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Public management institutions' alignment: the case of Egypt

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Abstract

Purpose – This paper aims to show the aligned development that took place in public administration and public financial management toward serving public values. By analyzing the mode of institutions' interaction, the paper attempts to pinpoint the changing trends in budget institutions in Egypt, probing the extent to which they can be read from an administrative perspective and the possibility of enhancing budgetary outcomes under the existing administrative arrangements.

Design/methodology/approach – An analytical framework for public management administrative and budgetary institutions' alignment is presented. A ladder analysis is developed to highlight the consistency of rationale between the two sets of institutions. The alignment is demonstrated at three consecutive levels: control and discipline, efficiency and effectiveness and openness and communication.

Findings – The international experience reveals that the alignment of administrative and budgetary institutions is both theoretically traceable and practically applicable in the case of developed economies. Whereas, in the case of Egypt, both sets of institutions have been exposed to best practices; yet, they are not seen as complementary and enforcing each other. The internalization of the benefits of reforms in the two tracks into an integrated public management context in the case of Egypt is not reached.

Practical implications – Egypt needs to ensure the alignment of both dimensions to maximize the benefits of reform.

Originality/value – The ladder approach sorts the developments in both administrative and budgetary institutions into three levels to help assessing the maturity and conformity in countries' public management systems.

Keywords Public management, Administrative institutions, Budgetary institutions, Egypt

Paper type Research paper

1. Introduction

Public management has been under continuous development, mainly focused on creating the maximum public value. For this, two sets of institutions are seen to be significant: Public administration institutions and public financial institutions. Governments adopt informed modes of interaction between administrative and budgetary institutions to ensure efficient

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resource allocation. For that reason, countries that approached budgetary reforms went through consistent supporting reforms on the dimension of public administration.

The analysis of governmental decision-making process and patterns with their spending effects, along with the main players forming the bureaucracy and their influencing practices on the budget, form an emerging perspective of an inter-disciplinary approach. Additionally, the administration of the budget process plays a major role in shaping its outcomes. The necessity to establish effective budgetary institutions becomes dominant, as decision-makers need to make profound management of the budget by considering aspects of dynamism and flow of interaction among its authorities.

Making informed policy decisions to carry out the intended government programs along with strengthening fiscal policy implementation is main targeted outcome of efficient budget institutions, whereas administrative arrangements governing the policy drawing and execution are core for the instrumentality to reach fiscal targets. Therefore, fiscal governance, as an approach, considers administrative reforms as vital to achieve the targeted fiscal outcomes. Within the boundaries of the developed-economies' practices, these themes of interdependency noticeably frame the relation between administrative and fiscal reforms (Allen, 2008; Dabla-Norris *et al.*, 2010).

From this perspective, the administrative and budgetary aspects of public management are traced, considering the association between fiscal and administrative institutions[1], along with the effect of this interface on fiscal outcomes. An analytical perspective of the development of the administration to support the budgetary reforms is conceptualized, and the association between the public management institutional arrangements is reviewed from a dual premise. The paper approaches this association by providing an analytical framework that considers institutions from two-aspect approach: first, institutions as the rules of the game for both administrative and budgetary lines of governance; second, institutions as interconnected arrangements. This association should function within the measures of outputs and outcomes of responsive governments who are committed to a set of social values that both administrative and budget systems attempt to serve.

As per Heady (2001), the notions of: "classical approach of administrative law", "constitutional systems", and "administrative behavior", present the foundation of the line of comparative analysis in *comparative administration studies*. Building on the notion that government responses should be formed by means of necessary association that cuts across the regulatory agencies to make it possible for the delivery of services (Kettl, 2015), the paper aims for the construction of *a mechanism for comparisons* that is based on the association between, and the collaboration of, administration and budgeting.

As a case for comparative analysis, budgetary practices in advanced economies are elaborated as benchmark of deeply rooted systems with an aligned administrative and fiscal temperament. Putting Egypt on the same scale it can be seen that: as being mainly caused by the specificity of the nature of budget administration, the pathology of the bureaucracy may have a different impact on public spending rationale and efficiency. In the case of Egypt, the alignment of administrative and budgetary institutions may not be seen as steadily realized. For that, the study attempts to trace the changing trends in budget institutions in the case of Egypt, probing the extent to which they can be read from an administrative perspective, and, the possibility of enhancing budgetary outcomes under the existing arrangements.

