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Macro Management & Public Policies

Volume 3 · Issue 4 · December 2021 ISSN 2661-3360(Online)



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Volume 3 Issue 4 • December 2021 • ISSN 2661-3360 (Online)

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ARTICLE

Inside and Outside Perspectives on the Relation of People's Personal Values and Their Acceptance of Legal Norms

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ARTICLE INFO

Article history

Received: 6 December 2021

Accepted: 23 December 2021

Published Online: 30 December 2021

Keywords:

Norm acceptance

Legal norms

Norm compliance

Personal values

ABSTRACT

Based on a representative survey on crime prevention, this paper studies how personal values are related to persons' acceptance of legal norms (LNA). We here take a closer look at these relations than previous research. Offenses, in particular, are classified into different offense types, and the persons' ratings are studied both as observed and as individually centered data. It is found that conservation-oriented persons give higher and less differentiated badness ratings to all offenses than persons striving for hedonism and stimulation. The correlational structure of basic personal values and norm acceptance ratings for 14 different offenses, when represented via multidimensional scaling, exhibits that conservation orientation becomes a better predictor of LNA of all offense types if it is augmented by an additional value, peace of mind. When looking at centered ratings (i.e., controlling for each person's mean ratings), social values become the best predictors of offenses such as tax evasion, benefits fraud, or taking bribes. Statements on the impact of personal values on general norm acceptance should, therefore, be replaced with more differentiated relations on how particular values are related to people's attitudes towards particular offenses.

1. Introduction

Social norms are informal rules that govern behavior in groups, organizations, and societies. Special forms of norms are those that are codified into rules and laws. Probably the strongest class of this type of norms consists of legal norms, rules specified by "the law" and linked to a system of sanctions for non-compliance. The extent to

which people accept such norms is an important variable in predicting delinquent behavior. Understanding what leads to norm acceptance is, therefore, of great social interest. One line of research in this direction is related to personal values: Personal values such as, in particular, people's orientation towards conformity and tradition have been found to predict legal norm acceptance (LNA) and even people's compliance with legal norms ^[1-3].

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DOI: <https://doi.org/10.30564/mmpp.v3i4.4178>

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Theoretically, personal values drive LNA, and LNA impacts norm-abiding behavior ^[4]. LNA, however, has so far been studied as a *generalized* attitude towards legal norms, and not broken down into sub-forms of people's norm acceptance of particular offenses or types of offenses, although it seems that people who strive for social values, for example, should be more likely than power-oriented persons to accept legal norms that focus on social damage. If so, people's general tendency to accept legal norms would be a poor predictor of the extent to which they comply with particular norms.

Offenses can be classified into different types, based on criteria such as the visibility of the crime's victim, the degree of harm they cause, or what kind of damage they cause. Personal values, on the other hand, also differ in at least two basic dimensions: A person's striving for stimulation and hedonism vs. focusing on tradition and conformity, and his/her orientation towards self-enhancement vs. a more social orientation ^[5,6]. Bilsky et al. ^[7] have shown that the more persons are conservation-oriented, the more likely they are to accept legal norms. The opposite is true for persons who are seeking stimulation and hedonism. Moreover, Borg & Hermann ^[8] report that conservation-seekers are less likely to break the law than those who strive for hedonic stimulation.

Recently, Hermann ^[9] argued, based on Esser's frame selection theory ^[10], that different personal values should be related differently to a person's compliance with different types of legal norms. In particular, he hypothesized that norm compliance depends on the visibility of the victim. To test this hypothesis, he used two large surveys on crime prevention. Persons' value orientations were measured in terms of Schwartz's two higher-order values factors: A person's striving for conservation (tradition, conformity) vs. openness-to-change (stimulation, hedonism, self-direction), and his/her orientation towards self-enhancement (power, advancement) vs. self-transcendence (benevolence, universalism). The data showed that the persons' scores on the conservation-vs.-openness-to-change dimension correlated substantially with their norm acceptance of offenses classified as no-person-victim and legal-person-victim, but was essentially uncorrelated with the norm acceptance of real-person-victim offenses. The persons' self-enhancement vs. self-transcendence scores, on the other hand, were essentially uncorrelated with legal norm acceptance. Hence, not only does the relation of personal values and norm acceptance depend on the particular values, but also on the characteristics of the offense on which the legal norm is focused.

The findings of Hermann ^[9] suggest that it seems

worthwhile to take a closer look at the relation of personal values and the norm acceptance of different offenses rather than reducing LNA to a general attitude towards the law and its rules. First of all, mean ratings and their variance can help to better understand the correlations. Then, rather than analyzing aggregated ratings such as the persons' scores on higher-order personal values or their LNA score on offense types, one could learn more by studying the relations at the level of basic personal values (e.g., power, benevolence, etc.) and persons' LNA of particular offenses (e.g., smoking pot, tax fraud, burglary). Then, what is often given little attention is how any statistical pre-processing of the measurements of personal values and legal norm acceptance affects the interpretation of the relations.

1.1 Personal Values: Basic Concepts and Measurement

Personal values are broad goals that guide people's behavior in general directions. They have been studied extensively, mostly based on surveys asking people to rate how important it is for them to be guided by tradition, power, benevolence, and other such goals ^[11-14]. Numerous studies have identified a set of basic values that seem universally valid for persons of any age, gender, and social background. Theoretically, these values are inter-dependent in a dynamic conflict: "The primary content aspect of a value is the type of goal or motivational concern that it expresses... values represent, in the form of conscious goals, three universal requirements of human existence to which all individuals and societies must be responsive: needs of individuals as biological organisms, requisites of coordinated social interaction, and survival and welfare needs of groups. From an evolutionary viewpoint..., these goals have crucial survival significance" ^[13].

The theory of universals in values ^[5,6] distinguishes ten basic values. Other popular value scales ^[11,12,15] provide similar lists of values. The underlying models are essentially equivalent, i.e. all values in such lists are but markers on a *continuous circle of values* similar to the colors on the color circle. Empirically, this value circle emerges when representing the inter-correlations of value items by multi-dimensional scaling (MDS) in a plane ^[16-18]. The order of the value markers depends to some extent on the particular measurement instruments and their items, but a robust finding is that there are two "higher-order values" that form two *opposite classes* on the value circle. Expressed in the terminology of the theory of universals in values ^[5], these oppositions can be described as Self-Enhancement (SEn, combining the basic values Power (PO) and Achievement (AC)) versus Self-Transcendence (STr = Benevolence (BE) + Tradition (TR)), and Conservation (Con = Security (SE) + Power (PO)) vs.

Openness to change (OtC = Hedonism (HE) + Stimulation (ST) + Self-Direction (SD)). Other values, such as Hermann's (2014) peace of mind (PM) and religion (RE), can be easily integrated into the value circle^[18].

Personal values that are close to each other on the value circle are theoretically compatible and empirically positively correlated, while values that lie opposite to each other on the value circle are in a dynamic conflict. That means that it is difficult for a person to strive for opposite values with high priority while striving for neighbors on the value circle is easy.

1.2 Legal Norm Acceptance: Basic Concepts and Measurement

Social norms are informal rules that govern behavior in groups and societies, "cultural phenomena that prescribe and proscribe behavior in specific circumstances"^[19], "collective expectations about proper behavior"^[20]. They "prescribe proper behavior, the oughts of our lives"^[21]. Special forms of norms are those that are codified into rules and laws. An important class of this type comprises legal norms. Legal norms come as explicit and often multi-faceted rules of what one should *not* do, and how deviance from the norm will be sanctioned by the law.

LNA can be seen as a special attitude. It expresses to what extent a person evaluates objects that come as legal offenses or crimes from very negative to very positive. Traditionally, one distinguishes emotional, cognitive, and action-related components of an attitude^[22]. As clear distinctions between these components are difficult to define and empirically unclear^[23], an attitude is, in the recent literature, mostly understood as an evaluative structure used to form a psychological representation of an attitude object or simply as "a psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor"^[24].

The extent to which an individual accepts legal norms is typically measured by asking respondents to assess how they *feel* about norm violations^[4,25,26]. Often, the respondents are simply asked to rate the "badness" or "wrongness" of various norm violations such as smoking pot, tax evasion, or robbery on some answer scale. Examples are a 10-point rating scale with labels ranging from "not bad at all" to "very bad"; a 5-point scale from "totally harmless" to "very bad" (5); a 3-point scale with categories "bad", "don't care", "good"; or a permissiveness scale with categories "would/would not tolerate". The persons' numerically coded rating of an offense on such scales is then interpreted as an indicator of his/her norm acceptance, and the mean of such ratings across different offenses is taken as the persons' generalized LNA^[1,4].

1.3 Personal Standards and Data Centering

The study of the relation of personal values and LNA often involves some pre-processing of the observed measurements. Unfortunately, such data transformations are rarely described or discussed, even though they massively impact the subsequent analyses and the interpretation of results. For personal values, the observed importance ratings are typically first *centered* before any further data analyses^[12,14,27]. In many publications, this centering is only mentioned in passing, or not at all, suggesting that it is a routine operation that needs no further justification.

Centering in research of personal values goes back to Schwartz^[28] who recommends this transformation as a necessary "correction" to avoid "distorted" findings and "incorrect" conclusions. Technically, centering simply means that each person's ratings are first subtracted from the person's mean rating. The resulting *mRat* scores are then interpreted as *relative* ratings of importance, where "relative" means that the scores express the person's assessment of personal values in comparison to his/her overall tendency of rating the importance of different personal values on the given rating scale. This overall tendency is considered a response style artifact that the data must be "corrected for" (controlling for acquiescence, in particular^[29,30]).

Whether the mean rating value is indeed an artifact or whether it carries substantive meaning is, however, debatable. For personal values, Borg and Bardi^[31] have shown that the mean rating can also be interpreted as "value guidedness" that predicts, for example, a person's general well-being and other variables that require that the person has a clear sense of direction. Thus, it should not automatically be considered an artifact but rather a potentially meaningful psychological variable, or a mixture of both. In any case, centering or not centering measurements on personal values has implications that deserve careful attention when analyzing and interpreting the data. For example, centering value ratings implies that the dimensionality of a factor analysis of the inter-correlations of the value items is reduced by one (namely, eliminating the first principal component on which all items have high positive loadings; see^[31]). Or, when scaling the inter-correlations with multi-dimensional scaling (MDS) or unfolding, one can expect a value circle in two dimensions for centered items, but not necessarily for the observed ratings, where the circle surfaces only in higher-dimensional space.

Substantively, centering rating data implies a different perspective on the data. The transformed data offer an *inside* look at the individuals that, for personal values,

exhibit the persons' psychological trade-offs and conflicts among the various value orientations. Assigning high ratings to value X implies that certain other values are rated as relatively unimportant. For example, based on the value circle, one can even predict that high ratings for power imply relatively low ratings for benevolence. Substantively, this makes sense because a person cannot successfully strive for both power and benevolence with high priority: In the real world, these values are *contradictory* and cannot both be fully satisfied at the same time. Non-centered value ratings, in contrast, give an *outside* perspective on the respondent, as he/she can consider *all* personal values very important or very unimportant. The ratings are formally independent, and not competing against each other.

For norm acceptance data, centering is not a transformation that is typically reported in the literature. LNA data are not first "corrected" by pulling out each person's mean, nor are they related to a person's standard of accepting legal norms. Interpreting the mean observed LNA score as a person's LNA standard is, however, possible in some situations. If the person were, for example, considering what sanctions would be appropriate for non-compliance with various offenses, he/she would have to *compare* these offenses in terms of their moral badness or in terms of the harm they cause. His/her mean LNA rating could then be considered an anchor that corresponds to the person's belief on how severe sanctions for legal non-compliance should be *in general*. The centered ratings, then, express the person's assessment of the *relative* badness of different offenses.

Technically, the observed norm acceptance ratings typically form two factors in principal component analyses. The first factor is highly correlated with the persons' mean badness ratings, and the second factor has bipolar loadings with the offenses ordered from petty to serious. Hence, centering the observed LNA ratings essentially separates a person's typical degree of general LNA from the distinctions he/she makes concerning the various offenses under consideration.

In any case, when relating personal value data and LDN data, one is dealing with two different types of data: One set is centered, but the other is not. We will show in the following how this affects the results and their interpretation.

1.4 Hypotheses

In the following, we take a look at basic personal values and norm acceptance behaviors, in particular looking more closely at the *system* of basic personal values and how it is related to a set of offenses ranging from petty offenses to serious crimes. Several hypotheses

are tested:

H1 (personal values and LNA types): The main general hypothesis is that different personal values are related differently to persons' legal norm acceptance of different types of offenses. That is, that the previously reported relation of personal values - in particular, the Openness-to-Change (OtC) vs. Conservation (Con) dimension of higher-order values - is too coarse.

H2 (descriptives): The average LNA is smallest for petty offenses (not involving a victim), intermediate for offenses with a legal person as the victim, and greatest for offenses where the victim is a real person. The differences among the LNA of these three types of offenses is smaller for persons striving for conservation than for persons striving towards hedonic stimulation, because the more conservation-oriented a person is, the less he/she differentiates among the norm acceptances of different types of offenses. Conservative persons simply accept all norms relatively strongly. This hypothesis is based on studies that show that LNA ratings converge with age, and on studies that show that older persons tend to be more conservative in their values^[32].

H3 (correlations: centered-observed): When inter-correlating centered basic personal values scores and observed LNA item ratings, the coefficients, based on numerous previous publications^[13,5,18], form the typical value circumplex pattern which can be visualized as the value circle in multidimensional scaling (MDS). The LNA items are expected to be relatively highly inter-correlated (compared to the centered personal value scores) because each person's observed LNA rating contains a person-specific general tendency to accept legal norms with a certain strength. Thus, the LNA items should form a relatively dense cluster in the space of the value circle.

H4a (correlations: centered-centered): When centering both the basic personal values scores and also the LNA ratings before inter-correlating them, the inter-correlations of the LNA items become less highly correlated, because the persons' general LNA tendency is statistically controlled for. Hence, the higher a person's (relative) conservation orientation, the higher his/her (relative) acceptance of legal norms on petty offenses. Conversely, a person's relative stimulation orientation should exhibit relatively high correlations with the norm acceptance of serious offenses, because his/her LNA of petty offenses is small.

H4b (correlations: centered-centered): The personal values "religion" and "peace of mind" are expected to be similar to conservation, because both these values imply law-abiding behavior. Similar arguments hold for offenses with legal persons as victims.

H4c (correlations: centered-centered): Regarding

Self-Transcendence (STr) vs. Self-Enhancement (SEn), predictions can be derived for the offenses where the victim is a legal person: For centered data, higher relative STr means that the individuals put relatively much emphasis on benevolence and universalism rather than on power and achievement (SEn). Due to their social orientation, these persons should also feel relatively negatively about tax evasion, taking bribes, and benefit fraud, for example, because such offenses harm society.

H5: When not centering any data, an MDS representation of the inter-correlations of personal value scores and LNA ratings requires at least three dimensions. In the 3d space, the personal values exhibit the usual value circle. The interpretation of the values-offenses distances becomes more difficult in this space, but predictions can be easily derived from the above hypotheses. For example, petty offenses should, again, be close in space to the Con values (TR, CO), and also to RE and PM.

2. Method

2.1 Sample

All data in the following analyses come from a survey on crime prevention conducted in 2020 in the city of Mannheim, Germany. The sample consisted of 25,000 persons, drawn randomly from the city's register of juveniles (at least 14 years old) and adults with a residence in Mannheim. The sample was made up of two parts. One sub-sample comprised 15,000 persons who received an online version of the questionnaire. The second part comprised 10,000 persons who participated in a mail survey. Both surveys were anonymous. No incentives were given. Participation was voluntary, based on asking the potential respondents to help the city by providing needed information.

In the online survey, 1.360 addresses were dead, and in the mail survey, 719 letters were returned as having an unknown address. A reminder was sent out in the mail survey only. This resulted in a gross participation rate of 15% in the online survey, and 30% in the mail survey. Thus, 5.214 persons participated overall.

In the mail survey, the selected persons received a letter asking them to participate to help the city administration with important information. The filled-out questionnaire could be returned anonymously to the city using a stamped envelope.

The collected data are nearly representative vis-à-vis gender and age. In the mail survey, women are slightly over-represented. In both administration modes, persons younger than 50 years old are slightly under-represented (for details, see ^[33]).

2.2 Instruments

Legal norm acceptance of different offenses was measured with items similar to those used in the ALLBUS 1990 ^[34]. The ALLBUS^① items were adapted for surveys conducted in the context of community crime prevention ^[4]. These items (Table 1) focus on different offenses that vary in type and severity of norm violation. The scale does not contain items on major crimes (e.g., murder, rape, and arson) because such crimes were expected not to lead to sufficient variance in surveys using rating scales ^[35-37]. The item battery was introduced by the following preamble: "Various forms of behaviors can be assessed differently. Please indicate whether you consider the following actions bad behaviors or not. 1 would mean that you consider the behavior not bad at all, and 7 that you consider it very bad".

