 for the MENA countries and employs methods for identifying patterns of behavior. Results indicate that globalization and government performance have a strong and nonlinear relationship and their interactive pattern of behavior is oscillatory. In the interactive relationship between these two variables, administrative system reform activities are mediator variable.

## 1 Introduction

Governments everywhere are under pressure of globalization, and they are engaged in projects of administrative and managerial improvement (Lynn 2001). Enhancement of government performance is a focus of public administration and management research, policy, and reform (De Waal 2010). By focusing on developed countries, public administration reforms embrace adaptive responses to globalization forces, and the performance of government has an essential role in economic growth (La Porta et al. 1997; Olson 1996).

The public administrative system of any country is an engine of development, and it needs to perceive environmental changes and adapt to them. Countries need continuous administrative reforms in order to achieve comprehensive adaptation, and thus sustainable development based on government performance is a result of dynamic administrative system. Herein globalization offers extensive opportunities for truly worldwide development, but it is not progressing evenly. Some countries are becoming integrated into the global economy more quickly than others.

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In this regard, globalization is one of the main external factors with a wide range of influence, affecting environmental changes and creating new requirements. Therefore, by neglecting this fact as a common issue of developing countries, governments cannot cover the new environment characteristics.

Among all regions and countries, the MENA countries marginally differ in terms of political system, economy, ideology, demography, culture, race, and so on. Furthermore, government performance in the MENA countries is often referred to as third world or developing countries. Along with globalization trends, the important factors influencing administrative reforms in developing countries are (a) social and cultural, (b) economic, (c) political, and (d) administrative characteristics (Atreya 2002), but the MENA countries have some special problems.

Reports from the MENA region indicate that the main problems of these countries (except two or three countries) are instability, extensive or thematic poverty, and several major economic challenges due to their common culture and administrative structure. In this regard, the government performance of some countries which have less poverty and economic problems depends on their oil-based situation, political power, and international relationships. However, countries like the United Arab Emirates are catching up in these areas. Due to strategic geographical and environmental situation of MENA countries, the political system of them prevails over the country's technical, cultural, and economic system. In general, these countries can be divided into two categories:

1. Countries with stable political system, structural cohesion, and even progressive economy
2. Countries with unstable political system and declining economy

It is now clear that in the contemporary context of globalization and in the knowledge-based society, managerial activities need more development to have an increasingly bigger significance, and undoubtedly the role of government has been changing rapidly particularly in the developing and MENA region.

The point is that under the highlight of globalization trends, how do MENA countries react to changes? Generally, MENA countries based on their profiles do not have comprehensive fit to global society, and this chapter intends to examine the performance of the administrative system reforms of the MENA region in order to obtain the best fit to global landscape. In addition, it tries to develop the role of administrative system reforms to reduce the challenges of globalization in MENA countries.

## 2 Literature Review and Concepts

Globalization and administrative system are complicated issues, and their concepts basically have socioeconomic aspects. This section looks at literature concerns with the meaning of globalization regarding public administration reform.

## 2.1 *An Overview of Globalization*

Globalization is not a new phenomenon from the historical point of view. In fact, interdependence and interconnections among nations and peoples have a long history, which can be dated in parts of the world as early as the sixteenth century or even earlier during the time of the Roman, Hellenistic, and even Persian Empires (United Nations 2001), but the process has greatly accelerated during the past decades.

Historically, the evolution of globalization may be traced back and have begun about 2000 years ago with the creation of the Silk Road; no definitive starting point has been identified for this phenomenon. The Silk Road was an ancient network of trade routes which were central to cultural interaction for centuries, originally through regions of Eurasia connecting the East and West and stretching all the way to and from the Korean Peninsula. Thus, the Silk Road encompassed essential elements that are now labeled as globalization (Habich and Nowotny 2017). In this manner, globalization is a highly relevant issue for economy and politics.

Globalization is a complex and multidimensional phenomenon and impacts on societies in ideological, economic, financial, technological, social, cultural, communication and information technology, environmental, political, and many other aspects. Moreover, globalization can be considered as a process of creating networks of connections among actors at multi-continental distances, mediated through a variety of flows including people, information and ideas, capital, and goods (Clark 2000; Norris 2000).

Globalization in the context of this chapter is the result of process that different economies and societies become more closely integrated and construct emerging communities and new societies. It refers to the developing process of nonlinear interconnections (complex connectivity) between nations, culture, institutions, communities, groups, and individuals in the compression time and space manner (Tomlinson 1996).

Globalization is the trend toward increasing integration, and it is the driving force for the diffusion of innovations, but globalization does not only counteract the borders and reduce trade barriers between countries; it is also a set of change generator. The International Monetary Fund (IMF) identified four basic aspects of globalization:

- International trade and transactions
- International movement of capital and investment
- Migration (movement of people)
- International dissemination of knowledge (IMF 2000)

There are diverse interpretations with regard to the meaning, intensity, dimension, extent, cause, and consequence of globalization in existing literature (Haque 2002). Government restructuring, economic deregulation, political and business relationship development, financial liberalization, and increased flows of goods and

**Table 1** Phases of globalization

Phases	First phase From the early fifteenth until the nineteenth century (specially 1945)	Second phase From 1800	Third phase From 2000 to the present time
Impulse	The Renaissance and the Enlightenment (beginning of modern geography, e.g., nautical developments)	Industrial Revolution	Information revolution (formation of multinational and supranational entities)
Main factors and process	Natural resources and labor, factor-seeking. Trade is rare	Physical capital, market seeking. Trade is rare but regular	Human capital, cultural-ideological effect, market/technology seeking. Trade increases <a href="#">hugely</a>
Human and society	To get the God's religion to the pagans	Burden of the white man, racialist theories, individuality	Highest level of civilization and great convergence
Dimensions	Countries globalize	Companies globalize	Individuals globalize
Forms of political structure	Rise of empires, colonization and first developed states	Nation and mature states	Network and global governance forms, regional and economic integrations
Result	Colonialism and expansionism	Anarchism and imperialism	Globalization

Source: Yaman (2001) and Borcuch et al. (2012)

Authors' own table

services—underpinned by the developments in information and communication technology—have distinguished the phase of globalization (Bhattacharya 2004).

Holistic perspective has identified globalization at least in three distinct but interrelated implications: first, to describe the economic phenomenon of increasing integration of markets (include trade, finance, flows of information and technology, and offshoring) as the main driver of global growth across political and geographical boundaries; second, to describe the political phenomenon of falling government as construction of political plays and imposed barriers to international flows of goods, services, and capital; and finally, to describe the broader political phenomenon of the global spread of market-oriented policies in both the domestic and international spheres at which processes of internationalization interact (Lindsey 2002).

According to Held et al. (1999), globalization is analyzed in five steps: (1) the domain and extent of networks; (2) patterns of relations and their connections; (3) the intensity of activities, processes, and flows through those networks; (4) timing and speed of the interchanges; and (5) the results and consequences of interactions.