The paper is formed of five sections: It proceeds after the introduction to Section 2 which reviews the development of *public administration institutions* and *budgetary institutions* along with the features of public management alignment. Section 3 extracts an analytical framework for administrative and budgetary institutions. Moreover, Section 4 maps the public management institutions in Egypt. Finally, Section 5 presents concluding notes.

2. Development of administrative and budgetary institutions

2.1 The aligned path to development

The development of public administration and public financial management showed main shifts focusing first on control measures. On the side of public administration, the years from mid-1960s to late 1970's were articulated by the call for the primacy of scientific rational thinking and hierarchical planning (Pollit and Bouckaert, 2011), while the management of the budget process required the establishment of accounting, budgeting, and financial systems that were framed by a system of budgetary governing rules and standardized procedures (Allen, 2009).

During the era of 1980s and early 1990s, the new public management (NPM) ideology became dominative. NPM called for main government performance-shifts toward efficiency and effectiveness, working as high result achieved public organizations, as well as adhering to more specialized operations in public administration (Pollit and Bouckaert, 2011). In that and with an assertive conceptualization that public administration affects the outcomes of the economy, the main public financial management arrangements under NPM implied a market orientation philosophy adoption that called for better use of public resources, with quality of public service provision (Ś wirska, 2014). The debates under NPM considered focal issues such as: delivery agency, contract agency, and the contractual systems as fundamental policy tools (Gallego-Calderón, 1999).

NPM had specific insights on public sector financial performance through initiating a new public financial management (NPFM) approach. As per NPFM, five main domains of reform were indicated:

(1) changes to financial reporting that hold the adherence to accrual accounting and the international accounting standards;

(2) enhancing marketing philosophy that hold market management orientation for prices and service provision, outsourcing and efficient cash management and a concern for transfer prices;

(3) advocating performance management as management ideology for setting standards and measuring results versus stated performance indicators and benchmarks;

(4) the development through the delegation of budgets that necessitated the combination of both financial and cost accounting systems; and

(5) a system of public sector audits, with emphasis on measuring the outcome of public spending (Guthrie *et al.*, 1999).

Furthermore, it is worthwhile to mention that the performance budget was a main contribution of a management orientation. The performance budget advocated linking fund allocation to measurable results, and when it was initiated it helped – to a great extent – in the optimization of fund allocation, as it acted as a methodological framework to put NPM concepts into application. However, what should not be overlooked is that successful attempts of applying NPM assumptions were supported by a long adoption of a hereditary set of public management standards. This has settled a need for:

- reliability that excludes elements of arbitrariness in service provision;
- accountability that is answerable for legislative/judicial/and other administrative organizations; and
- transparency of organization activities translated into being ready for activity revision and inspection (Świrska, 2014).

This implied the outcome based orientation in both public administration and public financial management.

Reforms of public administration in mid-1990s where less framed with the concepts of NPM. For that, Gallego-Calderón (1999) pointed at the need to construct a "comprehensive theory of organization". The theory called for a model of institutional design that considers the political arrangements and negotiations with their costs and impacts on systems. This was also when the budget became committed to stronger multi-year fiscal frameworks, along with accurate fiscal forecast. System transparency was embedded, and the power of the legislation in amending the budget had been constrained. This ensured sound effect on fiscal performance where the move became typically outcome oriented (von Hagen, 1992).

Following to these developments, an era of institutions has started. For instance, governments in the Organisation for Economic Co-operation and Development (OECD) adopt a set of regulatory arrangements (institutions), and choices that push toward the effectiveness of service delivery by the government; these institutions act in the center of the interaction between government and society. Worth of mentioning that these institutions work on both dimensions: Public administration, and budgetary (OECD, 2017).

At this point, the typology of public administration reforms has been framed by *new-institutionalism* views, moving the concept to the politics of the institutional choice. In that, Gallego-Calderón (1999) defined the politics of the institutional choice as the process of making decisions about government construction by considering the interests of main political players and societal benefiting groups. The wave of new-institutionalism considers the political/public dimensions as central to institutional choice in two areas of concern: the institutional form of public authority and the policy tools. Versions of new-institutionalism have been presented within the boundaries of rational choice, sociological institutionalism and economic institutions. These assert the idea that the design of the public institutions is of a political nature, and that institutions are seen as autonomous administrative boundaries with determinants for policy outcomes. These institutions are affected by both structures and design of procedures (Gallego-Calderón, 1999; Barzelay and Gallego, 2006).