Table 1. Offenses assessed for their seriousness.

| Nr. | Label | Offense (Item) |
|-----|----------------|--|
| 1 | Fare evasion | Not paying the fare when using public transportation, fare dodging |
| 2 | Shoplift | Taking goods worth about 50 € in a store without paying |
| 3 | Drunk driving | Driving a car under the influence of more alcohol than allowed |
| 4 | Robbery | Ripping off someone's handbag |
| 5 | Cocaine | Taking cocaine |
| 6 | Smoke pot | Taking hashish |
| 7 | Assault | Beating or hitting someone without being in self-defense |
| 8 | Vandalism | Smashing the windows of a phone booth |
| 9 | Tax fraud | Evading taxes if one has the opportunity to do so |
| 10 | Benefits fraud | Claiming sickness benefits, unemployment benefits, or other social benefits if one is not entitled to them |
| 11 | Car break | Breaking into someone's car to take it for a spin |
| 12 | Take bribes | Taking bribes |
| 13 | Hit and run | Not reporting the damages that one has caused to a parking car |
| 14 | Indecent touch | Indecent touching of another person |

Three types of offenses were distinguished ^[9]: (1) Offenses with no victim, represented by items #6 (smoking pot) and #5 (cocaine) of Table 1; (2) offenses where a legal person is the victim, measured by items #2 (shop lifting), #9 (tax fraud), and #10 (benefits fraud); and (3) offenses with a natural person as the victim, assessed by items #4 (robbery), #7 (assault), and #14 (indecent touching). The LNA of these types of offenses was estimated by

① The ALLBUS is a bi-annual representative survey monitoring trends in social attitudes and behavior in Germany. It regularly covers a wide spectrum of fixed standard topics and a set of special topics that change from survey to survey. The 1990 survey had a particular focus on deviant behavior and sanctions.

averaging the badness ratings of the respective items.

Personal values were measured by the IRVS (Individual Reflexive Value Scale) ^[4,15], an instrument frequently used in German criminology. The IRVS has been shown to lead to highly similar results as other instruments such as the PVQ and the SVS scales that are often used in survey-based value research ^[1,18,28]. The issues addressed by the items of the IRVS are shown in Table 2, together with codes sorting them into the categories of twelve basic values. Items marked with “—” are skipped here, because their coding in terms of basic values is ambiguous. The IRVS item battery is introduced as follows: “Please think for a moment about what you really strive for in your life: How important are the things and viewpoints that we have

listed here? Please take a look at the following items and mark on the scale from 1 to 7 how important they are for you. “Seven” means that it is very important, and “one” means that it is completely unimportant for you. You can choose the numbers in between to grade your ratings.”

2.3 Statistical Methods

All data analysis was done within the R environment ^[38]. For multidimensional scaling (MDS), we used the R-package *smacof* ^[39-41]. The MDS model fit is evaluated by comparing the Stress of the MDS solutions with the Stress values of *nrep* random data sets (Spence-Ogilvie benchmarks) and with the more modern and sharper permutation test ^[41].

Table 2. IRVS items; items marked with “—” are skipped.

| No. | IRVS item | Basic Value Code |
|-----|--|-------------------|
| 1 | Respecting law and order | CO=conformity |
| 2 | Having a high standard of living | PO=power |
| 3 | Having power and influence | PO=power |
| 4 | Using one’s own ideas and creativity | SD=self-direction |
| 5 | Striving for security | SE=security |
| 6 | Helping socially disadvantaged groups | UN=universalism |
| 7 | Asserting one’s needs and prevailing over others | PO=power |
| 8 | Working hard and being ambitious | AC=achievement |
| 9 | Respecting opinions that you don’t agree with | UN=universalism |
| 10 | Engaging oneself in politics | — |
| 11 | Enjoying the good things in life | HE=hedonism |
| 12 | Living and acting at one’s own responsibility | SD=self-direction |
| 13 | Doing what others do | CO=conformity |
| 14 | Adhering to traditions | TR=tradition |
| 15 | Leading a good family life | — |
| 16 | Being proud of German history | TR=tradition |
| 17 | Having a partner one can rely on | BE=benevolence |
| 18 | Having good friends who respect and accept you | BE=benevolence |
| 19 | Having many contacts to other people | BE=benevolence |
| 20 | Living healthy life | SE=benevolence |
| 21 | Making decisions guided by emotions | — |
| 22 | Being independent of others | — |
| 23 | Behaving environmentally responsible | UN=universalism |
| 24 | Religion and faith | RE=religion |
| 25 | Having a clear conscience | PM=peace of mind |
| 26 | Align my life along religious norms and values | RE=religion |
| 27 | Living so that others are not harmed | UN=universalism |
| 28 | Living an exciting life | ST=stimulation |
| 29 | Living an easy and comfortable life | — |
| 30 | Having a life full of enjoyment | HE=hedonism |
| 31 | Inner peace and harmony | PM=peace of mind |
| 32 | Being hard and tough | AC=achievement |
| 33 | Having quick success | AC=achievement |
| 34 | Being clever and more cunning than others | AC=achievement |

3. Results

3.1 Results on the Level of Aggregated LNA Scores and Higher-order Personal Values

Table 3 shows how the higher-order values Self-Enhancement (SEn), Self-Transcendence (STr), Openness to Change (OtC), and Conservation (Con) are related to the norm acceptance of three types of offenses (OT1=no victim, OT2=legal victim, OT3=person as victim). As expected, Con is most highly correlated with legal norm acceptance. Moreover, its theoretically opposite value (OtC) always shows the opposite sign of the correlations. The second pair of higher-order values, SEn vs. STr also exhibits various significant correlations, but their size is relatively small.

Centering or not centering the data impacts the correlations differently. Leaving both types of variables non-centered (i.e., as observed) and centering only the personal values leads to similar results, where Con is positively and substantially correlated with the LNA of offenses with no victim (OT1) or with a legal victim (OT2). The offenses where the victim is a real person (OT3) are not substantially correlated with Con scores. This changes massively when the LNA scores are centered: The stronger a person's relative striving for Con values, the less he/she tends to accept the legal norms of OT3 offenses - relative to his/her general LNA ($r = -.41$).

These effects become clearer when focusing on persons with relatively high Con or OtC scores, respectively. Table 4 shows the mean and standard deviations of the LNA scores of the persons who belong to the upper third quantile of the Con or the OtC distribution.

One also notes that conservative persons simply accept all norms relatively strongly. Moreover, the differences among the LNA of the three types of offenses are smaller for persons striving for conservation than for persons striving towards hedonic stimulation (OtC). The same holds for the standard deviations. Hence, the more people strive for conservation, the higher and the less differentiated their LNA scores. The opposite is true for OtC. Yet, for both extreme groups, one notes the same order of LNA scores, with OT1 receiving the smallest, and OT3 the greatest norm acceptance.

3.2 Results on the Level of LNA Items and Basic Personal Values

We now turn to the 435 inter-correlations of the 12 basic values (CO, PO, ...; see Table 1), the four higher-order values (SEn, STr, Con, OtC), and the norm acceptance measurements of all 14 offenses (Table 2). The Pearson correlation coefficients are based on either the respondents' personal values based on their observed absolute ratings and their observed absolute LNA ratings, or on centered scores and ratings, respectively.

When *not centering either type of data*, representing their inter-correlations by ordinal multidimensional scaling (MDS) requires a 3-dimensional geometric space (Figure 1). The model fit of the 3d MDS solution is excellent, with $Stress = .069$ ($p < .001$, by a permutation test and by the Spence-Ogilvie benchmarks). Hence, the plot shows that the larger the correlation of two variables, the smaller the distance between the points that represent these variables.

Table 3. Correlations of higher-order values with legal norm acceptance of three types of offenses (OT1=no person victim, OT2=legal person victim, OT3=real person victim); value and norm scores both as observed, both centered, or centered (values) and observed (LNA), respectively; correlations $> |.20|$ marked in grey.

| Higher-order personal values | both observed | | | both centered | | | centered-observed | | |
|------------------------------|---------------|--------|-------|---------------|--------|--------|-------------------|--------|--------|
| | OT1 | OT2 | OT3 | OT1 | OT2 | OT3 | OT1 | OT2 | OT3 |
| SEn | .03* | .02 | -.01 | -.04** | -.02* | .11** | -.09** | -.13** | -.12** |
| STr | .04** | .15** | .18** | -.14** | .05** | .10** | -.12** | .00 | .07** |
| OtC | -.19** | -.09** | -.01 | -.26** | .04** | .33** | -.32** | -.23** | -.09** |
| Con | .40** | .31** | .13** | .37** | -.07** | -.41** | .42** | .26** | .08** |

Table 4. Means and standard deviations of centered higher-order values (OtC and Con) and observed LNA ratings of persons in upper 33% quantiles of the distributions of the respondents' OtC and Con scores, respectively; offense types are: Offenses with no victim (OT1), with a legal person as victim (OT2, and with a real person as victim (OT3).

| vars | n | mean | sd | vars | n | mean | sd |
|------|------|------|------|------|------|------|------|
| OtC | 1526 | 0.81 | 0.51 | Con | 1525 | 0.15 | 0.29 |
| OT1 | 1519 | 5.10 | 1.86 | OT1 | 1521 | 6.33 | 1.16 |
| OT2 | 1519 | 6.18 | 0.93 | OT2 | 1521 | 6.56 | 0.73 |
| OT3 | 1520 | 6.84 | 0.45 | OT3 | 1522 | 6.90 | 0.39 |

The structure of the personal values in Figure 1 exhibits the typical value circle, with the higher-order values forming the usual oppositions (see the cross of the dashed green lines). The offenses, in turn, show a gradient with the more serious offenses (assault, indecent touching, etc.) at the upper right-hand corner of the dimension box, the petty offenses (smoking pot, fare evasion, etc.) at the bottom of dimension D2, and offenses that harm legal persons in between on D2.

The correlations of people's personal values and their LNA ratings can also be seen in Figure 1. One notes, for example, that the badness ratings of petty offenses are close to the Con (TR, CO) points, and also to RE. Hence, the higher a person rates Con values and religion on the answer scale, the higher he/she rates the badness of petty offenses. In contrast, the more people are oriented towards OtC values (hedonism, stimulation), the lower they rate the badness of petty offenses, and all other offenses, including serious offenses. The second higher-order value dimension is less related to LNA, although one can see that persons with a more social value orientation rate the badness of the offenses generally higher than persons striving for power and achievement.

It is also interesting that the smaller the distances of the points to the origin (0, 0, 0) in Figure 1, the higher

the mean rating of the variables that they represent ($r = -.43$). Relatively high absolute ratings on the 7-point answer scale are observed for PM (6.11), BE (6.45), and STr (5.96), for example, and small ones for TR (3.26), PO (3.94), and AC (3.74). The points that represent these variables are located close to, or far from the origin in Figure 1, respectively.

Figure 2 shows the result of an ordinal MDS in two dimensions for the inter-correlations of *centered* value ratings and *observed* ratings of the offenses. The Stress coefficient of this solution is .097, a highly significant model fit ($p < .001$, by permutation tests, and when compared to Spence-Ogilvie benchmark values). The plot replicates the typical value circle, with its characteristic oppositions of the higher-order values. The various offenses form a cluster within this value circle, positioned in the lower right-hand quadrant of the cross formed by the two dimensions spanned by the higher-order values. Thus, interpreted in terms of the higher-order value dimensions: The greater a person's *relative* striving for conservation (Con) and for self-transcendence (STr), the greater his/her tendency to accept legal norms. Even better predictors are the dimensions spanned between Con on one end, and the pair peace of mind (PM) and security (SE) on the other.

Figure 3 exhibits the ordinal MDS solutions of the inter-correlations based on *centered* value scores and

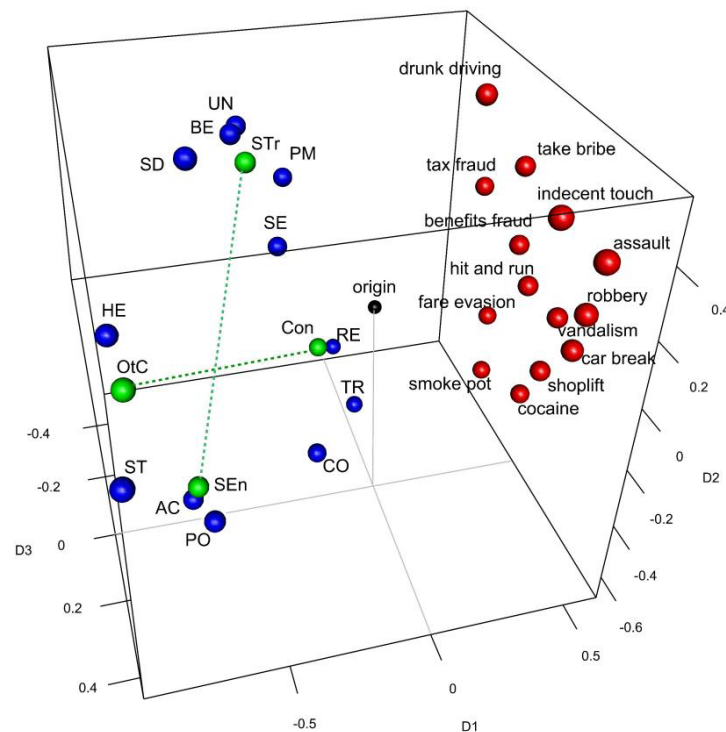


Figure 1. 3-dimensional MDS representation of inter-correlations of 12 personal value scores (blue), four higher-order value scores, and legal norm acceptance ratings of 14 different offenses (red); all data are on observed scales (non-centered).

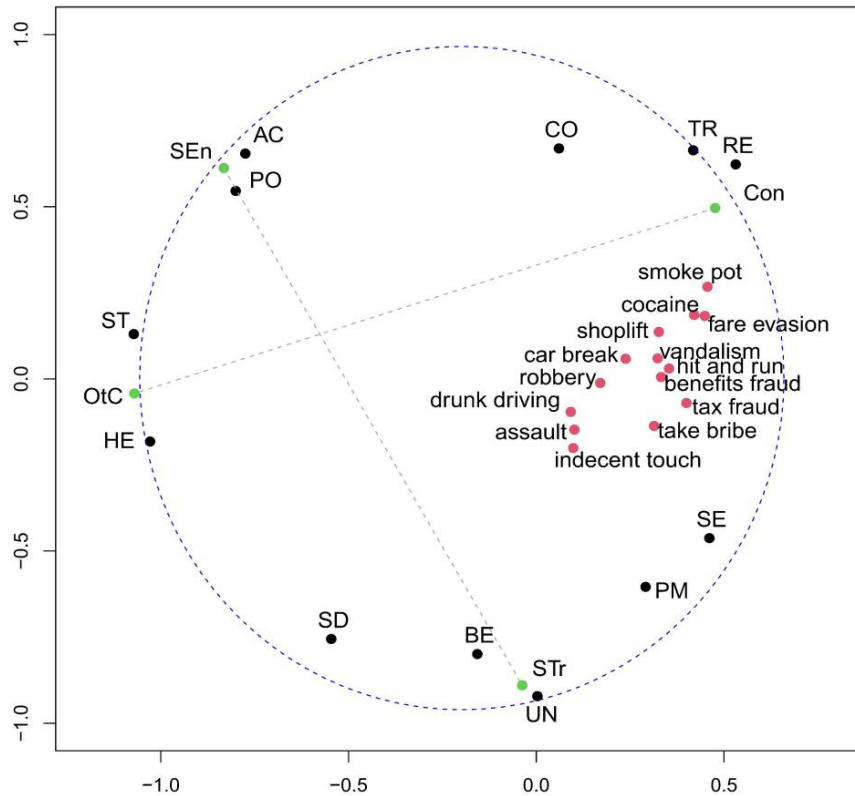


Figure 2. MDS representation of inter-correlations of personal values (black points) and norm acceptances (red points); personal value scores centered, and norm acceptance scores as observed; dashed cross connects opposite higher-order values (green points).

centered badness ratings. The stress of this solution is .176***. The plot shows the typical value circle and the higher-order value dimensions. As predicted (H4c), the points representing the LNA items in this double-centered solution are not tightly clustered but distributed throughout the whole MDS plane. A greater relative striving for conservation, for religion, and for security is closely related to a greater relative LNA of petty offenses, while higher OtC scores come with relatively high LNA scores for serious offenses. Greater STR, with its social orientation (benevolence, universalism), is correlated with relatively high LNA scores for offenses that harm society (e.g., tax fraud, benefits fraud). Thus, when people compare the badness of different offenses *within their individual frames of reference*, the offense-value relations differ considerably from those using non-centered LNA scores.

All MDS solutions support H2, i.e. they replicate the typical value circle, as expected. Moreover, the higher-order values exhibit the usual oppositions (see the dashed lines in the figures): OtC vs. Con, and SEn vs. STR. This shows that the greater a person's striving for OtC values (stimulation, hedonism), the smaller his/her

(relative) striving for Con values (tradition, conformity). For centered value scores, the large distances between the points that represent these values correspond to a correlation of $r = -.44$. Similarly, the greater the person's (relative) orientation towards SEn (power, achievement), the smaller his/her (relative) tendency to achieve STR (benevolence, universalism), with $r = -.63$.