As scholars have mentioned, globalization has been accompanied by the creation of new legal regimes and legal practices and the expansion and renovation of some older forms that bypass national legal systems (Sassen 2000). Therefore, globalization did not evolve linearly but rather in phases. According to different authors, growth of globalization can be categorized into three phases (Table 1).

Evolution of globalization stages indicate development of information and communication technologies brings changes to all areas of our everyday life. As a result, the globalization with the revolution of information technology has been dramatically changing human behavior, management of corporations, and governance of states much more than the industrial revolution transformed the agricultural society (Kim 2008).

Streeten (2001) states globalization is transforming all aspects of national and global activities and variables such as trade, finance, production, employment, immigration, knowledge, technology, communications, power, the environment, social systems, ways of living, cultures, humanity, patterns of governance, societies, and world order. Globalization does limit the independence of national governments in some dimensions. Governments have many degrees of freedom to balance their national and international relations and manage the complex interaction between trade, capital, labor, and technology, on the one hand, and national culture and environment, on the other (World Bank 2002).

As countries, particularly developing countries, have become more open in the recent years, the concern about globalization and its different effects on economic growth, poverty, inequality, environment, consumption patterns, and cultural dominance has increased (Bhandari and Heshmati 2005; Baldwin and Forslid 2000). There are some forces that lie behind globalization and drive it. These forces are summarized as follows (United Nations 2001):

- Trade and investment liberalization policies and reduction in multilateral trade barriers
- Technological innovation and the reduction in communication and transportation costs
- Entrepreneurship
- Global social networks and increase in consumer demand

These forces create a competition between countries to have a better adaptation to the environmental changes. In the globalization era, the key of being successful for each country might be the access, the utilization, or the distribution of knowledge. Informatization is a word rarely used when talking about globalization (Habich and Nowotny 2017). Advanced information system is usually available only in developed countries, while many developing countries are limited in the application of advanced information technology to public management (Kim 2008). Accordingly, the main target of the globalization process is the nation states and performance of governments especially through digitalization.

Good governments protect property rights and individual freedoms, keep regulations on businesses to a minimum, provide an adequate (efficient) level of public goods (e.g., infrastructure, schools, health care, police protection, court system), and are run by bureaucrats who are generally competent and not corrupt (La Porta et al. 1999). Globalization changed dramatically the priorities of public administration because of the modification and the extension of administrative actions both inside and outside the states (Purec 2013).

In many countries, on the one hand, pressure to increase the capacity and efficiency of governance has led to efforts to improve cooperation and coordination between the many different levels of government (Halligan 2007), and on the other hand, central government would like to exert more control over local activities and services, despite the fact that local government would prefer to enhance its autonomy in both a political and an administrative and professional sense.

## ***2.2 Public Administrative Reforms Under Globalization***

Global forces demand fundamental changes of the social, economic, political, and administrative systems throughout the countries (Kim 2008), and public administration does not exist in a vacuum, and it is largely shaped by the political and social context in which it operates. At the same time, public administration responses can in turn shape external factors, most notably in financial terms, as evinced by the financial crisis.

Public administration that has been changing with the effect of globalization process has been seen in the efforts of adapting to today's changing conditions and new requirements. In fact, one of the factors often mentioned to explain administrative reform activities is globalization, a complex phenomenon linked to the internationalization of markets, the increased transnational transactions in goods and services, the success of multinational corporations, the spread of new information technologies, and the extension of the effects of national decisions beyond states' territorial boundaries (Cassese and Savino 2005).

Undoubtedly, public administration is one of the main tools through which the relationship between the state, civil society, and private sector is realized (Batalli 2011), and it reflects the institutional foundations of how countries are run (Holmberg and Rothstein 2012). In this regard supporting public administration innovations enables achieving higher development objectives in particular economic advantages, poverty reduction, harmony, and institutional stability.

Over the last three decades, we have seen extensive reform efforts in the public sector all around the world, and most governments initiated at least one or two major programs, in a variety of names, directed at reforming. Reforms have focused on the change of core government functions and government capacity building for global competitiveness. The impact of global forces on public administration, however, is remarkably different among countries, especially between Western and non-Western countries (Yeh 2010), and by dividing government reforms over the decades into two parts, we can see a fair distribution of reform efforts between developed and developing countries. Besides this shared general expectation, however, governments began their reform activities with different focuses and orientations.

For some countries government reform and innovation involves the reform of an old bureaucracy in the context of a newly democratic state, and for some other countries, it started with the NPM reforms (Pollitt and Bouckaert 2004). These reforms contained an extensive agenda of administrative reform, including major

restructuring at the center of government and in the civil service (Christensen et al. 2007). Government reform and innovation for very different reasons is a global phenomenon. In some countries this movement has been called reinventing government; in other countries it is referred to as building state capacity or modernization of the state, and in other countries, this is named the New Public Management (Kamarck 2003). We now also see the spread of some post-NPM ideas and practices. Based on similarities, administrative system reforms are divided into five categories as below (Yeh 2010):

1. Organizational changes
2. Governance model and managerial technology changes
3. Operational changes
4. Process changes
5. Human resource change

Generally, the primary force of reform in the first decade happened in the developed world, ignited by Prime Minister Margaret Thatcher of the United Kingdom (Walters 1986) and later by US President Ronald Reagan (Oberfield 2005). The focus was on reducing government workloads through privatization and economic liberalization. These efforts transcended into the second decade domestically but also triggered similar reforms in other countries such as New Zealand, Australia, Canada, Japan, and other OECD countries (Yeh 2010), and in the second decade, beginning in the 1990s and carrying through the new millennium, a trend of reform was launched by new democracies or newly industrialized countries notwithstanding other developed countries carrying their course of reforms even further (Kamarck 2003) (Table 2).

The key concept all over the world is administrative reform with regard to the productivity of governance. Today the concepts such as good governance, e-state, confidence, social capital which reveals the society's direction of self-perpetuation, increment in the organizational power and capacity, consolidation of the producer, and regulatory potential have substituted these key concepts (Temizel 2015).

The "public administration" and the "new public management" will co-exist with increasing pressure to adopt the new in the era of globalization (Chittoo and Gaojie 2003). The pace and significance of globalization place increasing emphasis on transnational governance rather than on national administration (Koppell 2010). The concept of governance became a current issue with discussions of change and transformation in public administration (Temizel 2015) (Table 3).

Public administration in both developed and developing countries tends to respond differently to the challenge of global forces, and the development from pre-NPM, through NPM, to post-NPM is cyclical and dialectical in nature. Today, public sector reforms aim to enhance performance for public servants as well as in the administrative institutional design. As a matter of fact, market forces and market model principles have increasingly made public administration more like business. Like business administration, public administration has been increasingly focusing on efficiency, effectiveness, productivity, performance, accountability, responsiveness, and flexibility by adopting techniques mainly used in corporations (Kim 2008).