On a parallel path, the concept of budgetary institutions has been introduced, handling the characterization of the budget process and the structural arrangements for improved fiscal discipline (von Hagen, 1992). The institutional framework of the budget as per von Hagen (1992) includes: General constraint that comes in different forms of setting budget upper limits for spending and deficit, adhering to the Golden Rule, participation, structures, and procedures. Hallerberg *et al.* (2007) defined budgetary institution as the set of rules that moderates the process of the proposal of the budget law, approvals by the legislature, and budget implementation. This provides that power balances are framed by this process, and that the powers entitled to different parties will significantly affect the budget outcomes. Also, as asserted in Hallerberg *et al.* (2007) and Dabla-Norris *et al.* (2010), the sets of rules and arrangements that frame the conduct of the budget process, are the main instruments that shape the expected results of the budget.

To clarify the concept, a sound replica of fiscal governance in Europe can be explained by its two models of budgetary institutions. The models reveal two main types of centralized budget management, reflecting countries' difference in political characteristics.

These models are: delegation, and commitment to a fiscal contract. Here, the determinant of a country's fiscal institutional choice is a function of its political characteristics. With delegation, the powers of planning, negotiating, and coordinating the budget process are delegated to a central system representative, usually the finance minister, as in some European Union countries. The finance minister is seen to be in a place to frame the budget proposal, monitor the budget process, and become accountable for results. This takes place in countries with one main political party, or coalition governments with shared ideology. Whilst, fiscal contracts are seen to fit more coalition governments of less identical ideology, as political parties find it more effective to agree to budget targets based on negotiations, giving weight to bargaining powers. Here, fiscal targets are set to form binding restrains for a year or more than one year (Hallerberg and von Hagen, 1999).

The recent views of public administration provide a wider scope of consideration by presenting the neo-institutionalist approaches. These approaches are framed by two trends: processualism and institutional sociology. This current line of thinking seeks to present a causal understanding of processes of: Policy making, organizational decision making, and organizational change. The debate is about the "situated interaction" where the human agency may have effects on the context. At this point, the processualist approach comes to be especially attentive to the flows of interaction, and how believes and social values affect these interactions. This confirms the need of the administration to support a value system (Barzelay and Gallego, 2006).

Afterward, an era of integrated models of economic, social, and political public institutions emerges, realizing the need that public management should target to serve a set of social values. Accordingly, institutional designs should consider: The social and political arrangements and negotiations with their costs, the situated interaction of human agency, and the spending effect of the flow of interaction in organizations. With this shift toward public values, the public management sphere moves beyond the classical models of administration and NPM. The shift to public values calls for enhancing democratic and institutional values in objectives setting, engaging citizens in determination of policy objectives, and creating alternative mechanisms of service delivery. The situated interaction necessitates collaboration across the government sectors, and an enlarged role of charged public managers to manage for creating public value (Bryson *et al.*, 2014).

2.2 Features of public management alignment

The shift to the outcome based orientation in both public administration and public financial management was reflected in changes in patterns of governance. As per the NPM insights, modes of budget governance changed. Furthermore, result-based-management (RBM) approaches translated the philosophy and concerns of NPM in many features of budget running.

The extraction of the 1980s and 1990s led to a widespread value for money spending view. The value for money view called for the efficient and effective use of public resources. For the different purposes that require the use of capital and resource expenditure or the stewardship of assets, (inputs) of land, labor, machinery and enterprise are used; (outputs) in the form of public deliverables are realized; (outcomes) in the form of results that serve a social value are recognized; and (impact) in the form of more in-depth value for money attributes are reached. For that, three primary conditions are observed:

(1) a condition of (economy) that calls for the use of the appropriate quality and price of inputs;

(2) a condition of (efficiency) which is the measure of productivity that makes sure that the inputs are well converted to outputs, reaching ultimate results associated with service provided; and

(3) a condition for (effectiveness) which considers quantitative and qualitative measures that refer to the extent to which programs intended objectives have been met.

This has led to the inclusion of performance evaluation measures in the budget process (Barnett *et al.*, 2010; Emmi *et al.*, 2011).