When taking a closer look, one notices that the two higher-order value dimensions affect the LNA of different offenses somewhat differently. The norm acceptances for the offenses smoking pot and fare evasion, for example, are closely associated with the OtC-vs.-Con dimension: The higher the Con score -- and, thus, the lower the OtC score -- the higher the LNA for such petty offenses. Moreover, the STR-vs.-SEn dimension and the RE-SE orientation also play an important role in the norm acceptance of assault and indecent touch.

Hence, as predicted, the different personal values are related in different ways to the various offenses and offense types. This difference can be explained by the assignment of different weights to some basic value dimensions.

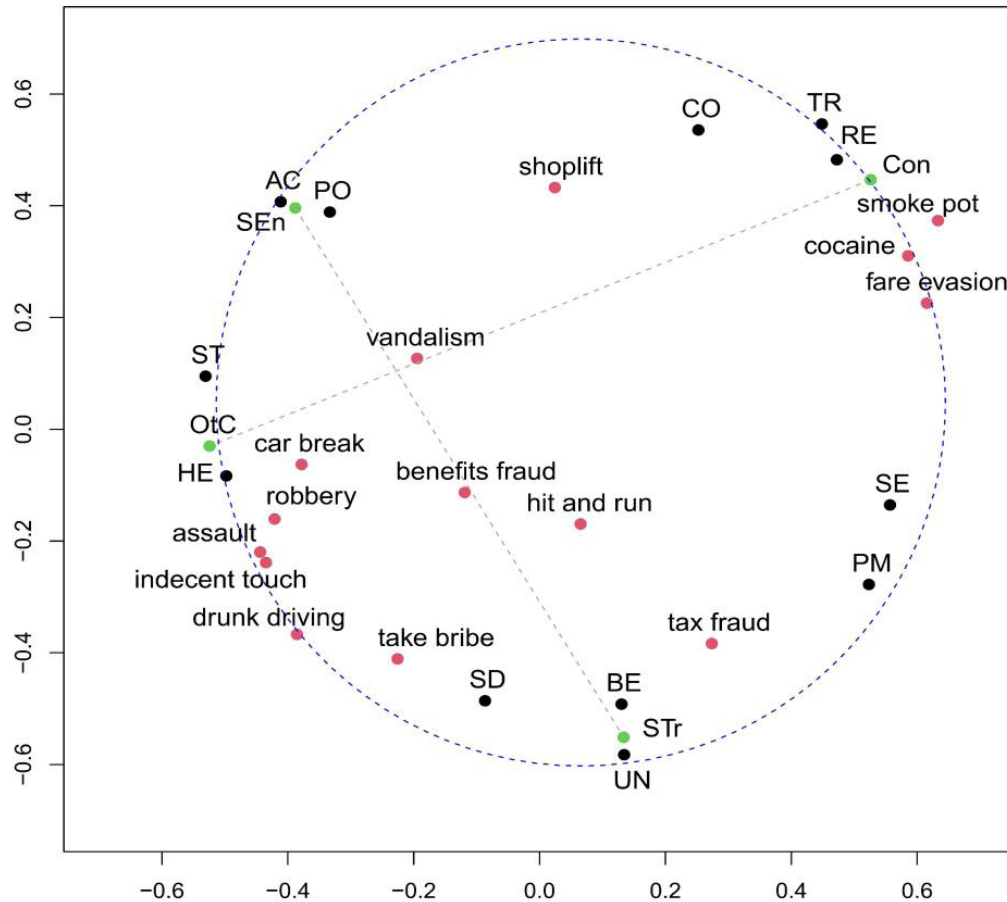


Figure 3. MDS representation of inter-correlations of personal values (black points) and norm acceptances (red points); personal value scores and badness ratings of norms both centered; dashed cross connects opposite higher-order values (green points).

4. Discussion

It has been shown that personal values affect the legal norm acceptance (LNA) of different offenses differently. The more a person strives for conservation values, for example, the more he/she tends to accept legal norms not only in general but in particular those related to petty offenses. For serious offenses, in contrast, a higher conservation orientation is only weakly correlated with higher LNA. For such offenses, striving for peace of mind and security are more important.

From an insider's perspective that looks at the persons' relative ratings of the importance of personal values and norm acceptance ratings, the different effects of personal values on norm acceptances become even more visible. The more conservative a person, the more he/she accepts legal norms on such offenses as smoking pot or fare dodging, while his/her norm acceptance of robbery and assault becomes much smaller - but only in comparison to his/her personal anchor or frame of reference. The score

for this overall anchor is higher than for persons seeking hedonism and stimulation (see Table 4). Offenses such as smoking pot, therefore, simply receive a high LNA rating on an already comparatively high level.

A principal component analysis of the norm acceptance items exhibits two components. The first one correlates highly with the vector of the persons' individual mean badness ratings (*mRat*). The second component is bi-polar, ordering the offenses from petty to serious. The loadings of the offenses are highly correlated with the variances of each person's badness ratings. Thus, centering essentially eliminates the first principal component of the inter-correlations, and this component is interpreted as the individuals' standards, base values, anchors, or reference points.

The implications of the external and the internal relations of personal values and norm acceptance for other behavior could be studied more closely in future research. For example, when discussing the seriousness of offenses, discussions may not reach an agreement because

one person is referring to his/her internal perspective that utilizes his/her standard, the other to an external point-of-view that accentuates the absolute perceived degree of badness of an offense.

Centering, therefore, is not just a statistical issue. Rather, it suggests a stepwise, hierarchical process of judgment. If a person is asked about the importance of different personal values, the person may first assess how important such values are for him/her as guiding principles in general, and only then judge their relative importance. When judging to what extent he/she accepts the legal norms on different offenses, he/she may first consider how much he/she accepts such norms in general, and then compare the offenses with respect to their badness.

Overall, this study leads to several insights on the value-LNA issue. First of all, statements on the relation of personal values and the acceptance of norms should be looked at more closely. Certain values predict the acceptance of certain norms, but general relations such as tradition-oriented persons are more likely to accept legal or social norms are too general to be of much use in predicting behavior. What one may want to do is drill down into the data, using, for example, basic values rather than higher-order values, and particular offenses rather than offense types. This may lead to better predictions on norm compliance, for example.

A new finding of a closer look at the relation of personal values and different forms of legal norm acceptance even at the highest level of aggregation is that the higher-order value dimension self-enhancement vs. self-transcendence is *not* irrelevant. Indeed, when it comes to particular offenses of a more social nature, it is a better predictor of norm acceptance than the higher-order value conservation. At the level of basic values, we also found that additional values on the value circle have an impact on norm acceptance. These values are peace of mind and religion, both values that had not been considered in previous research. These findings also suggest that one can drill down even further: A basic value such as “self-direction”, for example, is itself a package of various components. It contains, for example, the sub-value “being free”, and the meaning of “being free” changes systematically with age, for example (Borg, 2019). Thus, even relations at the level of basic values (such as self-direction, power, or hedonism) must be considered generalizations that do not necessarily mean the same thing to all individuals (in any culture, of any age and gender, at any educational level, with any personality profile, etc.) equally well. Similar drill-downs and break-ups are possible, of course, for offenses.

From an applied point of view, the above findings suggest that successfully managing people's compliance with legal and formal norms requires actively strengthening external determinants of compliance particularly for those persons who strongly strive towards self-enhancement values (power, achievement) and/or search for stimulation and hedonism. Such persons are often easily identified. They are, as we showed here, less likely to be driven by their personal values to comply with such norms. One should not hope to change their values by, say, rational arguments, because values are relatively stable personality characteristics. Hence, persons or institutions who have to make sure that norms are effectively realized in people's behavior, have to resort to external motives to enforce norm compliance. That is, it is particularly important to convince such persons that norm violations will be detected and punished accordingly. For the more conservation-oriented persons, and for persons with a social orientation, such external control variables are less important, because they are internally motivated by accepting the respective norms. Indeed, for persons who are intrinsically motivated to comply, stressing extrinsic motives of compliance may be even counter-productive, because adding superfluous reasons for compliance makes this behavior psychologically over-justified with the effect that the external control variables acquire a psychological weight that is greater than necessary. That means that compliance becomes more dependent on the visibility and credibility of the control variables rather than on stable personality dispositions. This effect is known to human resource managers under the notion of how to ruin (intrinsic) work motivation with pay.

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ARTICLE

Coastal Community Economic Empowerment Strategy in Merauke Regency

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ARTICLE INFO

Article history

Received: 22 December 2021

Accepted: 7 January 2022

Published Online: 13 January 2022

Keywords:

Coastal

Community

Economic empowerment

ABSTRACT

Community economic empowerment is an important approach to realize a balanced, developing and just economic structure, to realize a successful economic empowerment, community business capacity must become strong and independent, and in sync with community's best potential and product, in this paper is coastal community. The purpose of this study is how the main strategies and work programs that need to be taken to improve the economy of the community in Merauke Regency by optimally utilizing coastal community resources and knowing the inhibiting and supporting factors of empowerment. Qualitative research method with a SWOT analysis tool with a focus on data sources based on the results of interviews and discussions with the fisheries service and fisheries business actors. The results of the study explain that the increase in fisherman productivity has the highest weight value which is carried out by increasing the role of capital assistance and market intervention, verified by the efforts of coastal communities.

1. Introduction

The strategic target of empowerment expects a change in condition, well-being, or behavior because of the start of several programs or activities and related to the impact of a program^[1]. Long-term impact strategic management covers the long term, by predicting long-term events and analyzing the potential impact of implementing a program. The empowerment requires a long-term strategy with a clear vision and mission to increase the independence and welfare of the community as part of development.

Empowerment manifests as a redistribution of power, between regions, classes, races, genders, or individuals^[2].

Community economic empowerment is seen as very important to realize a balanced, developing and just economic structure; grow and develop the community's business capacity to become a strong and independent business; increasing the role of the community in regional development, job creation, income distribution, economic growth, and alleviating people from poverty. Economic empowerment efforts that have been taken are to further empower community businesses to be more efficient,

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DOI: <https://doi.org/10.30564/mmpp.v3i4.4256>

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productive, and competitive, namely by creating a conducive business climate and business opportunities as wide as possible. In the context of fostering community business, it is necessary to develop partnership relationships in the form of mutually supportive and beneficial business linkages between large, medium, and small businesses and cooperatives to strengthen the economic structure. Community economic development is a people-oriented development activity with the condition that it touches aspects of justice, balance of natural resources, which are carried out specifically in ways that are in accordance with the capacities, norms, values, perceptions, and beliefs of local community members, where the principles resident participation is upheld^[3]. The paradigm shift in governance from government to governance places the need for community participation in regulating and managing public affairs and interests in a better, legitimate, accountable, and effective way than without community participation. in the development process^[4]. One strategy to generate active participation of individual community members is through a group approach^[5]. Development aimed at community development will be easy to understand if it involves local agents through a forum called a group, because in carrying out various livelihood activities, everyone tends to group^[6]. Community empowerment is a concept of economic development that encapsulates social values. This concept reflects the new paradigm of development, which is people centered, participatory, empowering, and sustainable^[7].

Economic growth is an increase in production capacity to achieve additional output, which is measured using the Gross Domestic Product (GDP) and Gross Regional Domestic Product (GRDP) in a region. In general, economic growth is the process of increasing output per capita in the long-term referring to an increase in national or per capita income and output^[8]. Balanced regional development is indicated by the existence of a level of balanced growth between regions in accordance with their capacity and development needs. Economic development does not mean that every region must have the same level of development or a uniform economic pattern. In simple terms, this means achieving the full capacity of regional development in accordance with the potential of the region. The development of the coastal potential of Merauke Regency has enormous potential in the fisheries sector having a beach length of more than 846.36 km, can produce a sustainable potential of 232,500 tons/year supported by Fish Landing Places (TPI) and Ocean Fishery Ports (PPS)^[9]. The economic growth rate of Merauke Regency in 2018 was recorded at 8.11

percent and in 2019 it was 7.57 percent^[10] which means a decrease of 0.54 percent, but higher than the Papua Province's economic growth rate of 6.3 percent^[11].

The results of the research strategy of coastal area management in Merauke Regency^[12] found that local government management policies are still sectoral and less integrated, with the priority of management strategies on strengthening programs on community-based conservation. First, the creation of an atmosphere or climate that allows the community to develop. Second, improving the community's ability to build through various financial assistance, training, infrastructure, and facilities development, both physical and social, as well as institutional development in the regions. Third, the protection of the social structure of the community in the social system is the most important factor in implementing community empowerment, including the economic and political system^[13]. The novelty of research on coastal community empowerment strategies is a SWOT analysis of community empowerment programs in accordance with existing potential, as well as supporting factors and inhibiting factors for empowerment programs. The purpose of this research is to formulate the main strategies and work programs that need to be taken to improve the economy of the people in Merauke Regency. It can also provide direction in the optimal and sustainable use of coastal community resources to increase and distribute community welfare in accordance with the vision of Merauke Regency to become the mainstay of intelligent and healthy humans, the gate of national food, the gate of prosperity and peace of mind of the archipelago.

2. Research Methods

This study uses a qualitative method through interviews with decision makers from the Merauke Regency Fishery Office, businessmen and fisherman community leaders. The research location is in Merauke Regency, Papua Province, which was chosen with the consideration that Merauke Regency is an area where most of the people work as fishermen. Region determination of the entire sub-district as the research area is carried out by considering the geographical characteristics of the area. Other considerations that are also used are the number of community business units, economic growth in form, contributions to the formation of GRDP and employment opportunities, as well as local government policies.

The focus of research is on community empowerment strategies by displaying the variables used, namely (1) internal factors in the form of strengths and weaknesses and (2) external factors in the form of opportunities and threats. Data analysis in this study uses a SWOT

(Strengths, Weaknesses, Opportunities, Threats) analysis model as a tool to determine whether aggressive, conservative, defensive, or competitive strategies are the most appropriate for a particular organization. Dimensional matrix applied several parallels that can be drawn for public and nonprofit organizations that represent two internal dimensions (financial strength and competitive advantage) and two external dimensions (environmental stability and industrial strength).

3. Results and Discussions

3.1 State of Natural Resources

3.1.1 Fishery Products Processing

The results of fishing in Merauke Regency have been marketed to the international market since 1994 by PT. Djarma Aru with the management of fish fillets and shrimp^[14], as well as for the domestic market sent to Surabaya, marketing of marine product processing is good because it already has regular customers, and the demand continues to increase every year.

3.1.2 Cultivation and Capture Fisheries

Currently, cultivation and capture activities are filled with fish fillet, shrimp paste, salted fish and fresh shrimp which are sent via airplane cargo. The results of processing salted fish and shrimp paste from Merauke Regency are very popular and demand is increasing in each marketing period.

3.1.3 Coastal Management

Activities carried out include planting mangrove seedlings and making slope. This mangrove forest conservation activity is filled with training on planting and

seeding as well as sorting mangrove seedlings.

3.2 Obstacle Factors

Barriers faced in empowering the community: (a) lack of community enthusiasm, (b) lack of collaboration between agencies, (c) limited budget provided, (d) continuity of the implemented program.

3.3 Supporting Factors

- a. Government commitment in accordance with the vision and mission of Merauke Regency;
- b. There are trainings for HR development;
- c. Government assistance in the form of nets, cool strategy etc.;
- d. There are groups that care about the environment;
- e. Local regulations that are not burdensome;
- f. Stable political environment;
- g. Geographical conditions and the potential of the coast are very large;

3.4 Identification of Strategic Issues

In determining a step that must be taken, formulating strategic issues is a very important thing that must be done by an organization. Strategic issues can be obtained through a strategic management approach by analyzing various supporting factors (strengths and opportunities) and inhibiting factors (weaknesses and threats). The concept of community empowerment and poverty alleviation of fishing communities in general will be influenced by the internal and external environment, which can determine the level of success in improving community welfare. The internal environment will synergistically determine strengths and weaknesses, then the external environment will synergistically determine

Table 1. Matrix of Evaluation of Internal and External Factors for Empowerment of the Fishery Sector in Merauke Regency

| | STRENGTH | WEAKNESS |
|----------|--|--|
| INTERNAL | Huge potential of fishery resources. Easy to absorb new technology. Can maintain environmental conservation. | Skills and mastery of technology still not enough. High work spirit but ability Low entrepreneurship. The average level of education is low. Low capital capability. |
| | OPPORTUNITY | THREAT |
| EXTERNAL | The demand for fish production is high. Availability of credit facilities for fishermen. fishing ground is close and wide. Cheap labor. Water quality is quite good. | Damage to marine ecosystems due to overfishing. The market price is still low. at the fisherman level. High operating costs. |

Source: SWOT Analysis, 2021

the opportunities and threats that will be faced by fishing communities.

The analysis of various aspects that have an important influence on the empowerment of fishing communities in Merauke Regency, can be identified internal environmental factors (strengths and weaknesses) and strategic externals (opportunities and threats), based on the survey results, known strengths and weaknesses, as well as opportunities and threats from the fishing community as set out in Table 1. The formulation of strategies for empowering fishing communities in Merauke Regency is carried out using a SWOT analysis based on strategic environmental factors. The alternative strategies which are the formulation of a strategic plan for community empowerment for poverty reduction in Merauke Regency, the results of generating the SWOT matrix are presented in Table 2.