**Table 2** The reforms of the 1990s and 2000s and their institutional mechanisms

Topic	Institutional mechanisms
Fiscal adjustment	<ul style="list-style-type: none"> <li>• Control/reduction of public expenditure</li> <li>• Privatization of public functions</li> <li>• Tax reforms</li> <li>• Expanding customer choice</li> </ul>
Management efficiency	<ul style="list-style-type: none"> <li>• Decentralization</li> <li>• Managerial reforms</li> <li>• Information management systems</li> <li>• Introducing market mechanisms</li> <li>• Adapting to culture change</li> <li>• Outsourcing public services</li> <li>• Quality and value</li> <li>• Meeting citizen expectations</li> </ul>
Capacity building	<ul style="list-style-type: none"> <li>• Capacity building of human resources</li> <li>• Creating career and salary structures</li> <li>• Census of civil servants and reclassification of their posts</li> <li>• Self-regulating partnership</li> <li>• Evaluation and monitoring of management</li> <li>• Change management</li> <li>• Strategic rationality, incentive system, and citizen interest</li> <li>• Civil society participation</li> </ul>
Accountability	<ul style="list-style-type: none"> <li>• Greater interface with users of services</li> <li>• Service delivery systems and quality of service rendered</li> <li>• Reform of legal structures and continuously improving of process</li> <li>• Development of a management</li> <li>• Managing the outputs by assessing the objectives</li> <li>• Services to the citizen-consumer</li> <li>• Whole of Government Accounting and comprehensive reports</li> </ul>

Source: Bangura (2000) adapted by Rezende (2008)

Authors' own table

Correspondingly, corporate governance involves a network of relationships between corporate managers, directors, and providers of equity or stakeholders. Interest in corporate governance is now truly global, reflecting recognition by world leaders, business leaders, and investors that the quality of corporate governance is a factor in the ability of a nation's economy to thrive (Gregory 2000).

With the coming age of globalization, governments around the world will face the challenges in the new century of complex governance from both internal and external environments (Lin and Lee 2011), and public administration reform is a recurrent issue in most countries (Hammerschmid et al. 2013). One reason is that during this turbulent knowledge-oriented era and under pressure of globalization forces, simple linear administrative systems are no longer able to face the current openness, diversity, resource constraints, and uncertainty.

Generally, the impact of globalization is mixed in terms of its effect on aspects of public administrative system (Meenu 2013). They are such as below:

1. Public-private partnership
2. Competition in public sector



**Table 3** Comparison among the pre-NPM, NPM, and post-NPM reforms

Dimensions of analysis	Comparative evidence
Reasons for the emergence of the reforms	<ul style="list-style-type: none"> <li>• Management reforms are caused by the combination of structural factors such as fiscal crisis, globalization, democratization, performance deficit, raising of management efficiency</li> <li>• From a national view of reform to a view on reform that includes interaction and cooperation of international actors and cross-national drivers</li> <li>• Isomorphic processes of spreading policy paradigms</li> </ul>
Theoretical roots	<ul style="list-style-type: none"> <li>• Political theory, bureaucratic system, political and administration dichotomy (pre-NPM)</li> <li>• Economic theory with public choice, modern management techniques, market ideology (NPM)</li> <li>• Institutional theory, complex social system, and governance theory with network studies (post-NPM)</li> </ul>
Structure-shaping mechanisms	<ul style="list-style-type: none"> <li>• Establishing specialized government agencies</li> <li>• Uniform and loosely defined provision to delivery networks</li> <li>• Decentralization of functions to local governments and exclusivity of nongovernmental actors in public policies. Emergence of hybrid models of governance</li> <li>• Privatization of public functions with the expansion of markets into providing public services (NPM and post-NPM)</li> <li>• Plural and pluralist, setting up networks of public, nonprofit, and private agencies agreed upon shared values and value creation in network (post-NPM)</li> </ul>
Role of government	<ul style="list-style-type: none"> <li>• Roles and images of government changed from rowing, designing, and implementing policies and paternalistic to steering, empowering, serving, and creating public values and in more developed countries to negotiating interests with stakeholders</li> </ul>
Role of citizen	<ul style="list-style-type: none"> <li>• Changed from leader to customer and participator in decision</li> </ul>
Funding	<ul style="list-style-type: none"> <li>• Higher-income countries fund their own reform policies. Developing countries depend on funding from multilateral agencies in order to produce institutional reforms</li> </ul>
Focusing	<ul style="list-style-type: none"> <li>• Management reforms aim at promoting redefining the role of the state, increasing accountability, management capacity building, and management efficiency. Considerable variability of focusing strategies among countries</li> <li>• From emphasis on the political system to productive delivery and getting things done and now ability to understand and procure intelligent technical systems for multidimensional solutions</li> <li>• Post-NPM emphasis on reassertion of state</li> <li>• NPM has an intraorganizational focus and post-NPM focus on relations between governments and others</li> </ul>
Dominant tools for accountability	<ul style="list-style-type: none"> <li>• Hierarchy (pre-NPM)</li> <li>• Output, result and market-drive-outcomes, and traditional contracts (NPM)</li> <li>• Multifaceted: return to central coordination, integration, relational contracts, and political process (post-NPM)</li> </ul>

(continued)

**Table 3** (continued)

Dimensions of analysis	Comparative evidence
Rules versus authority	<ul style="list-style-type: none"> <li>• Hands-on management skills (pre-NPM)</li> <li>• Contingent tools and boundary-spanning skills and collaboration (NPM)</li> <li>• Intelligence tools and information and communication technologies (post-NPM)</li> </ul>
Nature of control	<ul style="list-style-type: none"> <li>• From vertical performance of single organizations to horizontal performance of the network of organizations</li> <li>• Conformity to procedures and political and administrative control (pre-NPM)</li> <li>• Institutional autonomy and producing productive results (NPM and post-NPM)</li> <li>• Impacts control (post-NPM)</li> </ul>

Source: Han and Kim (2017), Christensen and Lægveid (2011), and Rezende (2008)  
 Authors' own table

3. Efficiency
4. Effectiveness
5. Transparency
6. Responsiveness
7. Accountability
8. People participation
9. Business principles
10. Specialization
11. Use of IT and knowledge exchange
12. Increase in productivity
13. Decrease in number of employees
14. Labor relations
15. Citizens satisfaction

Therefore, we can conclude that public administration reforms and globalization are closely interrelated and interlinked with each other in a dynamic adaptive manner.

Over the last few decades, OECD countries have implemented administration reforms in order to improve the performance of governments in a wide range of domains, with a view to enhancing living standards and prosperity by raising labor utilization and productivity and increasing the resilience of the economy to shocks. However, administration reform activities in MENA region countries because of their strategic characteristics (as resource-based economy, oil and gas resources, geographical location and recent wars, the rule of political power, etc.) are different, and administrative system and the relationship between development agent in these countries (public sector, private sector, NGOs, and people) are more complex. Thus, complexity theory can enhance our understanding of phenomena and challenge our basic assumptions about governance (Buuren and Teisman 2007).