Following is the trend of budgeting that calls for creating societal values. The OECD approach to budget governance, framed with the call for shifting to performance based budgeting, highlights that trend. This shift to performance based budgeting necessitates the use of performance information in budget planning, resource allocation, monitoring, and assessing agreeable objectives. Performance budgeting frameworks have become instrumental as central management tools for budget planning, execution, and monitoring. OECD countries, commonly and consistently follow performance budget frameworks for budget running (the number of the countries that have a compulsory budget framework is twenty six; in front of two countries who follow the performance budget framework as an optional tool). The performance budget framework is based on main dimensions: The commitment to setting targets for programs on a systematic base, the use of national indicators for budget planning, budget negotiations that are based on results of operations and performance measures, management responsive mechanisms, and setting budgetary consequences as for the cases of failure in meeting targets (OECD, 2017).

Different countries follow the OECD initiative to move from fund administration that follows a classical model (an administrative model) representing control of transaction and inputs; to increasing the efficiency of public spending specially at the state level (maximize the outputs and enhance impacts). This requires: The management of the flow of funds, accompanied by administrative changes to reduce overlaps in departmental goals, setting the base of operational activities on elements of strategic plans, the implementation of task-based programs and initiating frames for long-term plans (Świrska, 2014).

Barnett *et al.* (2010) and Emmi *et al.* (2011) highlight main investigative check points for attaining value for money framed in three main questions:

Q1. Are the inputs bought at economic prices and with appropriate quantity to serve defined objectives?

Q2. Are inputs efficiently turned to outputs?

Q3. Are outputs effectively used to achieve outcomes?

Different types and measures of RBM have been established to link funding to outcomes. The notion of RBM opts for: handling the problems of the classical bureaucratic types of management, responding to the call for improves service delivery by the government, strengthening the government system to be able to deal with complex policy matters, and ensuring the validity of public spending through cost cutting, efficient operations and total quality observation. The notion targets different levels: systems, organizations or program level. The adoption of RBM with its basic blocks of defining and follow up of agreeable indicators, have lately become widespread, however the success of its models reveals mixed results. This differs according to context dimensions: For instance, achieving high results in OECD countries, while having limited impacts, possibly only on a sector level in other economies (Viñuela and Zoratto, 2015).

Other administrative settings have been developed to support budget running, as the move along the path to budget reforms necessitates changes in public administration settings. This is applied, for instance, through performance contracts, and manger programs entitlement, which allow a margin of flexibility and a degree of empowerment for program managers. To illustrate, performance contracts-as a replica of an administrative perspective-are used to frame the financing of a government body based on agreed and specified array of services, and constrained by a previously well-defined quantity of service delivery or quality of outcome. Some forms of these settings are shaped by inter-governmental contracts between a central and a local government, and possibly for a specified sector or for a type of government service. Performance contracts mainly requires to develop open dialogues with different stakeholders, designing a system of monitoring and evaluation, developing action plans for implementation, running the agreed upon activities and measuring results. What is seen as the most significant is the binding nature of these contracts and the link of funding to achieve the agreed upon results (Loevinsohn, 2008).

3. Framework for analysis of administrative and budgetary institutions

In this section, the previous literature is used to produce an analytical framework for administrative and budgetary alignment[2]. This is made through a leveling or a ladder analysis. Developments in both administrative and budgetary institutions are sorted into three levels, where the governing factor in framing each level is the rationale of management at that level. In addition, while they are directly inspired by the development of the theory of public administration, they map themselves smoothly into the practice of public financial management.

Administrative institutions need at the *first level* to meet the accountability and control features of the public administration were structures, organization setting, central government and local relationships, systems, processes, rules and procedures and laws are required for the purposes of control and discipline.

Shifting toward efficiency and effectiveness, a second level of integration is presented by the institutional form of public authority where systems of financial reporting, standards and measures, mechanisms such as delivery agency, contract agency, performance management and outsourcing formulate the main dimensions of public management.

The third level represents the public value creation through an integrated public-administration-value-based-system that interacts in the course of a network of government relationships as tools for openness and communication. A global government paradigm and a complex model of government/society situated interactions have commenced. The model builds upon the flow of interaction and public values such as accountability, transparency, responsiveness, participation and representation as core of attention. This has become central for public organizations to develop into autonomously responsive decision makers.