Table 2. Fisherman Community Empowerment Strategy in Merauke Regency

| | STRENGTH | WEAKNESS |
|----------|---|---|
| INTERNAL | Providing easy credit facilities for fishermen. | Introduction of appropriate technology to fishermen. |
| | Market intervention by government and related agencies. | Development of fish processing business diversification and selling price intervention. |
| | OPPORTUNITY | THREAT |
| EXTERNAL | Complicated fishing vessel licensing management. | Fuel price subsidies for fishermen. |
| | Special fuel distribution regulations for fishermen. | Regulations to prevent overfishing through clear rules. |

Source: SWOT Analysis, 2021

The results of the analysis of the strategy for empowering fishing communities can formulate strategies for empowering fishing communities. Then formulated several strategic programs for poverty alleviation, namely 1) increasing the role of financial institutions; 2) increasing the productivity of fishermen; 3) improving the welfare of fishermen 4) conservation of fish resources.

The design of this strategy program is then made a multiple matrix which refers to a table of numerical scales and is then responded to by the respondents. The results of the assessment of each stakeholder turned out to have different program priority options, such as different program priorities from the government and the empowerment program priorities from academia and the government having different program priorities. After conducting a SWOT analysis, the results show that the component of increasing fishermen's productivity has

the highest weight value in the selection of alternative strategy programs for empowering fishing communities in Merauke Regency, then followed by programs to increase the role of local institutions and conservation of fish resources around the waters.

Table 3. Activity Plan Based on Weight and Priority of Community Economic Empowerment Program

| Program | Activity |
|---------------------------|---|
| Increase in Fishermen | Productivity |
| | 1. Facilitating ship ownership credit for potential captains 2. Social Security Social Security 3. Encouraging the role of Local Governments for capital assistance and market price intervention |
| Institutional Improvement | Local Role |
| | 1. Forming a joint business group and mentoring 2. Provide training on fish processing business diversification |

Source: SWOT Analysis, 2021

The main argument in formulating this strategic plan is since Merauke Regency has large coastal and marine resources. One of the keys to success in the economic empowerment of coastal communities in Merauke Regency who depend on their source of income directly depends on marine products. The production of fishing communities in Merauke Regency is highly dependent on the weather. In certain seasons, the amount of production can be so abundant that it cannot be absorbed by the market. This causes prices to be very low due to abundant harvests. However, during the dry season or bad weather, the production yield is so small that the results from fishing are not able to cover operational costs, so it is necessary to verify with a fishpond business for people who have land and a form of capital to be able to enlarge fishing boats so that they are more reliable for use during the wave season.

3.5 Priority Strategy and Program Elaboration

In general, of all the components in the SWOT factors that have been identified, the strategic program based on the results of generating the SWOT matrix is as follows:

The SO (strength-opportunity) strategy includes a more intensive socialization program of credit facilities for fishermen and a market intervention program by the government,

The WO strategy (weaknesses-opportunities) includes an introduction to appropriate technology programs for fishermen, and a diversification program for developing fish processing businesses and fishponds.

The ST strategy (threat-strengths include the program

to facilitate the processing of ship permits, and the deregulation program for the distribution of fuel oil specifically for fishermen.

The WT (weakness-threats) strategies include a fuel price subsidy program for fishermen and a regulation-making program to prevent overfishing.

The results of the SWOT analysis show that the component of strength (S) has the highest weight value in determining the strategy of empowering fishing communities, followed by the components of opportunities (O), weaknesses (W), and threats (T). The internal factor of the fishing community empowerment strategy is dominated by the strength component, while the dominant external factor is the threat component. The magnitude of the strength and threat factors compared to the weaknesses and opportunities in the strategy of empowering fishing communities is an indicator of success in empowering fishing communities in Merauke Regency. Furthermore, from the strength's component, the determining factors in the strategy for empowering the fishing community of Merauke Regency are: (a) long coastline; (b) high morale; (c) open to change. Based on the results of the analysis of these strength factors, it turns out that the factor of high morale is the main strength factor in the strategy of empowering the fishing community of Merauke Regency. High work spirit in managing the potential of aquatic resources is the main capital that has the potential to be developed. Thus, this factor is expected to be maximized, considering the vast potential available for improving the welfare of the fishing community of Merauke Regency in the future. Until now, it has been proven that the Merauke Regency area is an archipelagic area, most of which consists of sea waters.

The results of the analysis of the components of the weakness of the factors that determine the community empowerment strategy of Merauke Regency are 1) skills and mastery of technology are still lacking; 2) low entrepreneurial spirit; 3) the average level of education is low; 4) still dependent on investors (fish buyers) who provide loans. Based on the results of the analysis of the ranking of the factors of weakness above, it turns out that 1) skills and mastery of technology are still lacking; 2) low entrepreneurial spirit; 3) the average level of education is low; 4) low bargaining position against collectors is a fundamental weakness factor in the context of empowering fishing communities in the district Merauke. For this reason, the formulation of strategies that will be implemented in empowering fishing communities needs to consider these factors so that they can run according to what is desired.

The results of the analysis of the components of opportunities, the determining factors in the strategy of empow-

ering the fishing community of Merauke Regency are 1) high demand for fish production; 2) availability of credit facilities for fishermen; 3) the fishing ground is close and wide; 4) cheap labor and 5) water quality is quite good. Based on the results of the analysis of the ranking of the opportunity factors above, it is known that the cheap labor factor is the most important factor to be optimized, as an opportunity to empower the fishing community in Merauke Regency. This is also supported by the close and wide fishing ground, which is an important opportunity to be considered. Based on the results of data processing above, it shows that the SWOT component with the lowest weight is the opportunity component.

Threats component of the factors that determine the strategy of developing community food barns are 1) damage to marine ecosystems due to overfishing; 2) the market price is determined by the financier; 3) high fuel prices; 4) fishing depends on the season and 5) production yields fluctuate. Based on the analysis of the ranking of these threat factors, damage to marine ecosystems due to destructive fishing is a serious threat factor in empowering fishing communities in Merauke Regency. The weight of this factor is very high. It shows that this factor is expected to be overcome soon and it is hoped that a strategy will be implemented to be able to immediately overcome the problem.

4. Conclusions

The results of the SWOT analysis, the factor with the highest priority in the strategy of empowering coastal communities in Merauke Regency to improve the welfare of coastal communities shows that the component of increasing fisherman productivity has the highest weight value in the selection of alternative fishing community empowerment programs in Merauke Regency, then followed by the component of increasing the role of capital assistance and market intervention, all of which lead to the development of the skills of fishermen to increase productivity and increase selling points.

Barrier factors experienced by coastal communities are low human resources and the ability of the community to obtain business credit assistance, lack of government funds to finance and difficulties in managing shipping permits, as well as the absence of other business diversification that supports when the water conditions are bumpy and still rely on only on marine fishery products. Supporting factors are commitment, a stable political environment, regulations that do not burdensome, people who want to change, there is environmental concern, integration with the vision and mission of the service and the vision and mission of the Merauke Regency Government.

An advancement in productivity usually comes with a price to pay, economic empowerment through marine products will cause the possibility of natural damage, unbalance ecosystem, coupled with the lack of community awareness and action in preserving natural resources and ecosystem. It can be seen from the amount of consumption waste from the fishermen themselves and household waste from community around the coastal area. With the vastness of the sea area, there are indeed limitations for the Government to oversee destructive fishing activities. Starting from the limitations of supervisory personnel, supervisory ships, and a very wide area coverage. For this reason, community participation is needed to jointly fight the perpetrators of destructive fishing^[15], the lack of knowledge and education can be caused by low education of the local community, therefore relevant agencies must take serious actions in educating and preventing the possibility of damages. In the event that damages occur, this will take a long time to reverse the condition, this will eliminate sources of income for the coastal community, and also destroying the environment (landslide, flood, natural ecosystem death). Economic empowerment should and must be renewable to be able to provide many generations to come. The use of fishing methods and means should be under Government surveillance. Government should also protect its territory from illegal and destructive fishing to protect the sustainability of aquatic ecosystems. Destructive fishing activities carried out by members of the public generally use explosives (fish bombs), and the use of toxic materials to catch fish. The use of these materials causes damage to coral reefs and the surrounding ecosystem and causes the death of various types and sizes that exist in these waters^[15].

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ARTICLE

Office Bullying in the Philippines and the Need for Public Policy

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ARTICLE INFO

Article history

Received: 23 December 2021

Accepted: 7 January 2022

Published Online: 13 January 2022

Keywords:

Workplace behavior

Aggressive behavior

Workers well-being

Social problem

National legislation

ABSTRACT

There is an urgent need to solve the problem of workplace bullying in both private and government sectors. Bullying at work creates serious negative consequences to the victims and the organization affecting their productivity. The magnitude of the problem necessitates state intervention to correct market and government failures. This policy paper studies office bullying and the need to legislate to realize efficient and effective allocation of government and private resources. It is guided by the Constitutional mandate that maintenance of peace, harmony, health and safety at work is an inherent duty of the State because of its inherent power to issue orders and command obedience to mitigate its effects. Using Cost Benefit Analysis, Institutional Analysis to policy making, and Rational-Decision making as tools for analysis, crafting and passing upon a statute is the most feasible means to address the problem of workplace bullying. The need to legislate a national policy on workplace bullying is necessary to mitigate its negative consequences both to employees and organizational productivity. Office bullying as a public issue also requires strict monitoring and evaluation of the implementation of similar or related laws may also address the problems cause by the same destructive behaviors but are inadequately explored in many researches.

1. Introduction

1.1 The Problem

The problem of workplace bullying must be addressed in both private and government sectors. Bullying at work creates serious consequences to the victims and the organization itself. The problem is often overlooked as it is usually done surreptitiously, in a way that only the victim or the bullied would be able to tell that bullying is taking place. Only when the victim of bullying has

gone past the point of anxiety and is starting to manifest depression that in turn affects his or her work output is bullying considered.

In a big organization or company, the cost of bullying could amount to billions of lost profits due to its adverse effects on human resource in the form of frequent turnover of employees and loss in productivity. The damages caused to the victims and their families are beyond pecuniary estimation and material equivalence^[1].

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DOI: <https://doi.org/10.30564/mmpp.v3i4.4265>

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Among the recent existing literature, the definition of this problem provided by Escartin et al. ^[2] is the most comprehensive and appropriate for the purpose of the present study, to wit;

“A set of behaviors - of different types (emotional, cognitive, behavioral and contextual) and severity - made towards a person and/or their labor context, which by its own nature, duration and repetition are harmful for the members of the organization and, in most of the cases, also for the organization itself” ^[2]

Researches on the effects of this problem focused on both the psychological impact on the victim and on organizational productivity. Bullying negatively impacts the victim's health, leading to low productivity and loss of work enthusiasm ^[3]. It can also destroy the victim's self-confidence and self-worth, resulting in psychological disturbance and post-traumatic stress disorder ^[4].

There are numerous examples of acts considered as workplace bullying by existing studies. For Strandmark ^[5], bullying is when one struggles for power or uses slander, deceit, insult, injustice, or special treatment to alienate the bullied individual. For Saunders, et al. ^[6], bullying is manifested in the form of verbal abuse, offensive language, spreading rumors about a co-worker, derogatory comments, violation of rights to get the job done efficiently; and deliberate and systematic attempts to lower the self-esteem of another individual through words and actions. Comparatively, Keskin, et al. ^[7] assert that bullying can be in the form of repeated unreasonable behavior directed toward an individual or group, creating a risk to health and safety in the process. The advancement in science and technology gave rise to another form of bullying known as cyberbullying.

Furthermore, Rulka ^[8] and the Canadian Center for Occupational Health and Safety ^[9] interpret acts of bullying as circulating false and malicious rumors, ostracizing someone, threatening another, withholding information, making offensive jokes, using profanity, tampering of personal belongings of a co-worker, making undue criticisms, intruding into the private space of another, and setting unreasonable tasks and deadlines as common forms of bullying. The unjustness and derogatory statements of the bullies often create tremendous stress to the bullied to the point of inefficiency at work and in the performance of assigned tasks.

On the organizational productivity side, the phenomenon of workplace bullying costs the company billions of losses due to declining volume of production and other human resources management-related implications ^[10,11]. Workplace bullying negatively affects the victim's health and deteriorates the organizational capacity to produce

optimum work-related output, thereby defying the Pareto efficiency rule ^[12].

1.2 The Market and Government Failures that Made Bullying a Public Issue

There is a need to provide policy intervention to correct the market and government failures as regards the problem of office bullying. The prevalence of workplace bullying in both private and government sectors create negative externalities to the victim's families and employers. The most common consequence of bullying is personal and psychological to the victims. This would make the victim demotivated to work or totally abandon the job and look for career opportunity elsewhere where she/he feels that bullies do not abound. This creates a problem of negative externality to the family members who receive financial support from the victim.

The problem of bullying creates asymmetry of information the victim refuses or seldom reports the matter to the proper authority for lack of sufficient basis to seek redress of grievances as there is neither policy at organizational level nor a statute that penalizes the act of bullying.

Office bullying also causes externalities on the part of the government and private organization. The owner of the company or the government, being the employer of the public sector suffers from declining productivity and/or increase employee turnover due to workplace harassment. While the bully sometimes, as it is more of a formed attitude, does not know that his aggressive behavior creates adverse effects on the part of the bullied employee gravely sacrificing the allocation efficiency on the production side. This externality cannot be solved without government intervention in the form of laws. The external cost of bullying is also not considered in the computation of operational cost. The suffering experienced by bullied personnel should be part of the Corporate Social Responsibility (CSR) which all enterprises in the market must allot funds for enhancement and cultivation of proper values for peace and harmony at the workplace. The organization must invest capital to avoid bullying at work in the form of awareness campaign and human resource development program or policy. However, considering that there is no law penalizing the act, there is no basis for the company to include the same in their planning and budgeting programs. Preventing workplace bullying should be the concern of all organized groups in the production side. The government in the form of legislation, Chief Executive Officer (CEO) for policy at the agency level, and organized labor union as watch dog to ensure implementation of policy on the matter.

Relatedly, there is a perceived failure of the government

on the issue of workplace bullying. The transaction cost between seller and buyer is ideal when the government leaves them alone in their transaction. However, when what is involved are public goods where there is non-rivalry and non-excludability, like provision of enabling law to change destructive behavior in society, the utility of many does not affect the benefits to others. In the case of public goods and the exclusive power of the state to legislate laws for common good, it is only the State that has the instrument and capacity to intervene to minimize the adverse consequences of a certain behavior, in this case workplace harassment.

The presence of workplace bullies almost always creates adverse selection in the promotion process. Since bully manager or supervisor is given the opportunity to recommend among his subordinates who should be promoted, subordinates applying for promotion should get along with the boss for recommendation purposes. If the relationship with the recommending authority is good then, there will be no problem. However, if the supervisor is bullying his subordinate despite his efficient performance, there will always be an adverse selection in the promotional process for a bully supervisor.

The commission of bully behavior is also creating a moral hazard. The bully is committing the act knowing that there is no policy penalizing the same. The negative effect of bullying is incurred by the bullied that may be in terms of work productivity and the organization in terms of undue increasing the cost of production and inefficiency. Therefore, it is the organization and the individual who is bullied that would bear the loss and not the bully worker. There is a greater tendency to perpetuate the behavior despite of its negative effects on individual and organization in terms of productivity.

The lack of a governing law leaves the victims and employees both of the public and private sectors no recourse or remedy when they experience bullying at work. The lack of mechanism and policy therefore is a clear failure of the government to respond to its duty of maintaining peace and order in the society and commiserate with the victim's conditions.

The objective of this paper is to establish the need to legislate a specific law on workplace bullying. It argues that legislating a new policy is more sustainable and less costly for the government. On a positive note, legislation on the matter would bear positive outcome and greater chances of success as experienced with numerous related laws now passed by the Congress of the Philippines. Some of which are, the law on sexual harassment, cyberbullying, public spaces act, organizational health and safety, Gender and Development law and many

other similar laws that were positively adopted by the law-making body. Historically, this nature of legislation receives Congressional support and approval.

1.3 Workplace Bullying in the World

The Prevalence of workplace violence and harassment is a global issue. It is supported by several studies around the world and over the years ^[13,14]. It has a wide range of terms and it varies across different workplaces and cultures: it includes workplace harassment, abusive supervision, workplace violence, workplace aggression, workplace victimization, workplace incivility, verbal and psychological abuse, mobbing, and bullying ^[13,15]. A clear definition of the phenomenon is necessary to intensify preventive measures and intervention. According to an integrative review of existing studies, workplace bullying is defined and categorized as "work related, personal, and physical/threatening" ^[16]. These negative behaviors have significant impact to both the individual and the organization. There is lack of clear definition of workplace bullying among employees and employers. This hinders appropriate and effective intervention. This inadequate common definition across all countries prevents employers and victims recognize non-physical acts as a type of violence ^[17]. Since bullying manifests in many forms, it is usually overlooked ^[14] and seriously affects the bullied and the organization when neglected. Workplace bullying is among the workplace injustices that contribute to occupational health disparities ^[18,19].