Based on the literature review, it is understood that globalization causes administrative systems to have unpredictable and complex dynamics. Some authors

(Robertson and Choi 2010) foresee public administration reforms as adapting to large trends in society, moving from a mechanistic view of the world to a more ecological approach. This is because stable equilibriums at national level of countries can be suddenly disrupted by unexpected events through internal and external changes. Therefore, adaptability is one of the central themes in dynamic administrative reform activities, and besides the above concepts, self-organization and coevolution are also very relevant to public administration. As a result, in the shadow of globalization, the MENA administrative systems are in need of substantial administration reform to improve their government performance and to grow their governance network. They need to create linkage with features of globalization.

In order to study administration reform behavior of MENA countries and the level of their adaptability under globalization pressures, the influence of globalization and government performance is examined. In this study, government performance is considering a better provision and use of public services, related welfare outcomes, and the performance of all actors to improve the level of country development. They are all outputs of public administration reform activities.

### 3 Data and Methodology

The objective of this study is to evaluate various implications of globalization on government performance and administrative system in MENA countries.

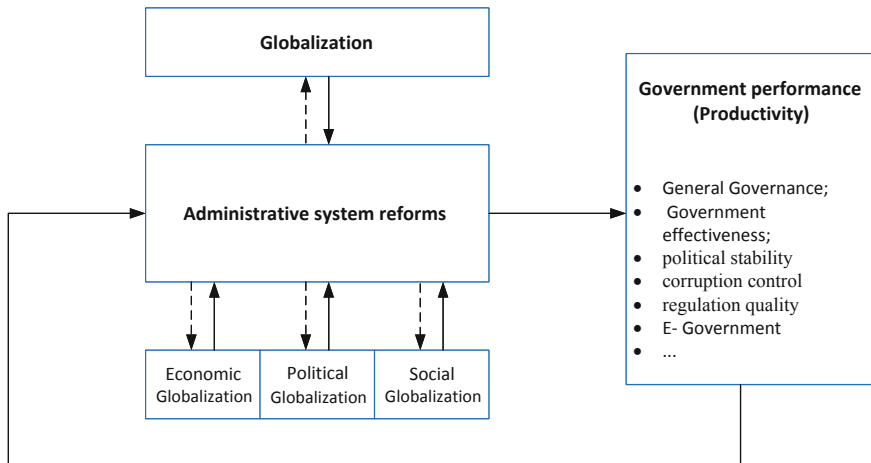
The key variables to be considered are globalization, economic governance (entailing government effectiveness, regulation quality, and e-government), political governance (political stability), institutional governance (corruption control), and general governance.

This chapter examines a panel of 18 MENA countries with data from KOF Globalization Index, World Governance Indicator of World Bank, e-Government Development Index, and Governance Rank of the Legatum Prosperity Index for the period 2010–2017. The periodicity is chosen because of constraints in data availability. Good governance measurements from the World Bank Governance indicators are only available from 1996, while the latest year for general governance variable is 2010.

The study is a descriptive survey and was done with the aim of calculating the coefficients and the weight of each government performance indicators in MENA countries and identifying the relationships between these variables and globalization. A conceptual model is shown in Fig. 1.

Based on the conceptual model, a correlation is run to test the relationship between government performance as a result of administrative reforms and globalization across MENA countries. Then a regression analysis is run to determine the causal effect of government performance indicator on the globalization through public administration reforms, and finally characteristic patterns of behavior are developed.

Leading indicators are defined as:



**Fig. 1** Conceptual model. Authors' own figure

**The Worldwide Governance Indicators<sup>1</sup>** Report aggregate and individual governance indicators for over 200 countries and territories over the period 1996–2016, for six dimensions of governance: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption. Out of these six indicators, four indicators that are more directly linked to the systematic reform of the administrative system were selected.

**Government Effectiveness** Reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

**Regulatory Quality** Reflects perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.

**Control of Corruption** Reflects perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

**Political Stability** Measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism.

**e-Government Development Index<sup>2</sup>** The EGDI assesses national websites and how e-government policies and strategies are applied in general and in specific

<sup>1</sup>. World Bank Group. <http://info.worldbank.org/governance/wgi/#home>

<sup>2</sup>UN e-Government Development Index (EGDI). <https://publicadministration.un.org/egovkb/en-us/about/methodology>

sectors for delivery of essential services. The assessment rates the e-government performance of countries relative to one another as opposed to being an absolute measurement. The results are tabulated and combined with a set of indicators embodying a country's capacity to participate in the information society, without which e-government development efforts are of limited immediate use. Mathematically, the EGDI is a weighted average of three normalized scores on three most important dimensions of e-government, namely, (1) scope and quality of online services (Online Service Index, OSI), (2) development status of telecommunication infrastructure (Telecommunication Infrastructure Index, TII), and (3) inherent human capital (Human Capital Index, HCI).

**The Governance**<sup>3</sup> This pillar measures a country's performance in three areas—effective governance, democracy and political participation, and rule of law.

**Globalization Index**<sup>4</sup> This measures the economic, social, and political dimensions of globalization. Globalization in the economic, social, and political fields has been on the rise since the 1970s, receiving a particular boost after the end of the Cold War.

## 4 Public Administration Reforms Under Globalization: An Experience from MENA Countries

### 4.1 MENA Countries Definition (<http://istizada.com/mena-region>; <https://www.investopedia.com/terms/m/middle-east-and-north-africa-mena.asp>; <http://istizada.com/mena-region>)

The Middle East and North Africa (MENA) is a diverse region encompassing approximately 20 countries whose development potential has yet to be fully unleashed. While there is no standardized list of which countries are included in the MENA region, the term typically includes the area from Morocco in northwest Africa to Iran in southwest Asia and sometimes down to Sudan in Africa.

Despite current geopolitical challenges, the MENA region accounts for approximately 6% of the world's population, 60% of the world's **oil reserves**, and 45% of the world's natural gas reserves. Due to the region's substantial **petroleum** and natural gas reserves, MENA region is an important source of global economic stability.

In addition, countries in the region benefit from a privileged geographic location situated at the crossroads of Europe, Africa, and Asia; a young and increasingly

<sup>3</sup>The Legatum Prosperity Index. <http://www.prosperity.com/>

<sup>4</sup>KOF Globalization Index. <https://www.kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-globalisation-index.html>

educated population; and great potential in sectors such as renewable energies, manufacturing, tourism, and business development services.

However, while the term MENA is almost always inclusive of Iran, it is typically not inclusive of Turkey, Afghanistan, or Pakistan and is strictly geographically defined, rather than religiously or socially.

For example, Armenia, Azerbaijan, Djibouti, Mauritania, Somalia, Sudan, Turkey, and Western Sahara are countries sometimes considered MENA (Table 4).

## ***4.2 Empirical Results***

The MENA region has become a “penetrated system” since the nineteenth century, where major political developments such as the very creation of the state system have been initiated, shaped, or controlled by external actors (Csicsmann et al. 2017), and whether rapid or slowing, globalization has posed major economic and political challenges to the MENA countries and has supported public governance reform and modernization efforts in this region. In summary, public governance reform in the MENA rests on four interconnected pillars: (1) human resources and capacities, (2) public finance, (3) regulatory policies and the rule of law, and (4) policy-making capacity (OECD 2010).