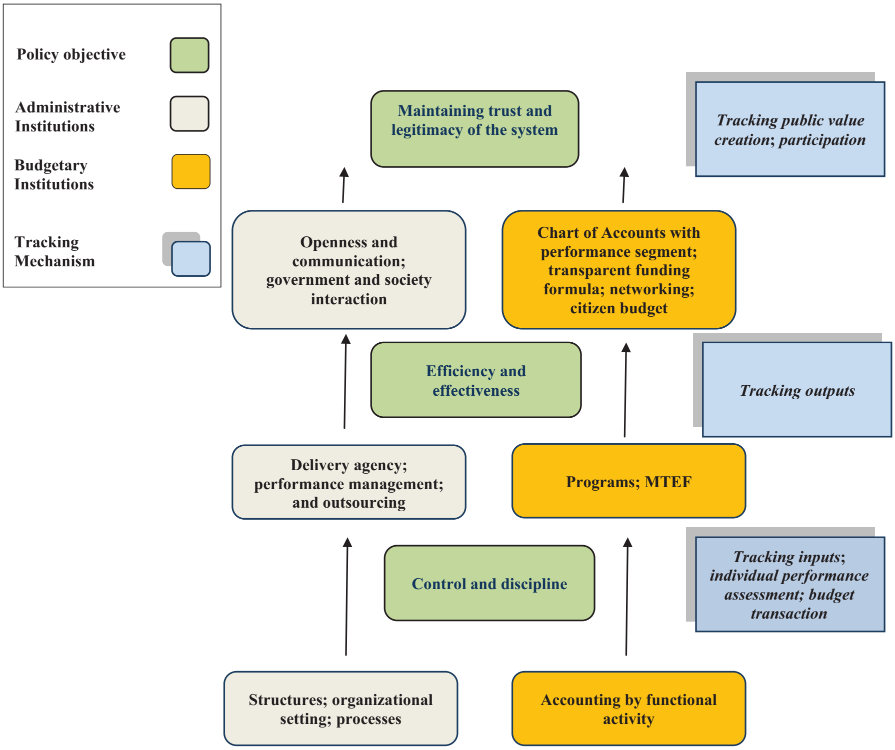
The leveling in the performance of the administration is expected to work in an aligned and synchronized stance with the proposed leveling of those of the budgetary institutions. As per Diamond (2013), sequencing of public financial management requires a first level that implies the core functions and building blocks of financial compliance and fiscal controls. Here, a realistic budget that goes in compliance with Public Expenditure and Financial Accountability indicators becomes a core requirement for improving fiscal performance. A second level establishes measures to ensure fiscal stability and sustainability by moving to medium term planning and to program based budgeting. A third level evolves attention to the ultimate purpose of service delivery; this is where mutually supportive system interactions induce the responsiveness of such delivery. Table I presents the three levels, and Figure 1 illustrates the sequence.

Accordingly, to assess the mode of management or the development of a country public management, the aligned temperament of administrative and budgetary institutions presented in Table I can be followed. By comparing the consistency of the two sets of

Table I. The aligned temperament of administrative and budgetary institutions

Levels	Concepts for development	Rationale	Administrative institutions	Budgetary institutions
First level	Control and discipline	Get the basics right through control of transaction and inputs	Administrative institutions meets the accountability and control features of public administration Structures: organization setting, centralgovernment/local relationship, systems, processes, rules and procedures, and laws, are required to govern the public service provision and public policy implementation	Government Financial Statistics (GFS 2001), economic classification, administrative classification, budget procedures for virements (shifts of resources) and spending International Public Sector Accounting Standards (IPSAS) reporting
Second level	Efficiency and effectiveness	Maximize the outputs and enhance impacts	Shift toward efficiency and effectiveness Integration is presented by the institutional form of public authority where systems of financial reporting, standards and measures, mechanisms such as delivery agency, contract agency, performance management, and outsourcing, formulate the main dimensions of public management	Cash management, treasury single account, public expenditure review and tracking, medium term budgetary and expenditure frameworks, functional classification, activity classification, fiscal decentralization, managerial budgeting and more flexibility on managing resources, program budgeting, program classification
Third level	Maintaining trust and legitimacy of the system	Budgeting for creating public values through enhancing management values of transparency and accountability	Value creation through integrated publicadministrationvalue based system that interacts in the course of a network of government relationships Focus is on openness and communication A global government paradigm and a complex model of government/society situated interaction, building upon flow of communication, and public values such as: accountability, transparency, and responsiveness Participation and representation are central for public organizations to become autonomous responsive decision-makers	Citizen budget, participatory budget, fiscal transparency, communicative budgeting, open budget and declaring funds initiatives