Data collected from literature published in 2018 alone provide a picture of what workplace bullying seems like across ages and sexes. The data from Career Builder ^[20] implies that 72% of workplace harassment victims do not report the incident and while 98% of companies have a corporate sexual harassment policy only 51% implemented new procedures or training. The figure seemingly corroborates with the study of Kearn and commissioned by the Stop Street Harassment ^[21] which found that 81% of women have experienced sexual harassment in their lifetime.

Workplace bullying negatively affects organizational efficiency and productivity. After analyzing all published studies, it was found that workplace bullying has a clear association with suicidal ideation ^[13,22]. It does not only affect health and well-being of employees but has significant toll on organizations as well as national and global economies ^[13]. Increased employee turnover is one of its major costs in an organization ^[23,24]. It is one of the foremost factors that increase costs for organizations due to employee turnover and absenteeism, reduced productivity and commitment, and health officers and

Human Resources managers' interventions^[25]. Its effect leads to a loss of 200 hours of productivity and 400 hours of absenteeism^[26,27]. For instance, a school with 1,100 staff in the United States loses more than US\$4.6 million annually due to workplace bullying^[28]. In the UK, bullying could cost the economy as much as £13.75 billion annually^[29,30]. While in Germany, absenteeism caused by bullying amounts to around €15 billion a year^[31]. Further, workplace violence is connoted as an "organizational menace" that annually costs US organizations "US\$ 23.8 billion in health-care costs, lost productivity, lower morale, increased absenteeism, and workplace withdrawal"^[13,32]. Thus, workplace bullying prevention implies prevention of loss and wastage of resources^[33,34].

Workplace Bullying in the Philippines

The Philippines has a number of studies related to workplace bullying largely due to the absence of statute governing such behavior. Different institutions and professional classifications experience workplace bullying. It is present in health care institutions^[33,35,36] and is associated with increased risks of poor health and work-related health outcomes for Philippine nurses^[37]. It is also a significant factor influencing nurses' decision to leave local hospitals in the country^[38,39].

Workplace bullying hindered efficient service delivery. Workplace bullying has been experienced by many employees working in both public and private institutions^[40]. In a university of 1254 employees for instance, and regardless of positions, 36.94% or 425 reported the presence of workplace bullying in the organization^[41]. In Davao City, Philippines, 20 teachers experienced emotional, verbal, physical, as well as cyber bullying^[42]. Still, in several private companies in the 4th district of Nueva Ecija, workplace bullying is found to be the major cause of employee burnout^[43]. While bullying in private hospitals in Cabanatuan City is perceived to be at a moderate level among 153 nurses and 20 managerial nurses pointing to seniority and work promotion at the high level among indicators of bullying which require revisit of related processes and policies to prevent create bullying environment^[33].

Bullying cannot serve as a trade-off for peace of mind in exchange of high salary. It is one factor that restricts peace and tranquility in a professional environment^[44]. The absence of law in workplace should not limit both the employees and employers' options to deal with it^[45]. Managerial employees must play an essential role in preventing bullying acts that block efficient public service delivery^[44].

2. Materials and Methods

The study utilized qualitative descriptive method of

research. It employed document analysis in gathering pieces of evidence to support the argument that there is a need to craft workplace bullying law in the Philippines and to prevent commission of this behavior. The paper used rational decision-making theory as its frame of analysis. The model is illustrated below.

Work place bullying is the problem that negatively affects individual worker and the organization where one works for. To determine the best option to solve the problem, decision criteria are set including among others: Cost Benefit Analysis (CBA), Feasibility Analysis including Technical Feasibility, Economic Feasibility and Organizational Feasibility.

The framework of analysis is shown in this process flow (Figure 1) for rational decision model:

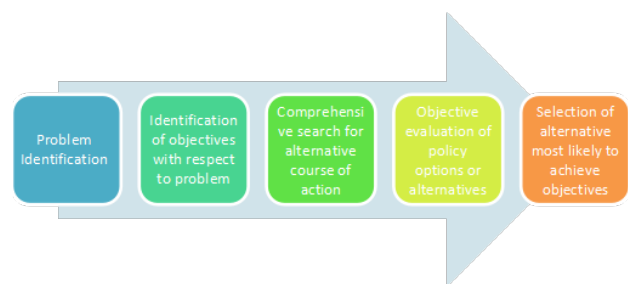


Figure 1. Rational decision-making model.

Modified from source: Heracleous, 1994, p. 17^[46]

The option that gets the greater number of positive outcomes after looking into the surrounding facts and circumstances that are present in the policy options or alternatives will be taken as the best alternative or option. There is no need to provide numerical criteria as many of the benchmarks are descriptive in nature except the Cost Benefit Analysis where the greatest gain for the society and the State is presented in terms of capital investment.

The comparison is made with the existing related but separate policies that govern acts similar to workplace bullying. The evaluation of the different laws already in place serves as the status quo while modification of these laws already implemented could be considered as the incremental option. Finally, the option that provides greater advantage and observance of the decision criteria shall be considered as the best alternative. The next chapter provides the results and discussion on the analysis of alternatives or policy options in comparison to workplace bullying.

3. Results

There are three possible policy options to the issue of workplace bullying. One option is to retain the status quo that is to leave the problem as is and wait until the existing

laws take its course and eventually solve the problem. The other policy option is to implement incremental development in the existing laws and experiment on the its would be results to address the problem of workplace bullying. The last option in the row is the crafting of a new law in the form of national legislation dealing specifically on the problem of workplace bullying behavior. The proposed policies for each option are presented on a matrix. The rational model of decision making on the other hand is presented on column 3 and subjected to in depth policy analysis. All the options are illustrated under the discussion section.

4. Discussion

Policy Options to Address the Problem of Workplace Bullying

Bullying across institutions remains a major problem with severe short and long-term consequences for victims and bullies alike. The following illustrations (Table 1) show the alternative policies to address the problem:

a. Cost-Benefit Analysis

Most of the incremental policies included in the above matrix do not require additional budget but rather a reinforcement of existing policies and strengthening of mechanisms. What is lacking is the political will of the implementers to mainstream the provisions of the law to local guidelines. However, at some point, a budget is necessary to build the implementers' capacity and provide additional personnel to ensure compliance in the grassroots, especially for bullying occurring in the streets and public places. Another approach is to maximize the Gender and Development (GAD) Fund, which is now available among LGUs and public institutions.

Table 1. Policy options to address the problem of workplace bullying

| Policy 1: Status Quo | Policy Option 2 Incremental | Policy Option 3: Rational |
|--|--|---|
| Banning gender-based sexual harassment in all public places, including streets, workplaces, recreational areas, and public vehicles (Republic Act 10627) | <p>Anti-catcalling ordinance: Crafting and implementation of Anti-catcalling ordinance in local government units</p> <p>Public Surveillance System for Control of Gender-based Harassment Setting-up of Closed-Circuit Television (CCTV) cameras to aid in the filing of cases and gathering of evidence and prevention of gender-based sexual harassment (GBSH)</p> <p>Integration of Sexual Harassment and Workplace Bullying to Gender and Development Plans Allotment of a budget under the GAD Fund for the implementation of programs, projects, and capacity development activities for personnel and stakeholders on the prevention of Gender-based Sexual Harassment and Workplace Bullying</p> <p>Institutionalization of mechanisms for Workplace Bullying-related grievances: Institute mechanisms for handling and documentation of complaints such as those contained in:</p> <ul style="list-style-type: none"> • CSC Resolution No. 01-0940 (Administrative Disciplinary Rules on Sexual Harassment Cases) recognizing sexual aggression and behavior committed in specific workplaces as an administrative offense • 2017 Rules on Administrative Cases in the Civil Service (RACCS), specifically those pertaining to the administrative proceedings for sexual harassment complaints where the offender is a government employee. • CHED Memorandum Order No. 26 s. 2003 enjoining the creation in every higher education institution of a Committee on Decorum and Investigation on Sexual Harassment to avoid commission of sex-related offenses against students, faculty, and staff. | <p>Anti-Workplace Bullying Law: Legislate a national law prohibiting workplace bullying in all public and private organizations and provide mechanisms for implementation and fund therefor. The legislation should take into consideration the different acts of bullying such as, but not limited to:</p> <ul style="list-style-type: none"> • Spreading malicious rumors/defamatory gossip • Social isolation • Intimidation • Deliberately impeding one's work • Physical abuse or threat • Reassignment without justification • Imposing impossible deadlines and unreasonable workloads • Withholding information or purposefully giving the wrong information • Making offensive jokes • Intruding on a person's privacy • Creating a feeling of uselessness • Yelling/profanity • Making irrational criticisms • Blocking applications for training or promotion • Tampering one's personal belongings/work equipment <p>Every institution shall adapt the policies contained in existing laws and legislations, as well as, localize policies and programs fit to the workplace condition.</p> |

| Policy 1: Status Quo | Policy Option 2 Incremental | Policy Option 3: Rational |
|--|--|--|
| Cyberbullying prevention (Republic Act 10175 or Cybercrime Prevention Act of 2012) | <p>Inclusion of Cyberbullying prevention mechanisms to the institution's Operational Manual and Employee Orientation:</p> <p>Promoting the right of an individual not to have private information about himself disclosed, and to live freely from surveillance and intrusion as contained in the Republic Act No. 10173 or the Data Privacy Act of 2012. It addresses the issue on workplace bullying involving intruding on a person's privacy by pestering, spying or stalking.</p> <p>The institution shall have a clear and proactive program on cyberbullying prevention. To reach wider audience, information about cybercrime and cyberbullying may be included in the institution's Operational Manual and Employee Orientation.</p> | <p>Imposition of penalties for breach of cybersecurity protocols</p> <p>Adoption of the National Cybersecurity Plan 2022 (NCSP) and penalizing illegal acts and acts of bullying (e.g., Offensive communication, threats, coercion, intrusion) done via the Internet.</p> |

(1) Tangible Benefits

Table 2a. Cost-Benefit Analysis

| Promotion of Safe spaces through installation of CCTV camera system (computed based on the number of barangays (42,046), universities (436) and medium and large enterprises (9,367), 2 cameras worth P10,000.00 each and 3% maintenance cost per year) | | | |
|---|---------------|---------------------------|--------------------------------------|
| Year | Cost | Present Value (PV) Factor | PV Benefit Expected from the project |
| Year 1 | 1,036,980,000 | 0.971 | 987766990.29 |
| Year 2 | 1,068,089,400 | 0.943 | 1006946931.85 |
| Year 3 | 1,100,132,082 | 0.915 | 1026499299.46 |
| Total | 3,205,201,482 | | 3021213221.60 |
| Benefit-Cost Ratio | | | 2.91 |

The benefit-cost ratio of the project is 2.91 which indicates almost 3 times return on investment. The project will therefore create additional value (feasible) and as such should be positively considered.

The findings show that installation of CCTV cameras in every barangay, schools, and commercial areas will bring positive result and is likely to contribute to faster reporting of bullying incidents and other crimes.

Table 2b. Cost-Benefit Analysis

| Capacitating personnel on Anti-Sexual harassment in the workplace to be funded using GAD budget (at P400,000.00 initial annual budget per institution, with P50,000.00 increase per annum to accommodate more participants) | | | |
|---|-----------|---------------------------|--------------------------------------|
| Year | Cost | Present Value (PV) Factor | PV Benefit Expected from the project |
| Year 1 | 400,000 | 0.952 | 380952.38 |
| Year 2 | 450,000 | 0.943 | 424168.16 |
| Year 3 | 500,000 | 0.915 | 457570.83 |
| Total | 1,350,000 | | 1262691.37 |
| Benefit-Cost Ratio | | | 3.16 |

The benefit-cost ratio of the project is 3.16 which

indicates 3 times return on investment. The project will therefore create additional value (feasible) and as such should be positively considered.

This will not only maximize the use of the Gender and Development Fund but also educate the personnel and stakeholders on the much-needed policies and strategies to curb sexual harassment and bullying in the workplace.

Educating the personnel and the workforce about what constitute workplace bullying and the possible consequences of their actions including legal actions may possibly lead to reduction of offenders; contributing as well to the reduction in cases of cyberbullying in the workplace.

(2) Intangible Benefits

Safe workplace, Capacitated workforce, Reduction in cybercrime offenders.

As for the material resource, the installation of CCTV cameras may be beneficial in the monitoring, documentation, and reporting of incidents of bullying and harassment since statistics would tell that several victims opt not to report their experience out of fear and difficulty in establishing evidence. In terms of cost, the minimum requirement would be around P1,036,980,000.00 pesos computed based on the number of barangays, universities, and medium and large enterprises in the Philippines (51,849) as of the 2020 census and the lowest price of CCTV package/installation, which is P10,000 per unit (each barangay having two units). The only problem with CCTVs is that it will not be able to record to actual words being said by the bully to the one being bullied, hence proof would rely solely on the actions, facial expressions, and verbal signs that the CCTV would be able to capture.

Many anti-bullying policies and programs have been developed and tested for effectiveness in the past years. If viewed on the perspective of the possible reduction in the number of cybercrime offenders and personal cost of 50,000 pesos, three times return on investment is expected. The cost-benefit analyses presented herein can be seen in various perspectives (individual, organizational, or societal). Also, the process addressed whether the expected benefits for the

proposed incremental and rational policies in terms of short-term and long-term benefits are more significant than the costs required for implementing them.

Is there a good value for money to invest in anti-bullying policies?

The chosen estimates in this study were conservative, and were measured via its cost and benefit only. It was assumed that the local government units and public and private institutions will implement anti-bullying policies on the cost side. On the benefit side, the quantified monetary requirements offered the return of investment for the long-term implementation of the intervention. Calculations on the costs and benefits showed that investing in anti-bullying policies and programs can be valuable.

The proposed legislation shall meet the requirement of effectiveness considering that it will squarely address the problem on office bullying. The legislation will cover acts and aggressive behaviors in the workplace not covered by existing laws.

Efficiency in the adoption of rational policy option is found to be the most efficient. Other options would only leave the problem unattended as there is no law punishing it. The cost of implementation shall be to the burden of both public and private sectors. The structures and mechanisms already well-established in each organization may also be used to implement an anti-workplace bullying act. It needs no additional budget because the mechanisms are already in the organizations. On the other hand, the cost of workplace bullying, as shown by the many credible documents and the guided interviews, is high to both government and private organizations.

The policy if implemented would benefit victims of workplace bullying suffering in silence and their families. It would also encourage equal opportunity for workers to increase productivity leading to work promotion and career improvement. The policy will also ensure peaceful and harmonious relationship at the workplace. Frequent turn-overs due to disturbing work structures and productivity may be prevented if a policy is crafted.

b. Feasibility Analysis

This section carries out a feasibility analysis of the prospective policy options aimed at addressing workplace bullying in the Philippines.

(1) Technical Feasibility and Technical Risk Analysis

In terms of technical feasibility, the options presented requires technical know-how and technology-based materials. The strategies include the installation of Closed-Circuit Television (CCTV) cameras in strategic areas in the barangays, universities, and commercial areas/business centers where bullying and sexual harassments may happen. Even with the estimated investment of ₱3,205,201,482.00 for

three years, the benefit outweighs the cost.

While there are perceived benefits, there are also potential risks such as maintenance and deterioration of the installed cameras with 3% increase in the initial cost considering possible inflation.

(2) Economic Feasibility

As for the options to legislate national laws and adopt the National Cybersecurity Plan, the only requirement is the political will of the legislators with some push from advocacy groups.

The national laws to be crafted may or may not require additional fund to implement policies and strategies. The new systems that will emanate from the would-be proposed and enacted policies particularly the Anti-Bullying Act has the potential to provide maximum benefits to the community, the government, and the private sector. The policies may help enhance the productivity of the people who are victims of bullying and as a result, may speed of the economy's rate of growth. The policies protecting the right of the employees may have positive implications to the economic activities and government activities as a whole.

(3) Organizational Feasibility

Also, measured is the feasibility and benefit of capacitating the institutions on anti-sexual harassment policies and the strategies that may be implemented in the workplace to control acts of harassment and bullying. The financial requirement may be sourced out from the existing Gender and Development (GAD) Fund.

When analyzed using the cost-benefit analysis, the ₱1,350,000.00 investment for three years to capacitate the workforce would be advantageous in the long run for thousands of institutions and organizations in the country.

The legal feasibility of the option is also high looking at the inherent police power of the state to legislate and implement laws intended to promote and protect public safety, public policy, public health, good customs and public morals (Article II, Section 5 Philippine Constitution)^[47].

There is also the advantage of political acceptability considering that the number of both government and private sector workers who would benefit from the legislation is innumerable. Policy makers would adopt the issue and legislate because they may invest political capital for the victims and their families as well as the owners of enterprises for increasing productivity and outputs due to prevailing workplace peace and harmony.

Finally, the path dependence model would point to a fact that legislative initiatives pertaining to workers benefits and safety received favorable support from legislators and congressional lobbyist as proven in the passage of RA10627 banning gender-based sexual harassment in all public places, including streets, workplaces, recreational areas,

and public vehicles; Non-tolerance of Sexual Harassment in the workplace^[48]; Maintenance of Safe Spaces (Republic Act 11313); Equal employment opportunity for Persons with Disabilities (Republic Act 7277); and Non-rejection of job application, termination of employment, or other discriminatory policies in hiring, provision of jobs, and “other related benefits, promotion, or assignment of an individual solely or partially based on actual, perceived, or suspected HIV status”^[49].