To start to consider the relationship between globalization and government performance and to determine the role of administrative system reforms as mentioned before, comparative and correlation analyses were conducted for main variables, and behavioral patterns were generated for key indicators of each MENA country over the selected time at first level, and the correlations between globalization and each administrative system reform indicator (output variables) were examined at second level.

In order to summarize the findings and to focus on results of administration reform activities, patterns of behaviors in each MENA country are presented in Fig. 2.

In addition, the relationship between globalization and the effects of implementing administrative system reforms in MENA region was also examined for two different years. The purpose of this test is to understand the trend of adaptability between globalization and government performance (Tables 5 and 6).

## **5 Conclusion and Future Perspective**

### ***5.1 Discussion and Conclusion***

Globalization has always remained an important issue among policy-makers and researchers in the public management and administrative system planning field due to lack of consensus on this subject. Potential unresolved issues about globalization

**Table 4** MENA region countries list 2018

No	Country	Population 2016 (World Bank databank) Million	GDP PPP-\$ 2016 (United Nations databank)	HDI rank 2016 (From 154 Country)	No	Country	Population 2016 Million	GDP PPP-\$ 2016	HDI rank 2016
1	Algeria	40.6	15,013.3	83	11	Morocco	35.3	7710	123
2	Bahrain	1.4	-	47	12	Oman	4.4	-	50
3	Egypt	95.7	11,248.8	111	13	Qatar	2.6	127,480.5	33
4	Iran (Islamic Republic of)	80.3	19,948.8	69	14	Saudi Arabia	32.3	54,416.6	38
5	Iraq	37.2	17,348.9	121	15	State of Palestine	4.6	5080.8	-
6	Israel	8.5	37,472.3	19	16	Syrian Arab Republic	18.4	-	149
7	Jordan	9.5	9047.8	86	17	Tunisia	11.4	11,595.5	97
8	Kuwait	4.1	74,264	51	18	United Arab Emirates	9.3	72,399.7	42
9	Lebanon	6	14,308.8	76	19	Yemen	27.6	2080.5	168
10	Libya	6.3	-	102					
MENA region		435.5 million		MENA region GDP PPP-\$		19,519			
World population		7.444 billion		World region GDP PPP-\$		16,216.9			

Authors' own table

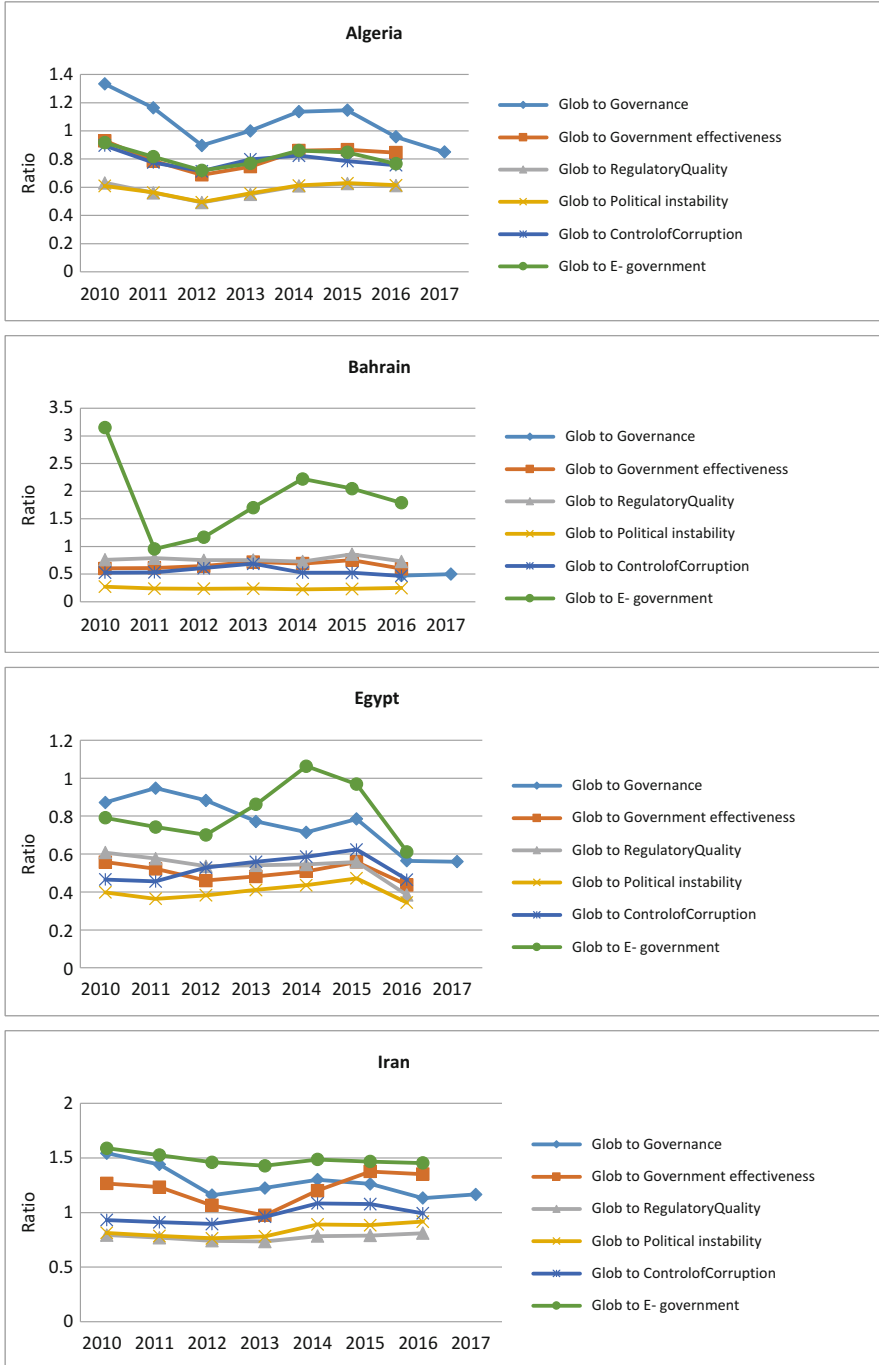


Fig. 2 Results of comparative analysis for 18 MENA countries. Authors' own figures