Notes: The alignment of both administrative and fiscal institutions can be traced through many signs. In the following some of them are hinted, with a purpose to show that they may range from very specific activities, to high strategic level of indicators: clear and verifiable fiscal rules and fiscal policy objectives mapped to the structure of public administration organizations. Tightened definition of general government and extra budgetary activities with link to the definition of public administration. Activity-based accounting linked to line item budgeting and mapped to fundamental core of functionality. Changes in the chart of accounts to link administrative classification to program classification. Multi-year budgeting associated to the organization medium term strategy. Budget consolidation through medium-term expenditure framework (MTEF) and budget programming link to an internal unified finance-planning administration. Value-based budgeting linked to organizational accountability through controlling the budget and performance at the level of value creation in each public organization. Open government administrative framework and citizen budget and participatory budgeting
Source: Authors' analysis



Source: Authors' analysis

Figure 1. Administrative and budgetary institutions alignment

institutions related to administrative and budgetary, conclusions can be drawn on the harmony in public management or, on the contrary, the disharmony.

The path to development in public management signifies the gradual emerges and aligned shifts on two dimensions: Public administration, and public financial management. This allows a gradual move from the objectives of controlling of inputs-the civil employees or the public funds; to managing by results-mainly focusing on efficiency and effectiveness; and ultimately, serving a set of social values-by enhancing trust and legitimacy of the system.

It is worth noting that being in the basic level of the ladder means that the country manages inputs, most likely, controlling financial transaction and civil servants' attitudes. However, moving along the ladder, the country turns its system to govern the outputs and outcomes, and relaxes the direct control on the inputs, leaving a room for managers to manage. Going higher to the third level requires that the government develops new measures for networking to maintain trust and legitimacy of the system.

A significant observation about the first level is that while it has no targeted product, it shrinks the consistency in having more rules for control. Nevertheless, it may end up with a race to bottom. Despite being simple in framing, it creates a lot of blockages in management when the system starts to be interested in generating some products. That is to say, while countries move along the ladder, different techniques for accountability emerge.

Accountability context differs along these levels. Whereas at the first level public management accountability is limited to the accounting standards and administrative procedures, it develops to higher products such as outputs, outcomes, and public values across the ladder.

4. Mapping the public management institutions in Egypt

The set of laws that govern the budget process and the management of civil service, are the main frames that are subject to this analysis, as they present the boundaries of the public management in Egypt. Putting into consideration that budgetary institutions' reform in Egypt pursues an amalgamation of macro-fiscal management, and enhancement of public service provision (Allen *et al.*, 2004).

Developments and main strands of Egypt's budgetary institutions can be tracked mainly through developments in the Budget Law No. 53/1973 and its amendments, in addition to Budget Law No. 87/2005, with a focus of the legislation on control measures. In addition, that most of the recent developments in budgetary institutions added to the financial discipline issue, which in itself is required. Many factors ranging from insuring accuracy of recording transactions- by adopting the modern economic classification of IMF, reframing the administrative organizations covered by the budget, and tightening the process of spending management, to introducing some numerical rules to strengthen public financial management and curb deficit are observed in the budget management.

Many of these reforms in discipline were accompanied by some steps toward openness and transparency. Additionally, new products and approaches such as Citizen Budget and Programming Budget presentation of 2010 have been approached, in addition to trials to establish a participatory framework for the investment program.

Abdellatif *et al.* (2016) provided a summary of these developments, according to which it can be seen that budget institutions in Egypt have been subject to reforms proclaimed in Budget Law 2005. Three types of rules have been presented: constraint rules, procedural rules and transparency rules. The constraint rules are framed with the necessity to abide by the golden rule, commitment to numerical ceilings on funds, change in the base for the pension system-moving to pay-as-you- go system, adherence to a target of a budget deficit ceiling, changing the compensation structure of public sector employees more into variable components, and setting a commitment to handle public-economic-authority deficits. The procedural rules consider the budget process in some regulatory forms of reducing the possibility of budget amendments and putting restraints on the parliament and minister of planning to make spending modification during the fiscal year and to become committed to present final accounts at six month period after the fiscal year. While the transparency rules require the adherence to consistent accounting rules with regard to the investment budget, commitment to time frames with regard to the budget draft and final accounts to be presented to the parliament, the need to extend budget classification as per the "general budget statistics" measures, to handle subsidies, and to present the budget in program based budget format.

The vulnerability of Egypt's budgetary institutions is diagnosed to be a significant reason behind the delay in reaching Egypt's targeted fiscal outcomes (El Husseiny, 2016). To illustrate, the rules of the game do not involve setting budget envelopes "upper limits" for spending, and hence the government spending agencies, including spending ministers, prepare their proposals with no pre-specified limits; yet, within an over-all budget envelop past allocations become the main directives for budget planning, with current changes in economy to be considered such as wages, unemployment, prices, interest rates, also with an assumption that they will be reduced during budget proposals negotiations (Allen *et al.*, 2004).