This piece of legislation will also trigger endowment effect on workplace bullies considering that they would tend to avoid committing the behavior because of loss aversion.

The proposed legislation will realize the constitutional provisions on the dignity of human person and the concomitant right to a peaceful and harmonious workplace free from any form of behavioral harassment and disturbance of industrial peace. The legislation will also enhance the much-needed cooperation and unity in the work place that might lead to increased productivity and cultivate a true sense of community and oneness as well as respect for co-workers, an innate trait of Filipinos which should be cultivated and cherished even in the workplace.

5. Conclusions

There is a dire need to solve the problem of workplace bullying in both private and government sectors. The cost of bullying could amount to billions of lost profits due to its adverse effects on human resource in the form of frequent turnover of employees and loss in productivity.

Researches on the effects of this problem focused on both the psychological impact on the victim and on organizational productivity. Bullying has a negative impact on the victim’s health leading to low productivity and loss of work enthusiasm while on the organizational productivity side, the phenomenon of workplace bullying costs the company billions of losses due to declining volume of production.

Looking at the problem, there is a need to revisit existing laws on workplace-related statutes and policies that aim to prevent workplace incivility and aggressive behaviors and determine whether there are enough policies covering different acts or behaviors which cause adverse impacts on employee health and organizational productivity.

There is a need to provide policy intervention to correct the market and government failures. The prevalence of workplace bullying in both private and government sectors creates negative externalities to the victim’s families and employers.

The Philippines has a number of studies related to workplace bullying largely due to the absence of statute governing such behavior.

There are current policies and statutes in the Philippines governing workplace incivility and aggressive behavior but there is no specific legislation covering workplace bullying. The problem of workplace bullying is not addressed by the existing laws in the Philippines.

In the absence of a workplace bullying policy in the Philippines, there are some existing policies related to workplace bullying implemented in the country, to wit:

- Anti-sexual Harassment Act of 1995 or RA 7877;
- The Safe Spaces Act RA 11313;
- Republic Act 11058;
- JMC No. 1 s. 2020;
- Republic Act 11036;
- DOLE DO. No. 208 series of 2020; and
- CSC MC. No. 04, s. 2020

All the policies mentioned are related to workplace bullying but only address portions of what may be considered as - or cause - bullying in the workplace.

Of all the existing policies in the country, those who are penalized under RA 10627 and RA 7877 (also known as the “Anti-Sexual Harassment Act”), have close similarity to the acts and behaviors of bullies. It is for this reason that such special laws are considered as the policies in effect relative to the Status Quo. While it is better to consider possible modification of the said law as part of the incremental option (column two) it is deemed enough to evaluate modification of RA 10627 as adequate comparison with the workplace bullying act part of the rational model of policy proposition to wit; bullying across institutions remains a major problem with severe short and long-term consequences for victims and bullies alike.

Based on cost benefit analysis, there is a good value for money when legislation is done compared to incremental development of existing related laws. There is also the intangible benefits like safe workplace, capacitated workforce, reduction in cybercrime offender.

Calculations on the costs and benefits showed that investing in anti-bullying policies and programs can be valuable.

The proposed legislation shall meet the requirement of effectiveness considering that it will squarely address the problem on office bullying. The legislation will cover acts and aggressive behaviors in the workplace not covered by existing laws. Moreover, the study proved that there are technical feasibility, and technical risk analysis, economic feasibility, and organizational feasibility. Likewise, the legal feasibility of the option is also high looking at the inherent police power of the state to legislate and implement laws intended to promote and protect public safety, public policy, public health, good customs and public morals (Article II, Section 5 Philippine Constitution). There is also the advantage of

political acceptability considering that the number of both government and private sector workers who would benefit from the legislation is innumerable.

Looking at the organization as an institution where workplace bullying tends to take place and remains a problem, the following institutional analysis might help see the need for a legislation and community actions on the issue.

Ostrom analysis would show us that mitigating workplace bullying is possible if all the individuals benefiting from a workplace peace and harmony would agree and work against proliferation of this behavior. The organization can lay down the rules and procedures on how to deal with workplace violence such as bullying in the office. A multi-group task force within the organization to prevent workplace bullying may be created with the primary mandate of detecting and identifying signs of bullying in the workplace. Early identification may prevent its commission. The task force consists of a supervisor, a representative of the rank and file, a middle level manager, and a Senior Executive. They are to craft a set of guidelines that would discourage workplace violence. This will also involve accredited employees' organization. According to Ostrom, individuals who participated in planning and benefit from a policy shall tend to support it to prevent tragedy of the commons. The observance of participatory governance might help mitigate the commission of unhealthy behavior of bullying. Also, those who are benefitting from their employment in the organization may tend to commit actions to prevent bullying.

The propensity of a person to prevent losses rather than pursue gain is a rational reality. If there will be legislation on the matter or organizational policy to discourage bullying in the workplace, the imposition of heavy penalty on anyone committing this behavior is a demotivation to many not to engage in bullying. Analysis would point to observance of loss aversion to mitigate work place bullying. Bullies may be penalized whether by means of suspension from work without pay or monetary imposition in the form of fines of deter commission of this behavior.

Many bullies are exhibiting such behavior because they are experiencing a sense of personal gratification on creating damage or over empowering the will of another. Subjecting another to the will of the bully is a sort of power gratification. This behavior is manifested across organizational units and positions. Rank and file occupying much lesser authority and power in the organization does it through aggressive actions while those occupying position of influence and authority may do it in a more sophisticated and clandestine manner such as preventing another to realize work promotion.

In both cases, the effect to the subject of bullying is the same. Therefore, the approach to mitigating bullying is and should be crafted by individuals in organization across positions in the organizations. The decision makers must provide incentives to employees reporting cases of bullying. Accredited organization should see to it that awareness campaign on work place bullying is part of its cornerstone programs.

There are many legislations in the past that were upheld and implemented because of the cooperation between rank and file, and organizational managers. The Anti-Sexual Harassment Act, Anti-Child Abuse Law, Anti-Cyber Bullying Act in basic Education, to name a few. Path dependence model of institutional analysis shows that similar legislations are favored both by Congress and Government institutions.

The proposed Anti Workplace Bullying Act is a solution to the problem of office bullying. It will not only mitigate commission of bullying but also help realize the constitutional provisions on the dignity of human person and the his/her right to a peaceful and harmonious workplace; free from any form of behavioral harassment and disturbance of industrial peace. The legislation will also enhance the much-needed cooperation and unity in the work place that might lead to increased productivity and cultivate a true sense of community and oneness as well as respect for co-workers which an innate trait of Filipinos which should be cultivated and cherished even in the workplace.

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ARTICLE

Does Digitalization Matter for Grievance Redress Mechanism? An Analysis of the E-Government Procurement in the Local Government

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ARTICLE INFO

Article history

Received: 24 December 2021

Accepted: 14 January 2022

Published Online: 18 January 2022

Keywords:

E-government procurement (e-GP)

Digitalization

Grievance-redress mechanism

General Financial Rule (GFR)

Public finance

ABSTRACT

Public procurement denotes the attainment of goods, works, or services required by governments through contracts. Public procurement is usually plagued with covert practices and exclusive forms of corruption in Bangladesh. The cost of development finance is much higher in public procurement than that of others in Bangladesh. There have been no unified rules or laws regarding government purchases since 2006. The Government of Bangladesh enacted its ever first act of public procurement, the Public Procurement Act, 2006 (PPA, 2006), and the Public Procurement Rules, 2008 (PPR, 2008). The procurement entity must disseminate procurement information through electronic medium i.e. Electronic Government Procurement (hereinafter e-GP). Despite passing over an era since its enactment, the role of the PPA, 2006 remains seriously under-researched area, specifically there is no research on the issue of the grievance redress mechanisms. The study has been done using a qualitative case study methodology, backed by both primary and secondary documentary analysis. Based on empirical data, this paper explained the role of digitalization in the process of government procurement and depicted changes that have been brought by the implementation of e-GP in government purchases. However, it concluded that the grievance redress mechanism in the process of procurement is only existing in the policy papers which need mandatory implementation for a transparent and accountable governance system. Despite the significant changes and up-gradation in digital government procurement, it is hardly found that the GRM process is digitalized. And the mass tenderers are yet to be acquainted with the improvised system apart from the consistent efforts of the government.

1. Introduction

For any organization-private and public-providing products or services in any form including construction,

design, sketch, goods, etc. is the key task. Thus, the accomplishment of the task followed by the costs associated with the concerned work is of utmost

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DOI: <https://doi.org/10.30564/mmpp.v3i4.4269>

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importance for the personnel involved. This should be ensured by value for money (VFM)-that we know from the paradigms of the New Public Management (NPM), the New Public Governance (NPG) to the New Public Service (NPS) ^[1]. The concepts of 3E's –economy, efficiency, and effectiveness should be ensured so that service delivery should not be questionable. In the 3E's concept, economy and efficiency entail the parsimony of use of resources, which means minimal use of resources and getting maximum output while effectiveness is concerned with the outcome of the effort of producing any service or product ^[2-4].

In public finance, the task of procurement is to not only purchase or deliver; it deals with politicians to be reelected following the desire of the public and the supply of resources in the budget process ^[5]. Public procurement entails the government purchases spending public funds to enhance public services. It is revealed that the contribution of public procurement to the Gross Domestic Production (GDP) of the countries of the European Union (EU) is up to 16 percent and according to the statistics of the World Trade Organization (WTO), globally the contribution of public procurement in GDP is between 10 and 15 percent i.e. the share of public procurement in GDP is higher in low and middle-income countries than rich countries ^[6]. In Bangladesh, public procurement costs much of development finance around 80% of the annual development expenditure ^[7,8]. Thus, it can be presumed that a transparent and efficient procurement process of a state can uphold the value of the political party in power for reelection and the morale of the administrators and justice for the voters: they are the ultimate taxpayer or in other words, source of public finance.

Before enactment of 'the Public Procurement Act, 2006' (hereafter the PPA, 2006) and 'the Public Procurement Rules, 2008' (hereafter the PPR, 2008), there have been no unified rules or laws regarding government purchases ^[9]. The public procurement processes were regulated through the general financial rules (GFR). Analyzing the health sector public financial management, it is argued, that general financial rule was outdated and followed weak practices for efficient formulation and implementation of budget ^[10]. The compilation of general financial rules is traced back to the British ruler and had been changed from time to time during the Pakistani regime of rule and by the government of Bangladesh (GoB) since 2003 ^[11,12]. Studies revealed that contracts awarded relating to public procurement remain a great source of corruption in the Bangladeshi administration ^[7].

In Bangladesh, there was no performance-based appraisal of a project or result-based management that

existed in the evaluation process of a government project before the enactment of the PPA, 2006, and the PPR, 2008. In this perspective, this paper aims at evaluating the grievance redress mechanism of e-government procurement (hereinafter e-GP)- specifically the grievance redress mechanism of the tenderers at the Local Government Engineering Department (LGED) of Bangladesh.

The LGED is one of the largest public sector organizations in Bangladesh. It remains the key to unlocking the rural-level development goals. The LGED bears the responsibility of planning and implementation of infrastructures, development programs like small-scale water resources at the very rural and rural-urban levels. It works closely with the local stakeholders to ensure people's participation. It maintains bottom-up planning over the stages of the implementation cycle and runs development activities with the broad objective that is to improve the socio-economic condition of the country through the supply of infrastructure at the local level and capacity building of the stakeholders. This department promotes labor-based technologies and indigenous materials to create employment at the root level. It has a wide range of diversified development programs i.e. construction of roads, bridges/culverts, and markets for social mobilization, empowerment, and environmental protection. The LGED evolved much from time to time to its current organogram. In the early sixties, the Works Program (WP) entailed with Thana Irrigation Program (TIP), Rural Works Program (RWP), and Thana Technical Development Committee (TTDC) had been formed. In the 1970s, a "Cell" was established in the Local Government Division (LGD) under the Ministry of Local Government, Rural Development and Cooperative (MLGRD&C). And in 1982, it was named the Works Program Wing (WPW) to administer a nationwide works program. After that, it became reformed with the name of Local Government Engineering Bureau under the revenue budget of the government in October 1984. The LGED was upgraded as the Local Government Engineering Department (LGED) in August 1992 ^[13]. The LGED was one of the four target agencies to implement e-GP in 2011. It topped the list by inviting the highest number of tenders among all the government departments. By 2016, LGED touched the bar of 100% works procurement in e-GP. Currently, it has a total of 898 procuring entities and all are inviting works procurement tender in e-GP. LGED is also aiming at introducing an electronic contract management system (e-CMS) by 2022 through the project called the Digitizing Implementation and Public Procurement Project (DIMAPP).

2. Research Method

The paper analyzed the background of the reform agenda –the legal state of the e-GP in the light of the PPA, 2006 and the PPR, 2008, followed by a conceptual understanding of digitalization and grievance redress mechanism. Based on the case-oriented qualitative research strategy, the required data of this paper have been collected using both primary and secondary sources. The primary source of data includes direct observation, key informant interviews, document review, content analysis, etc. The key informants were tenderers, bank officials, members of civil society and non-government organizations (NGOs), etc. The secondary sources of data include books, dissertations, journals, etc. Thus, a valid database exposes the changes that have been brought by the implementation of e-GP in government purchases towards the path of sustainable development and also addresses the grievance redress mechanism in this regard.

3. Grievance Redress Management-A Conceptual Understanding

On a general concept, the grievance may stand for a formal complaint against any unfair treatment. Opatha ^[14] (2019) from his comprehensive analysis of literature and a systematic study found that there is no generally accepted definition of a grievance. Generally, in an organization, a formal dispute between management and employee is regarded as a grievance ^[15]. The Cambridge dictionary defines ‘grievance’ as “a complaint or a strong feeling that you have been treated unfairly.” It emphasizes the human feeling of being treated unfairly. Similarly, the Collins dictionary defines ‘grievance’ as “grievance is about something that has happened or been done, you believe that it was unfair.” Though it expresses belief instead of feelings, it makes an otherness in the definition. Unlike, Cambridge and Collins, the Business dictionary makes a clear and detailed meaning of it. It describes grievance covering two sectors i.e. law and human resources. The Business dictionary defines grievance under, “1. Law: (1) Injury, injustice, or wrong that affords a reason for resistance or a formal expression as a complaint. (2) The complaint itself. 2. Human resources: Specific complaint or formal notice of employee dissatisfaction related to adequacy of pay, job requirements, work conditions, other aspects of employment, or an alleged violation of a collective bargaining agreement.” From these definitions, a concept can be raised that grievance is human belief or feelings against any unfairness or wrong deed and its formal expression are a complaint. After reviewing a thorough literature Opatha (2019) found eleven (11) key

characteristics of grievance which are: dissatisfaction; complaint; dispute informality (verbal one), formality (written one), arising out of something relating to employment, individual nature (made individually), collective nature (made collectively), union involvement (made by the trade union), organized labor context (Its occurrence is in a context where employees have been organized into unions), real or imaginary matter. In this paper, a grievance is viewed as feelings or belief of any tenderer of being treated unfairly and complained or wish to complain against. And redress is viewed as the remedy to those grievances or complaints. However, the grievance-redress mechanism is discussed under the direct provisions of sections 29-30 of the PPA, 2006 which covers ‘right to complain’ & ‘lodging complain to the administrative authority, appeal &, etc.’ of any specific tenderer. In section 29, p. 16, a grievance is however termed as, “*If a person suffers or is likely to suffer loss or damage due to failure of a procuring entity to fulfill its obligations under this Act, he may complain against that procuring entity to the authority specified*” ^[16].

It is preassumed that the procurement entity must disseminate procurement information through electronic medium i.e. Electronic Government Procurement (e-GP). The present government, Awami League-led grand alliance, is on its way to keep pace with upgraded technologies by making the word ‘digital’ aboard. The party is doing so as part of their published election manifesto ‘Charter of Change’ with a vision ‘Digital Bangladesh by 2021’ also referred to as ‘Vision 2021’ on December 12 in 2008 for the 9th parliamentary election held on December 29, 2008. The term ‘Digitalization’ does not have a single unified definition. The meaning of the term varies based on its uses. Emphasizing social life, Brennen and Kriess explained digitalization “*as to how many domains of social life are restructured around digital communication and media infrastructures.*” ^[17]. Thus, they defined the term ‘digitalization’ emphasizing social life– in other words, they described the term based on the way people interact and the transformation of that way of interacting. A transformation from real-life to virtual, snail mail to email, regular chat to virtual chat, etc. Valuing the business models rather than social interactions, it is explained that “the use of digital technologies to change a business model and provide new revenue and value-producing opportunities; it is the process of moving to a digital business” (<https://www.gartner.com/en/information-technology/glossary/digitalization>, accessed on 19 June 2019). On the other hand, focusing on how digitalization impacts people, it is advocated that the acquisition of digital skills is an

advancement for individuals, industry, and organizations to attain success^[18]. However, in this paper, digitalization can be referred to as the use of ICT infrastructures in ensuring transparency and accountability in public procurements. In other words, a transformation of the traditional working environment to an internet-based easily accessible one.