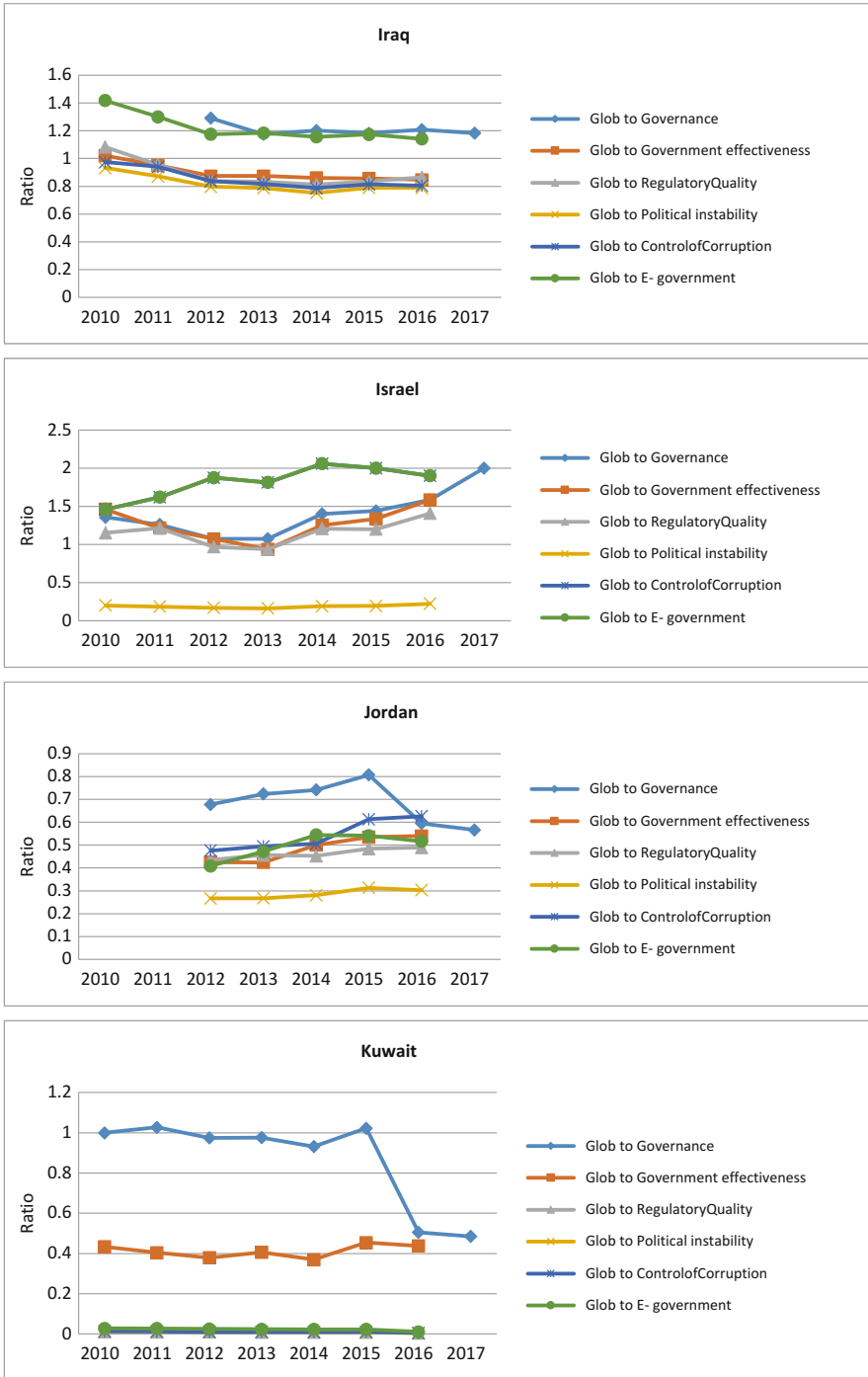


Fig. 2 (continued)

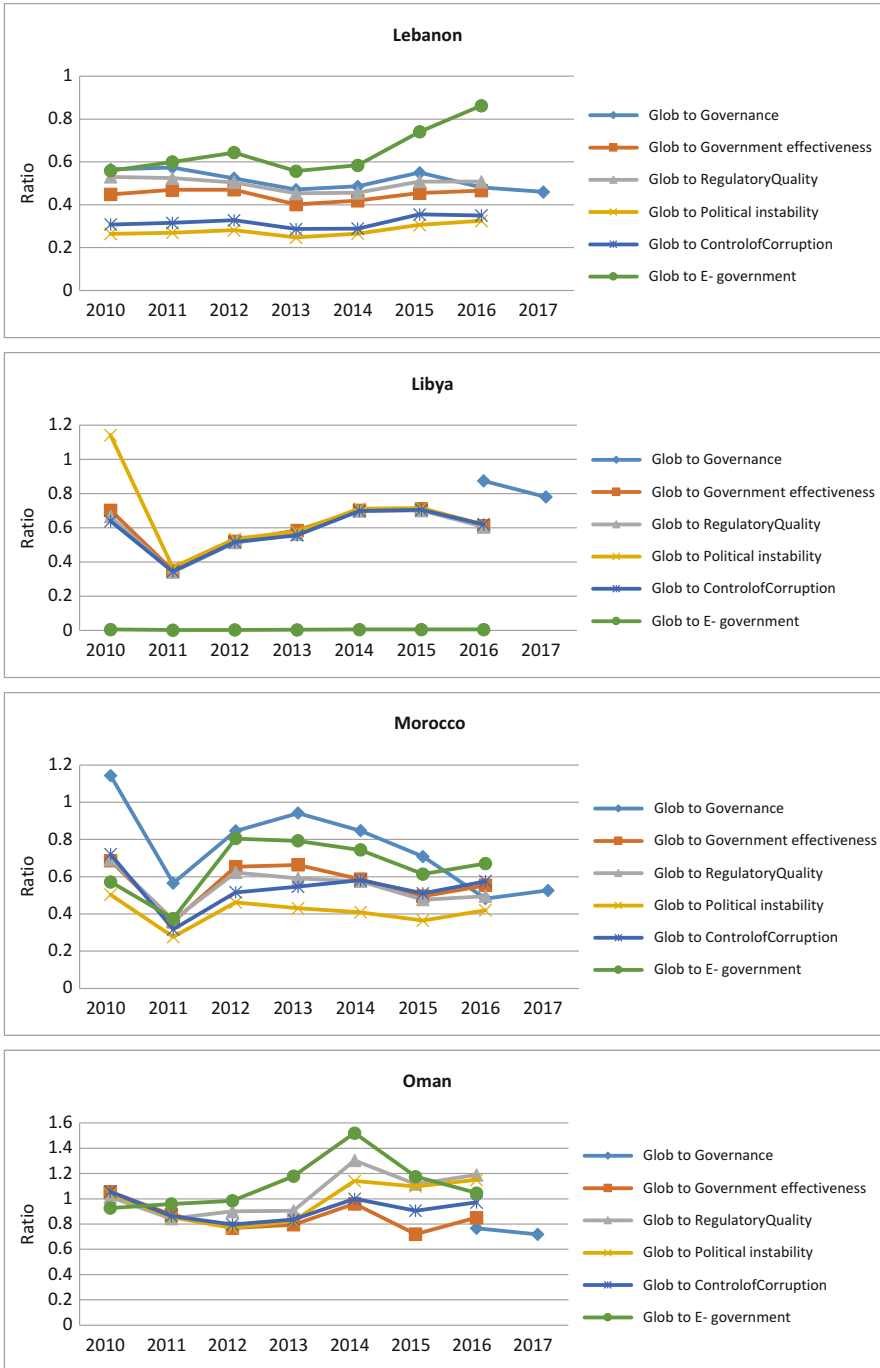


Fig. 2 (continued)