Budget consolidation is not achieved as per the separation of current and investment budget planning. Ministry of Finance plans for current allocations; Ministry of Planning Monitoring and Administrative Reform plans for investment allocations. Budget consolidation will allow-when implemented-more fiscal space for setting priorities[3]. Besides, the absence of existence of a cost accounting system for the government and its bodies, and the need for assets' revaluation, technically frustrates the possibility to adapt to the accrual base for budget preparation. Consequently, the proper representation of economic realities of transactions especially for investments is missed.

Program-based budget presentation indicated in 2005 reforms is being fulfilled by clustering budget spending based on the main programs that the government serves, despite of the fact that this should clarify the overall spending by program for all its attributes. Hence, the program is not taken to be the central unit where aggregate expenditure is allocated based on clear objective setting, coming up with a government whole-frame and communicated information on the economic/social agenda that the government opts to adopt.

Mapping those developments across the three levels on the institutions ladder, it can be reached that the budgetary institutions in action put Egypt in the first level. The supporting argument is that, the disclosure accompanied fiscal institutions development is not linked to coherent measures in terms of capacity to assess efficiency and effectiveness through detailed functional classification. Consequently the second level of activity has not been reached. That is to say transparency stopped at the level of basic budgetary data and could not proceed to touch output or outcome costing. Moreover, waves of openness were not supported with a budgetary institutional framework.

Besides, to produce a citizen budget there is a need for strong fiscal decentralization. Additionally, participatory budgeting even as a virtual exercise, needs a reasonable level of budget programming through public values to communicate with the public by some readable information and clear fiscal messages. That is to say the budgetary institutions in Egypt lie in the basic level of the ladder.

Reviewing the administrative institutions, the same conclusion can be reached. The main set of regulations of relevance to public administration institutions in Egypt are explored referring to Civil Service Law No. 81/2016 and decrees. The Law establishes the organizational structure of public administration units and civil service performance measures.

On the road for civil service reforms, institutions for civil service governance have been declared by the issuance of Law No. 81/2016. The law and its executive regulation cover areas of manpower planning, selection, training (articles 10 through 17), human resource development (article 18 through 21), and internship (article 22) all come under Section I. Section II regulates areas of jobs and employee relations, with criteria for job design, unit-structure, re-structuring binding conditions, recruiting, testing and selection (articles 23 through 66). Section III elaborates conditions for grievance, transfers, secondment, with special focus on performance appraisal. The performance appraisal system entails a 360 degree system with parties conducting appraisal being: self, manager/supervisor; subordinates; peers and other stakeholders. The stated criteria for evaluation include: behavior, commitment, quality, excellence, innovation, achievement, and ability to hold responsibility. Besides, for managerial and supervisory levels, the evaluation criteria indicate skills of: planning, organizing; supervising and controlling, directing, decision making, crisis management, and achieved results.

Why is it seen that in the case of Egypt's public administration control and discipline are governing factors, a question that requires thorough consideration of performance management models. A model of performance management (an output tracking) should entail designing, measuring, and continually improving performance by using performance information as underlying requisite. This necessitates also significant alignment with organizational objectives.

In a performance management model, objectives are expected to turn into strategies that become disseminated to departments and units. For that, performance indicators become a meaningful tools for task alignment, and performance measures turn to be efficiently situated and purposely functionalized (Aguinis, 2013). However, in the case of Egypt's public administration, and in the absence of performance based budget implantation-noting that the implementation of program based budget up to present is narrowly adhered to objectives' management along the government structure and across departments and units is proclaimed apart from funding. For that, measures of performance are separated from the eligibility of access to funding, and hence, the pre-condition of administrative and budgetary institutions alignment is not attained.

Worth of mentioning that for different forms of result based budgeting, governments bind themselves to intended results and draw objectives to achieve these results, and this justifies fund allocation. Main objectives in turn are cascaded to form department/unit objectives, and hence individual tasks can be drawn to form the base for performance appraisal within a set of key performance indicators. Consequently, individual performance and units' outputs are measured to ensure the commitment to spending rationale, and attaining planned results.

For that, the rules of Civil Service Law No. 81/2016[4] that bring together the set of administrative institution attributes with regard to Egypt's civil service, in spite of their significance; in the absence of result based orientation for budgeting, they still stand for control and discipline input tracking.