4. Reform Initiatives Regarding E-Government Procurement

There have been many reforms in the public sector for materializing the result-based management approach in the process of project implementation. For implementing reforms under result-based management, the GoB established Central Procurement Technical Unit (CPTU) under the Implementation, Monitoring, Evaluation Department (IMED) of the planning division and enacted procurement rules in 2003 with financial assistance from donors agencies including the World Bank and Asian Development Bank. The key objective was to evaluate and monitor the activities of the executive agencies of different government organizations that are responsible for discharging the responsibilities of public sector project preparation & implementation. A secretary-headed division is IMED under which a director-general (hereafter DG) runs the CPTU. A pool of three directors and a system analyst operate the unit under the supervision of the DG. For e-GP, Monitoring & Evaluation, there remains a dedicated pool comprising of a director, two deputy directors or similar rank, assistant maintenance engineer, assistant director, and an assistant programmer. A deputy director under whom a programmer & a computer operator remains responsible for the operational activities of e-GP. A formal structure for GRM is absent in the organogram of CPTU (Appendix-A). Whereas, an assistant programmer/information analyst accumulate opinion received via 'opinion on e-GP' regarding the specified criterion only. The PPA, 2006 has 9 chapters and 73 sections while the PPR, 2008 is composed of 130 rules, 9 chapters, and 14 schedules covering the procurement procedures and have been amended due to requirements faced by the GoB several times^[13]. To foster and ensure transparency, sections 6, 7, and 40 respectively, embody 'Opening Committee' 'Evaluation Committee' and 'Advertisement' where each committee consists of three members; a chairperson, a member, and a member secretary. These provisions prohibit a person to be a perverse one since multiple committees are formed. And by definition, the formation of these committees curbs the possibility of holding much power in a single arm. In the same way, to ensure accountability measures the PPA,

2006 has some specific provisions including sections 29-30 of chapter three and section 64 of chapter seven. These provisions demonstrate complaints and appeal as well as professional misconducts, offenses, etc. By these sections, the PPA, 2006 brings a person close to his rights regarding grievances and discloses the chances of indictment against the officials. It is clearly stated that these sections are relatable to horizontal accountability and a proportionate to maintain checks and balance in this arena. However, those sections 29-30 of chapter three of the PPA, open up the door of grievance redress mechanism in this regard. The establishment of e-GP is a clear and successful implementation of section 65 of chapter 8 which induces the establishment of an electronic processing system to carry out the government procurement easily. And its guidelines are prepared under the provision of section 67 of the PPA, 2006 & rule 128 of the PPR, 2008 which denotes "responsibilities of government regarding monitoring". Public procurement has two broad categories i.e. procurement for goods, works, etc., and procurement for intellectual & professional services. Now, e-GP covers only the category of procurement for goods, works, etc.

The e-GP has been implemented by the CPTU of IMED, Ministry of Planning. It was done as part of a project titled PPRP II which was jointly financed by GoB and the World Bank. The project is comprised of four fundamental components (a) policy reformation and capacity development, (b) Firming up the better procure management procedure at sector level, (c) Familiarizing electronic-Government Procurement (e-GP) and (d) Organizational change in behavior, communication and social accountability^[19]. It was assumed that the project would be public by eight years but the PPRP II took a year more. In final review, the World Bank bestowed the progress of the project with satisfactory words. At the end of the project, it is found that all the PDO have met the project end target and four of them exceeded the target. And it has been contributing to make a systematic change in the public procurement regime.

The implementation process of e-GP is sought to be in two phases: (a) e-tendering system, covering the whole process of tendering such as User registration, initiation of Annual Procurement Plan (APP), Instruction to Tenderers (ITT), sale of Tender Documents (TD), conducting an online pre-bid meeting, collection of bid security, bid submission, bid evaluation, negotiations, and contract awards. (b) e-contract management system (e-cms), covers comprehensive Contract Management processes such as submission of a work plan, defining milestones, tracking and monitoring progress, generating reports, performing quality checks, generation of running bills,

vendor rating, and generation of completion certificate^[20]. In 2008, the project PPRP II started but the GoB has introduced the e-GP system in 2011. Initially, three agencies Roads and Highways Division (RHD), LGED, and Bangladesh Water Development Board (BWDB) were the core agencies for implementation. Later, the Rural Electricity Board (REB) had stepped on the vessel. Presently, the e-Tendering System is launched as part of a pilot project and by the time it will be open to all public enterprises (hereafter PEs) of four Sectorial Agencies, namely BWDB, LGED, REB, and RHD. The CPTU under the Ministry of Planning has been given the right to manage the e-procurement process of all the agencies and also maintains e-GP along with these agencies. At present, 56 ministries, 39 divisions, and 117 organizations have registration on e-GP along with 22, 8, and 14748 PEs of those respectively. In the year 2017, a total of 97 tenderers/consultants, individual tenderers both national and international are registered with e-GP. 38 banks are now linked to e-GP for payments^[18]. The process of e-GP has been kept simple and user-friendly. According to the rule, the tender notices are advertised on the electronic system and in the national dailies. A bidder with in-line certifications of to be procured items needs to log on to the e-GP website and place his bid for tender of his interest. But the tenderers need to be registered on the e-GP portal first.

5. Results and Discussion

Procuring entities are good sources of information to determine the cogency of this study. A glance on the Table 1 can clarify the present status of works of the e-GP in effect. As of the mentioned date since the implementation of e-GP under CPTU, 56 ministries have invited a total of 25789 tenders of which 18780 is being processed and 6692 have been awarded through the system. On the other hand, both 39 divisions and 117 organizations have invited a total of 15054 tenders and 25789 tenders respectively of which both of them awarded 3779 and 6692 tenders respectively to the registered tenderers to be procured. These numbers are justifiable in the event of the efficiency of the newly administered e-GP system. Where the registered tenderers shared their satisfactory words regarding the hassle-free, systematic, and fast process, they come up within. Unlikely, a few numbers of tenderers expressed their views as they are pretty unknown of the process since they are unable to have a look at the tender awarding method. It seems unfair to them as it has no open tendering method like the previously used 'an open lottery' process. Here, it strikes again the necessity of GRM in terms of e-GP.

Table 1. The present status of public works of the e-GP in effect

| | No. of Tenders/ Proposals Invited | No. of Tenders/ Proposals being Processed | No. of Contracts Awarded |
|----------------|---|---|--------------------------------|
| Ministry : | 25789 | 18780 | 6692 |
| Division : | 15054 | 11111 | 3779 |
| Organization : | 25789 | 18780 | 6692 |

Source: (www.eprocure.gov.bd accessed on 19 June, 2019)

The grievance redress mechanism of government procurement is handled by the CPTU. However, each authority of procuring entity is closely connected in addressing the grievances as per the articles and rules of the PPA, 2006 and PPR, 2008 respectively. In LGED, procuring entities are categorized with different levels. Chief Engineer tops the ladder being the Head of Procuring Entity (HOPE). The others remain significant in procuring as Project Director, Executive Engineer, and Upazila Engineer respectively. In the project approving authority ladder, LGED has six more authorities to sanction procurement. These are the Ministry of LGRD & C especially the Local Government Division (LGD), the Cabinet Committee for Government Purchase (CCGP), HOPE, and three types of project directors i.e. PD-A, PD-B, & PD-C. Each of the authorities has limitations in terms of fund authorization. CCGP can authorize more than 100 crores contract value for the works and goods procurement. Ministry can authorize more than 30 crores but less than 100 crores. At the second tier, HOPE can approve up to 30 crores and three types of project directors can approve below 20 crores work contract value. Chief Engineer of LGED delegated power to district Executive Engineer to approve contract^[13]. LGED has finalized 67,469 tenders via e-GP since 2011^[18]. Though e-GP has been initiated, there is no particular module for electronic or digital GRM to submit complaints. There prevails an opinion tab and that is worthy of reading only not for writing any opinion accordingly. The traditional process is followed in the GRM system. Firstly, if someone wishes to submit a complaint against, he has to follow the traditional procedure of complaint lodging. Since CPTU follows the rules of the PPR, 2008 in solving the disputes, it constitutes the mechanism likely the following. GRM as per the PPR, 2008 can be divided into two parts for the convenience of discussion. These are (a) Submission of Complaints, (b) Disposal of appeal by Review Panel.

(a) **Submission of Complaints:** According to rule 57 of the PPR, 2008 there remain four tiers in the initial complaint submission ladder. Procuring Entity, HOPE, Secretary of the Ministry, and the Review panel

are the steps of the ladder in complaint submission. A tenderer with his concerned grievance initially lodges his complaint to the Procuring Entity (PE) Officer (PD, LD, PM, PO) assigned for the procurement who issued tender or proposal document. The tenderer should receive a response within 7 working days. But if he does not get any response or poses a dissatisfaction with the response, he can submit a complaint to the HOPE. The HOPE should respond in-between 3 working days. If the tenderer holds the same dissatisfaction, then he has the right to complain to the Secretary of the ministry. The Secretary's response should come out within 7 working days. If the tenderer has previous feelings and thinks he has not received the desired or rightful justice yet, he may pursue an appeal through the Review Panel. A person can pursue an appeal through a review panel only when he has left no other options of complaining to the administrative authority under rule 57 of the PPR, 2008. The review panel shall issue a written decision in-between a maximum of 12 working days.

(b) Disposal of Appeal by the Panel: After receiving the complaint through CPTU, the review panel recommends the procuring entity suspend the issuance of notification award until the panel makes its decision. The Review Panel shall issue a written decision to the plaintiff providing a copy to the secretary of the concerned ministry or division, the CPTU, and the procuring entity. The verdict can be the rejection of the appeal, if so, the panel may state the reasons behind it, may suggest the procuring entity to continue procurement proceedings. Otherwise, the panel may advise the parties to act accordingly stating the rules or principles that govern the subject matter. The panel has the jurisdiction to recommend remedial measures if it finds that the procuring entity acted in contradiction to its obligations under the rules. Or the panel can recommend a compensation package by that procuring entity for costs incurred by the plaintiff. The expenses include the cost of preparing tender documents, all types of legal fees, and other expenses incurred in lodging the complaint including the security deposit. The review panel shall decide upon the majorities' opinion. Decisions taken by the procuring entity or the review panel will be part of the recording of procurement proceedings as per the PPR, 2008 & PPA, 2006.

Secondly, the Table 2 shows the differences in addressing complaints before the implementation of e-GP and the after. It shows positivity and up-gradation in addressing grievances. Whereas the method is still traditional, the initiation of e-GP ensures the disclosure of information. Table 2 is the representation of year-wise decisions given by the review panel of CPTU, it includes

procuring entities v. tenderers cases. However, data shows that after the enactment of the PPA, 2006 and the PPR, 2008, the higher number of cases has been raised whereas it was lower in previous years. Though the number of decisions in favor of PEs is outwardly high comparing the number of applicants. Previously, there was no such mechanism of addressing grievances in a proper way within the LGED.

Table 2. Digitalization matters for grievance redress mechanism: An analysis

| Year | Decisions in Favor | | Total Decisions |
|--------------|--------------------|------------|-----------------|
| | PE | Applicant | |
| 2005 | 0 | 1 | 1 |
| 2006 | 6 | 4 | 10 |
| 2007 | 3 | 4 | 7 |
| 2008 | 7 | 4 | 11 |
| 2009 | 13 | 13 | 26 |
| 2010 | 13 | 12 | 25 |
| 2011 | 14 | 14 | 28 |
| 2012 | 20 | 21 | 41 |
| 2013 | 23 | 10 | 33 |
| 2014 | 27 | 18 | 45 |
| 2015 | 37 | 20 | 57 |
| 2016 | 28 | 37 | 65 |
| 2017 | 49 | 36 | 85 |
| 2018 | 29 | 18 | 47 |
| Total | 269 | 212 | 481 |
| | 55.93 | 44.07 | 100.00 |

Source: <https://cptu.gov.bd> accessed on 10 July 2019

Thirdly, interview data with tenderers (10) revealed that they had a positive perception about the traditional "lottery method-" the tender awarding process. They argued that the process was more transparent to them while the newer technique makes a vague & ambivalent feeling amongst them. Their prior experience with the LGED and its staffers creates such feelings, they disclosed. They expressed their opinion that they did not know how the lottery system in the e-GP process was.

Despite these rules of grievance redress mechanism and an electronic procurement system, the GRM procedures remain traditional. According to the CPTU, it is called the complaints handling mechanism on which the above discussion is made. And it is found that the GRM regarding e-GP should be upgraded to

a top-notch digitalized process. Following an array of changes country's procurement system has got its desired transparent procurement process. However, it is found that obstruction that likely to be happened previously, with the up-gradation to e-GP did not work out.

Fourthly, data revealed that the political or other muscleman practices have lost their uses since tender schedules are available in bank branches^[21]. These schedules can be collected from any branches of registered banks, as the opening of tender information is disseminated over the CPTU website. Nevertheless, the grievance redress mechanism remains manual in this era of changes. The CPTU has only an e-system of providing judgment and appeal status and publishes a brief judgment also. Though it publishes these notices and judgments, it has no way of addressing grievances. Therefore, it is worthy of saying that digitalization does not matter in grievance redress mechanism.

6. Conclusions

Socio-economic development in a country like Bangladesh goes through ups and downs due to political instability and lack of awareness among its people. The procurement act is called the legal means of ensuring accountability and transparency in government purchasing. It helps bring efficiency and effectiveness in the service delivery process. Implementation of e-GP made the country's procurement system easier than that of the previous. Before the implementation of the e-GP, it caused harm to the people who wished to submit tenders due to political pressure and muscle power practices. Nepotism, patron-client relationship, etc. was seen in the public procurement processes^[21]. However, the ever-expected act and the implementation of e-GP reduces these phenomena^[8]. The findings of the paper indicate that the grievance redress mechanism remains manual while the other mechanism of the procurement process is digitalized. There is some changes-some traditional working mechanism got the attention of digitalization i. e. brief judgment, judgment and appeal status, etc. Moreover, the procurement process in being digital brings benefits to the tenderers and stakeholders in this regard.

Conflict of Interest

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

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Appendix-A

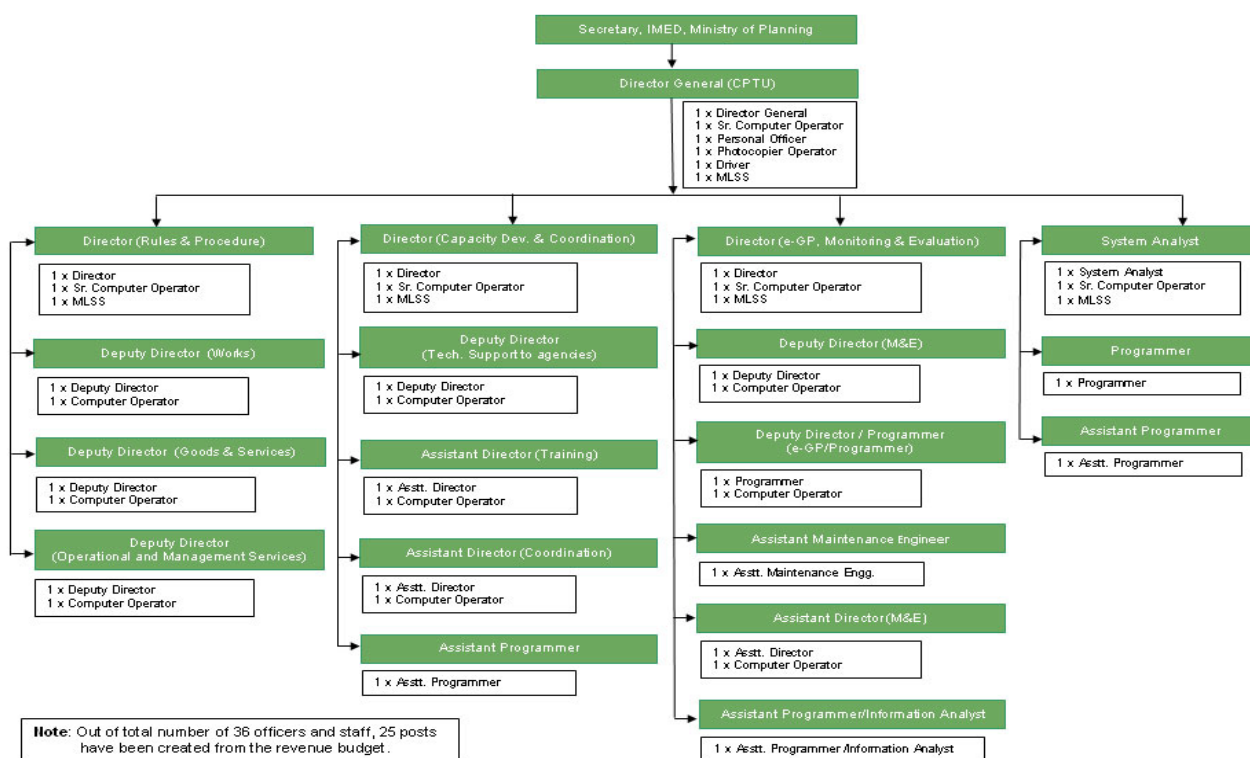


Figure 1. Organogram of Central Procurement Technical Unit

Source: <https://cptu.gov.bd/about-cptu/organogram.html> (accessed on 10th October, 2021)

ARTICLE

Autonomy and Coordinating Mechanisms of State-Society Boundary Organizations in Mainland China

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ARTICLE INFO

Article history

Received: 21 December 2021

Accepted: 21 January 2022

Published Online: 24 January 2022

Keywords:

State-society relations

Boundary organization

Coordination

China

Managerial autonomy

Collaborative governance

ABSTRACT

State-society boundary organizations face the challenge to maintain autonomy as well as flexibilities to respond to various goals and needs of state and non-state actors. Chinese state used to exert much control over intermediary NGOs (boundary organizations) and some have become bureaucratized. Recent reforms have sought to transform them to be more autonomous from the government and more responsive to NGOs. This paper investigates the managerial autonomy and coordinating mechanisms of 29 intermediary NGOs in Shanghai, Beijing and Guangdong. Regardless whether they are initiated by the state or non-state actors, as boundary organizations, they can effectively play a bridging role when they simultaneously deploy multiple mechanisms to sustain autonomy and at the same time integrate differences of interests between state and non-state actors.