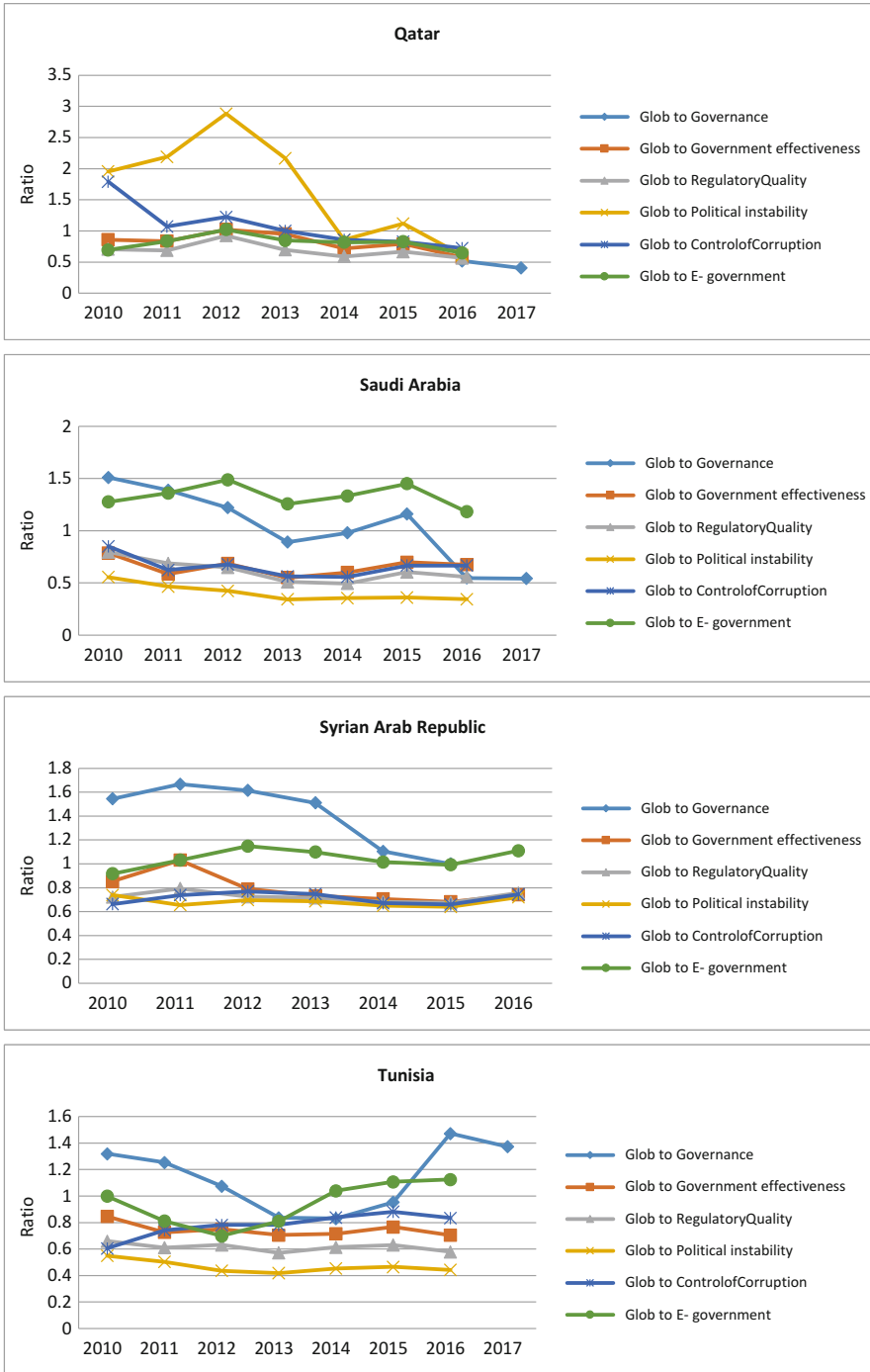


Fig. 2 (continued)

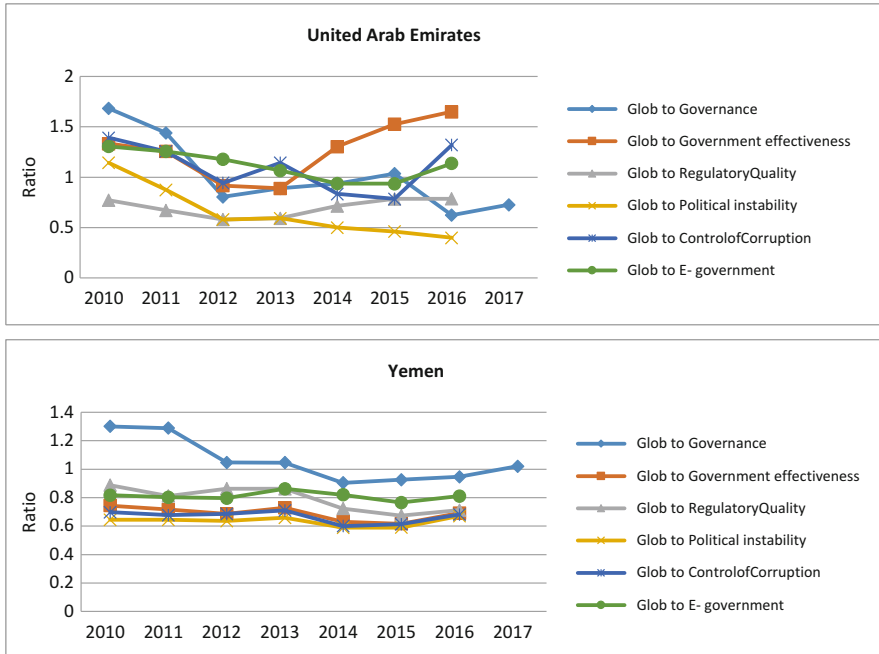


Fig. 2 (continued)

are its impact on government performance in both developed and developing countries and the role ambiguity of public administration reforms. The present study attempts to explore interlinks between globalization and government performance based on administrative system reform activities.

Studies indicate there is little information about the role and effect of public administration reform activities in this area, and most documents focus on the status of developed countries or, in particular, OECD countries. The analysis presented here is based exclusively on the available comparative public administration and globalization indicators.

Results of all specifications based on correlation analysis show that administrative system reforms have positive and statistically significant effect on adaptability of governments to meet globalization needs in MENA countries, and it is very evident that MENA region has adopted an approach to public administration that reflects its history and its cultural, geopolitical, socioeconomic, and conflictive environments. Despite this fact, findings from comparative analysis in each country indicate globalization has negative impact on general governance in this region. According to definition of general governance indicator, democracy and political participation pillar is a component that is extremely sensitive to globalization.