Besides, the enlarged number of units of Egypt's government sector may have significant implication on increasing government spending. The hypothesized huge number of these units and the patterns of redundancy and overlap in structures, and in functions, can enlarge public spending inefficiently. From a management perspective, the governmental entities in Egypt can be described as huge in their number, with a normal tendency to maximize their access to resources and their benefits from the resource allocation process. The increasing number of the governmental agencies will tend also to have a significant negative impact on spending by increasing the cost of administration, which comes at the expense of economic development. In the absence of a sound public management system, creating more structures for initiated functions becomes the solution. That is to say that, for the purpose of meeting emerging objectives, or handling tasks that seem to be of urging nature, new units/or departments mergers, or separation of functions, take place.

Planned objectives, and performance measures that are precisely functionalized, should be the paths for both reasons of: justification and instrumentality of government spending. In their absence, the government units will not be hold accountable for specific results. Hence, the ultimate target of performance and activity based benefits becomes unachievable.

5. Conclusion

The paper meant to shed light on the alignment of both administrative and budgetary institutions. Through our study, advanced economies' model revealed a consistent pattern of development in both areas of public administration and public financial management, reaching an integrated public management practice.

Following this comparative alignment perspective, a limitation of the research is the dimension that studies the structure-function relationship in government organizations. Institutions, from the study's perspective, represent a tool for comparative analysis that considers administrative and fiscal governing rules.

To track alignment, the study produced a ladder approach, marking the consistencies of rationale and directions between two sets of institutions: administrative and budgetary. The paper traced their alignment at three consecutive levels, control and discipline, efficiency and effectiveness, and openness and communication where public management is optimally expected to become responsive to societal needs, public values are attained, and citizen participation is functionalized.

The ladder approach declared that inputs of individual performance, assessment and budget transaction are tracked at first level to identify the state of control and discipline. Outputs, framed as programs and adherence to performance measures are tracked at second level to signify efficiency and effectiveness of public management. Budgets framed as to respond to societal needs through a value-based-budgeting approach, networking and citizen budget are tracked at a third level, for the purpose of ensuring communication and openness to societal needs, highlighting the essentiality of shifting to participatory modes.

Reviewing the case of Egypt along this framework, and inspecting Egypt's budgetary and administrative institutions affirmed the dominant side for control and discipline. The management system could not move along the institution ladder to strengthen efficiency and effectiveness. Moreover, both sets of institutions could not position themselves against the public value context.

Findings in the case of Egypt reflected significant interpretation. Financial control and discipline is the focal point of budget management. Similarly, the civil servant performance is the core of measurement and improvement in managing the administration. There are no tools or measures to assess performance beyond these two basic inputs in the public management system. Still, there are no measures to assess organization performance and to level up the input performance to outputs, then to values.

Notes

1. Administrative institutions are approached relatively apart from the structure-function orientation of "structural functionalism". Where the later describes a structure-function approach of the political systems, within which the "public administration institutions" -in the form of government units- operate. This is where administrative institutions are perpetually analyzed from the perspective of their roles and functions within the system (Heady, 2001). The paper follows Hallerberg *et al.* (2007) in defining institutions as the rules and the procedures that govern the budget process, from the perspective of a fiscal governance model. In view of that, the paper extracts an operational definition of "administrative institutions" to become "the set of rules, regulations, modes of internal interaction, and flow of communication within the body of the administration, that affect the system outcomes". Institutions in that perspective become consistent as unit of analysis for the study of public management system development considering its two domains: fiscal and administrative; besides working as a measure of ranking for the stage of progress on the "*leveling*" or "development ladder analysis tool". As per Jreisat (2005) comparative analysis approaches are used to track developments under the condition of deciding on a joint unit of analysis that supports the purpose of comparison.

2. The analytical framework highlights the roles that both budgetary and administrative institutions play in country development stages, and the interconnected compatible mode of this development.

3. An integrated recurrent and investment spending, with more effective mechanisms for coordination among the associated Ministry of Finance and Ministry of Planning, is the path to a more comprehensive view of public spending in Egypt (El Husseiny, 2016).
4. For more details see http://mpmar.gov.eg/

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Further reading

Egypt's Ministry of Planning Monitoring and Administrative Reform (2018), "Civil service law no. 81/2016", available at: http://mpmar.gov.eg/ (accessed 12 July 2018).

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