Based on analysis and at the first level of analysis, it is concluded that in most MENA countries, especially in Bahrain, Egypt, Iran, Israel, Kuwait, Lebanon, Libya, Syria, Tunisia, and the United Arab Emirates, the direction of globalization

**Table 5** Correlation between globalization and government performance indicators—2010

Indicators	Governance	Gov. effectiveness	Regulatory quality	Political instability	Control of corruption	e-Government development	Globalization
Governance	Pearson correlation	0.833	0.785	0.647	0.922	0.850	0.812
	Sig. (2-tailed)	0.000	0.001	0.017	0.000	0.000	0.001
	N	13	13	13	13	13	12
Gov. effectiveness	Pearson correlation	0.833	0.870	0.587	0.925	0.829	0.805
	Sig. (2-tailed)	0.000	0.000	0.011	0.000	0.000	0.000
	N	13	18	18	18	18	17
Regulatory quality	Pearson correlation	0.785	1	0.551	0.844	0.739	0.845
	Sig. (2-tailed)	0.001	0.000	0.018	0.000	0.000	0.000
	N	13	18	18	18	18	17
Political instability	Pearson correlation	0.647	0.551	1	0.709	0.522	0.555
	Sig. (2-tailed)	0.017	0.018	0.011	0.001	0.026	0.021
	N	13	18	18	18	18	17
Control of corruption	Pearson correlation	0.922	0.844	0.709	1	0.801	0.799
	Sig. (2-tailed)	0.000	0.000	0.001	0.000	0.000	0.000
	N	13	18	18	18	18	17
e-Government development	Pearson correlation	0.850	0.739	0.522	0.801	1	0.772
	Sig. (2-tailed)	0.000	0.000	0.026	0.000	0.000	0.000
	N	13	18	18	18	18	17

(continued)

**Table 5** (continued)

Indicators	Governance	Gov. effectiveness	Regulatory quality	Political instability	Control of corruption	e-Government development	Globalization
Pearson correlation	0.812	0.805	0.845	0.555	0.799	0.772	1
Sig. (2-tailed)	0.001	0.000	0.000	0.021	0.000	0.000	
N	12	17	17	17	17	17	17

Authors' own table

**Table 6** Correlation between globalization and government performance indicators—2016

Indicators		Governance	Gov. effectiveness	Regulatory quality	Political instability	Control of corruption	e-Government development	Globalization
Governance	Pearson correlation	1	0.858	0.812	0.558	0.882	0.753	0.770
	Sig. (2-tailed)		0.000	0.000	0.016	0.000	0.000	0.000
	N	18	18	18	18	18	18	18
Gov. effectiveness	Pearson correlation	0.858	1	0.920	0.708	0.958	0.862	0.819
	Sig. (2-tailed)	0.000		0.000	0.001	0.000	0.000	0.000
	N	18	18	18	18	18	18	18
Regulatory quality	Pearson correlation	0.812	0.920	1	0.724	0.914	0.900	0.880
	Sig. (2-tailed)	0.000	0.000		0.001	0.000	0.000	0.000
	N	18	18	18	18	18	18	18
Political instability	Pearson correlation	0.558	0.708	0.724	1	0.768	0.595	0.615
	Sig. (2-tailed)	0.016	0.001	0.001		0.000	0.009	0.007
	N	18	18	18	18	18	18	18
Control of corruption	Pearson correlation	0.882	0.958	0.914	0.768	1	0.832	0.852
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		0.000	0.000
	N	18	18	18	18	18	18	18
e-Government development	Pearson correlation	0.753	0.862	0.900	0.595	0.832	1	0.849
	Sig. (2-tailed)	0.000	0.000	0.000	0.009	0.000		0.000
	N	18	18	18	18	18	18	18

(continued)

**Table 6** (continued)

Indicators	Governance	Gov. effectiveness	Regulatory quality	Political instability	Control of corruption	e-Government development	Globalization
Globalization	0.770	0.819	0.880	0.615	0.852	0.849	1
	Pearson correlation						
	Sig. (2-tailed)	0.000	0.000	0.007	0.000	0.000	
	N	18	18	18	18	18	18

Authors' own table



effect on development of e-government differs from other indicators. Undoubtedly, progress in the e-Government Development Index is not necessarily dependent on the reform of the administrative system at all. The nature of development status of telecommunication infrastructure and other similar subindexes is different from other indicators, and most of the administration reform activities relate to policies, management systems, structures, and soft administrative technologies.

Control of corruption and government effectiveness in most countries have similar effect on globalization. And according to pattern of behaviors, the behavior of reform activities about control of corruption, quality of regulations, and government effectiveness against globalization is almost the same, and patterns of behavior are oscillatory.

It is important to note, however, the political instability is a critical issue for all MENA countries; its behavior has a specific pattern.

Despite the fact that most of the countries try to improve their government effectiveness level and some of them have higher economic growth, capacity building to face changes and diversity is not a main issue, and evidence obtained in this study shows that administration reforms are not an ongoing activity in most of MENA countries and they do not have a systematic behavior to adapt to global changes, such as Iran, Jordan, Kuwait, Morocco, Oman, and Syria.

At the second level, a synthetic analysis shows that globalization has a very significant correlation with regulatory quality and control of corruption and e-government effectiveness, while globalization affects all government performance indicators continually. Government performance is a result of administrative system adaptability, and the strong relationship between these variables means that the reform activities guarantee the continuity of government productivity improvement.

In addition, the findings show the regulatory quality has a very strong relationship with government effectiveness, control of corruption, and e-government development, whereas there is a moderate correlation between political stability and other variables in particular with governance and e-government development, and it is just significant at 0.05. The different behavior of this variable indicates that political systems of many of the studied countries are still in the process of transition from central planning to more efficiently administrative systems. That might be another possible explanation for why the effects of political stability on government effectiveness and performance are still weak.

Finally, it is important to note that (1) globalization and government performance have a nonlinear relationship and their pattern behavior is oscillatory and (2) public administration reform has a nonlinear effect on the relationship between the two examined variables as a mediator variable (e.g., differences between e-government development and political instability activities).

## 5.2 *Policy Implications and Future Studies*

This study presents and comments a selection of government performance indicators as a result of public administration reform activities. Of course, the selected indicators do not claim to give a comprehensive assessment of government and instead should be understood as a first step to better understand the status quo and progress in key areas of public administration reform. Because there is not a set of indicators related to government performance, this chapter tried to introduce variables and indicators for assessing the outputs and outcomes of public administration reforms.

Moreover, globalization has always remained a hot issue among researchers due to lack of consensus on the subject. A potential unresolved issue about globalization is its impact on governance and government performance. Adaptability of public administration reform programs with globalization trends is another important issue which is in the early stages of study. This chapter, therefore, has attempted to explain the role of administrative system reform under globalization forces.

The policy implications of this study are relatively straightforward. Administrative reform activities are only one part of the story of government performance improvement. The other is how to benefit more from globalization. In this respect, the responsibility of policy-makers is to improve the level of public administration adaptability to get more opportunities from globalization. These public policies are important not only in their own right but also in helping developing countries, in particular MENA countries to derive the benefits of globalization.

The major research limitation of this study was the failure to collect data about administrative reform activities for all MENA countries. Therefore, future research for all MENA countries would shed light on the systematic review of their administrative reform programs. In addition to improve the global knowledge, comparing the results of administrative reforms between developing countries (especially the MENA region) and developed countries to adapt with globalization is valuable.

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