1. Introduction

In an era of collaborative governance between the state and society, collaborative boundary practices are essential to align differences of interest and create flexible connections that multiply options to solve public problems^[1]. Collaborative boundary practices are often perceived as being connecting, bridging, interactive and permeable, in contrast to distancing and separating bureaucratic practices^[2,3]. Others argue that boundaries should be organizations (such as think

tanks) which maintain independence from their sponsoring state agencies or companies^[4]. The boundary organizations (such as research councils) maintain independence or autonomy by balancing the goals and needs of multiple principals (political authority and scientific community)^[5,6]. The challenge is what coordinating mechanisms boundary organizations adopt to achieve this balance.

This study focus on a specific type of boundary organizations (BOs): *intermediary NGOs* that mediate resources

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DOI: <https://doi.org/10.30564/mmpp.v3i4.4247>

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from donors, government and financial institutions to support local NGOs that serve the disadvantaged ^[7], or *support organizations* that provide services (such as staff training, research, networking, policy analysis etc.) and resources to NGOs to achieve their mission ^[8].

This challenge of BOs described from the outset applies to intermediary or support NGOs in public service networks. Government funding provides them abundant resource but also imposes many regulatory and service scope constraints. However, diversification of resources pressures BOs to provide new skills and reframe its core mission ^[9], and bring about tension in balancing goals of hierarchical steering from the state, consumer choice from the market and voluntary participation by the non-profit sector ^[10].

Compared with their counterparts in liberal democratic countries, state-society BOs in China face more challenges associated with government control. Since mainland China is a multi-party cooperative regime dominated by the Communist Party, the state sponsors have directly established and managed intermediary NGOs (BOs) to reach, serve and regulate societal groups. These BOs lack organizational autonomy from the state sponsors.

In recent years, however, facing mounting social challenges, Chinese state has been re-positioning its role, from being control-minded to being more enabling, to the private initiation to solve social problems. In parallel, the state has allowed more autonomy and awarded more resources to BOs, encouraging the latter to strengthen the capacity of grassroots NGOs.

Based upon the original data collected, the paper will first verify varied dimensions of autonomy of both state-initiated and privately-initiated BOs in China. It will then be demonstrated that more autonomous BOs can effectively respond to goals and needs of both state sponsors and NGOs they serve by deploying network and market mechanisms.

2. Literature Review

2.1 Autonomy of State-Society Boundary Organizations

BOs' autonomy from the state in mainland China has three dimensions:

First, legal status affects the autonomy of BOs. With restrictive regulations, BOs found it difficult to obtain legal status and are vulnerable to be closed down ^[11,12]. There is widespread mistrust and mutual avoidance between the state and unregistered NGOs such as those specialized in labor, sex worker health, HIV-AIDs issues ^[13]. In such a context,

only state-initiated^① BOs used to have good chance to legally register.

Second, sources of financial resources impact BO's autonomy. Many BOs rely on state revenue and assist the state to implementing regulations ^[14]. Less financial support pressured the BOs to actively seek non-state resources and became more autonomous in project implementation ^[15].

Third, BOs' administrative integration with the state constrains its managerial autonomy. Many state-initiated BOs are led and staffed by retired government officials ^[14]. At one extreme are Mass organizations¹ that historically co-opted societal groups such as women, workers and the youth, who provided political support to the Chinese Communist Party (CCP) ^[16]. After they have become integrated into the state, their duties have shifted from representing their members' interests to propagating ideology, administering policy programs and recruiting political supporters for the Party ^[17]. Although some state-initiated BOs provide financial and administrative support to privately initiated NGOs, or allow unregistered NGOs to operate as their subsidiaries, in general, they are seen to be bureaucratized, or being more responsive to state authorities than to their constituents ^[11].

The Chinese state has recently changed its policy paradigm towards privately initiated NGOs from across-the-board restriction to selective nurturing. The state sponsors collaborate with privately initiated BOs through contracts and grants ^[18].

2.2 Reforming State-initiated BOs

Several reform measures encourage BOs to be more autonomous and service-oriented than before.

First, it is easier for four types of BOs to register: guilds and chambers, charities, BOs specialized in science and technological services, and BOs providing rural and urban community services ^[19].

Second, state sponsor's direct involvement in the management of BOs shall be reduced ^[19].

Third, the Party urged state-initiated BOs to reach out to grassroots NGOs. The Central Committee of CCP criticized the Mass organizations to be "hierarchical, bureaucratized, aristocratic and entertainment-oriented" ^[20]. Pilot reforms in Shanghai seek to decentralize their bureaucratic

① Mass organizations are federations, associations, and foundations that are officially designated by the Chinese Communist Party as "bridges" and "belts" between the Party, the government and the ordinary citizens. Three enjoy highest political status, namely Federation of Trade Union, Communist Youth League and Women's Federation. Until 2015, there are altogether 22 Mass organizations whose administrative staff are recruited and managed according to the civil service system. Xin Jin News 2015.

structure and establish service-oriented networks into the grassroots society ^[21].

Fourth, more state resources are distributed to the non-profit sector. Trade unions in Beijing, Shenzhen and Guangzhou are delegated by the government to subcontract service programs to grassroots labor NGOs ^[22]. Local governments established new BOs (SO federations and service centers), allocated public funds through the former to grassroots NGOs, and extended the Party-building activities to the latter ^[23].

2.3 Research Questions

This study seeks to shed some lights on the following questions:

1) Given the reform initiatives described above, how much autonomy from the state sponsors do state-initiated BOs have in China?

2) In what ways privately-initiated BOs can collaborate with the state sponsors without losing too much autonomy?

3) When serving as “bridges” between the state sponsors and grassroots NGOs, how do both types of BOs accommodate state sponsors’ goals while responding to the needs of NGOs they serve?

2.4 Coordinating Mechanisms of Effective State-society Boundary Organizations

This section will review what coordinating mechanisms BOs may adopt to balance the goals and needs of state sponsors and NGOs they serve. It will discuss in what ways each mechanism relates to autonomy of BOs.

This paper shares the view that the presence of managers who have boundary spanning or connecting skills to align differences and find common ground among multiple stakeholders can facilitate collaboration ^[1,2,24]. At the same time, boundary as an organization is said to be useful to balance the tension between flexibility and stability/efficiency of public service networks ^[25].

Effective functioning of boundaries at all levels requires two imperatives: 1) establishing and maintaining boundaries to assure appropriate levels of differentiation and autonomy; 2) flexibility of boundaries to assure integration in situations of crisis and change ^[26]. From a similarly dialectical perspective, Abbot would not view stable social entities (organizations or professions) and changeable boundaries as two separate things. Instead, boundaries as sites of differences can be assembled into entities that have endurance, internal coherence and autonomy ^[27].

Accordingly, this paper proposes that effective

functioning of state-society BOs has two imperatives: 1) maintaining autonomy from the state sponsor and NGOs they serve; and 2) being flexible to accommodate the goals and needs of these two parties.

What coordinating mechanisms may BOs adopt to realize the two imperatives? Coordinating mechanisms refer to collective action mechanisms that facilitate the exchange of control over resources among social actors ^[28]. Coordinating mechanisms can be used to enhance voluntary or forced alignment of tasks and efforts of organizations: “All governments have to do is to have their programs and organizations identify the means of taking into consideration the actions of other organizations and programmes, and consider in advance the consequences of their decisions.” ^[29] Coordination mechanisms can not only align elements of a system into ordered pattern without intent ^[30], but also be designed into organization of boundaries.

There are three coordinating mechanisms to describe. Hierarchical mechanism relies on authority to coordinate and exert a higher degree of coercion over individual or groups’ behavior ^[31]. It is often associated with a top-down command structure and regulatory coordination for the purpose of implementing political decisions ^[30]. Hierarchical organizations are reliable and efficient for service provision, and are more accountable for the use of resources ^[32]. They are able to buffer market uncertainties and contingencies by internalizing transactions that require specific knowledge and high cost of negotiation ^[33,34]. However, greater stability and certainty in resource exchange may render such organizations less autonomy for independent actions and adjustment to future changes ^[35].

Market mechanism relies on bargaining and contracts to coordinate competing suppliers and buyers ^[29]. Market competition provides incentives for organization managers to maximize profits ^[36]. Idealized markets offer choice, flexibility, and non-coercive coordination among independent actors through prices but are said to have no integrative effects ^[32]. Markets are adaptive systems driven by satisfying “consumer preferences” through innovation ^[30].

Network mechanism relies on trust, negotiation and consensus-building to coordinate a wide range of actors endeavoring to identify common problems and interests, find shared values and common goals, share knowledge and contribute resources ^[29,37-40]. Since building and sustaining trust requires long term interactions among participants, effective network mechanism brings about more stability and certainty than market mechanism does. At the same time, since consensus building is based upon

mutual adjustment and mutual learning among network partners^[38], network mechanism is more flexible than hierarchical mechanism.

Three coordinating mechanisms can be deployed by state-society BOs at four dimensions: resources, knowledge and information, and policy decisions and implementation. Resource and knowledge generation and sharing are important for non-government actors to effectively collaborate with government agencies in public policy or public program decision-making^[41,42]. Using indirect policy tools (such as contracts) to deliver public services requires coordination between government and non-government actors^[43]. Policy implementation needs coordination among multiple actors, including lower level government officials and non-governmental actors^[44].

3. Methods and Data

This paper is based upon a database of archives, questionnaires and transcripts of 45 semi-structured interviews collected from two fieldtrips in Shanghai, one field trip in Beijing, and two fieldtrips in Guangdong from December 2014 to December 2015.

The snowballing strategy^[45] is used to sample managers of BOs and NGOs. After consulting local policy documents and news reports, a list of mass organizations, associations, federations and service centers that use Party and government resources to support NGOs was compiled. State-society BOs in Beijing, Shanghai and Guangdong are chosen because state actors there are among earliest in China to adopt reform measures. At the same time, state actors in three places differ in degrees of tolerance over non-state actors' efforts to influence public policies and programs. Variation of BOs' autonomy from their state sponsors are then maximized.

Party and government officials responsible for social work and social services in Beijing, Shanghai and Guangdong Shunde were interviewed. They were then invited to introduce managers of the BOs in the compiled list for interviews. Sometimes, the interviewed officials, after understanding the research topic, would recommend BOs not in the compiled list but fulfilling the sampling requirements. After the managers of BOs were successfully interviewed, they were invited to introduce 2-3 service delivery NGOs the BOs serve for interview. The potential bias of this sampling method is that respondents might be less critical of the state or the BOs. These interviews involved four Party and government officials, managers of 29 BOs and 12 NGOs served by BOs. On average, each interview lasted about 1.5 hours.

All of 29 BOs have financial support from the state and provide NGOs capacity-building services such as

training, resource bridging and consultation. Among them are 26 BOs initiated by government agencies (like culture bureau), Party committees (such as Social Work Commission), and Mass organizations (e.g. Youth League, Women's Federation, Federation of Trade Union). Three are privately initiated BOs.

These BOs (except one) have two types of organization structure. One type are service centers or incubators. They provide capacity building services to NGOs. Some of these NGOs deliver social services to citizens in a specific geographical jurisdiction. Other NGOs deliver services across jurisdictions but have specialization in certain services such as cultural services, youth services and services for workers, women or the disabled. These NGOs are *clients* of BOs. Another type of BOs sampled are federations or associations which have NGOs as their affiliated members. These NGOs serve citizens in a specific geographical area or specialized in certain types of services. They are *member* NGOs of BOs. The twelve client or member NGOs interviewed provide services in entertainment, health care, education, vocational training and legal services to disadvantaged groups.

The semi-structured interviews allowed the respondents, especially those highly educated, to fully articulate their responses, including the nuanced context^[46]. The interviews started with open-ended questions and then the respondents were assisted to complete a survey questionnaire comprising 30 items for managers of BOs or 21 items for managers of NGOs. Most items in two questionnaires were the same, asking about respondents' main service activities, sources of resources, relations with various stakeholders (including the Party and government agencies), and attitudes towards state-society boundary relations. Party and government officials were asked to complete the attitudinal items only. Managers of NGOs were asked additional questions about the effectiveness of services they received from the relevant BOs. Most interviews were tape-recorded and transcribed by research assistants. The recordings were checked and all the transcripts were proof-read to ensure they are correct and complete.

Recurring categories and themes emerging from the transcripts in the process of coding were identified^[47]. The coding process is also guided by the research questions and the framework of BOs' autonomy and coordinating mechanisms. To minimize coding bias, the coding has been reviewed, verification has been carried out and constant comparison has been made^[48] between the transcripts, questionnaire data from the same respondent, the interviews of other managers that have working relations with the respondent, and publications of the BOs.

Relations between categories have then been identified to develop a systematic understanding of the research topic^[39].

4. Analysis

Three dimensions of BOs' autonomy are identified as expected: legal status, managerial integration with the state sponsor, and sources of financial support. Two new dimensions emerge from the data: use of policy tools, and control of information and knowledge.

Table 1. Legal Status and Location of the BOs

| Legal status | Beijing | Shanghai | Shunde, Guangdong |
|---|---------|----------|----------------------|
| Registered as non-enterprise private agencies | 1 | 5 | 1 |
| Registered as associations or federations | 3 | 6 | 7 |
| Not registered | 2 | 1 | 2 |
| Registered as a public service unit | 0 | 0 | 1 |
| Total | 6 | 12 | 11 |

4.1 Legal Status

Legally registered BOs have more autonomy since they can compete for grants from various sources. All five unregistered BOs in the sample are GONBOs. They cannot have independent financial accounts, and solely rely on government finance for revenue. By contrast, legally registered GONBOs can increase revenue by bidding for grants and contracts of various state sponsors (Interview SS1 2014; Interview HS10 and HS11 2015).

Type of BOs is also relevant to their autonomy. In China, BOs can register as associations (including federations) or non-enterprise private agencies (NEPA). Associations are more difficult to register and more likely to be initiated by the state. In our sample, 15 of 16 BOs registered as associations are GONBOs. The structure of associations is legally mandated to have *member* NGOs^[49], and therefore have more capacity to mobilize social resources.

BOs registered as NEPAs do not have member NGOs but only provide non-profit services to *client* NGOs^[50]. It is expected that privately initiated and more autonomous BOs are more likely to register as NEPAs.

4.2 Sources of Financial Support

Financial resources from the state sponsors may have stringent accountability requirements that constrain BOs' autonomy. In some cases, the state sponsor will determine

the salaries of the personnel hired by BOs, which are too low to attract high quality professionals. To earn a market level salary, the director of a service center has to do several part-time jobs for the street-office government^② that are beyond her job duty: "We are unable to be paid at a market level if we only do the job for the Center. ... Here we are hired as non-civil service staff but managed by the street-government." (Interview HS3 2015)

To be more independent from the state sponsor, GONBOs have tried to diversify sources of finance by contracting with several government agencies. They will then have more bargaining power when negotiating with the government and more room to decide how to deliver services (Interviews BS3 and SS8 2015).

4.3 Managerial Integration

BOs' managerial integration with the state sponsors impacts their autonomy. Sources of financial support alone do not determine BOs' autonomy since most of them rely on state funding. Among 29 BOs, only one has its major revenue generated from the private sector. Still, there are variations of autonomy among the rest.

At one extreme, BOs share personnel, office space and assets with the state sponsors. For these BOs, their managers have to be more responsive to the state sponsor than to their clients or member NGOs. In one case, government officials gave detailed instructions concerning the association's daily operation (Interview SS8, 2015). In another case, a service center established by a lower level government has to carry out the instructions given by the service center established by the higher level government, as if they have hierarchical relations. Yet, in fact, both service centers are registered as NEPAs (Interview HS3 2015).

4.4 Use of Policy Tools

This dimension emerges after the state sponsors uses contracts and grants to support BOs. By entering into contractual relations with the state sponsors, BOs can maintain autonomy and at the same time enjoy financial support from the latter. One privately initiated BO has 97 percent of its service cost financed by the government. Its manager believes that they have autonomy to negotiate the contract with the Party sponsor according to their own will, and their collaboration with the latter is based upon mutual interest and common goals. For example, it has successfully persuaded the Party sponsor to believe

② The street-office government is the dispatched agency of the district or county government, which is the lowest level of administration within the Chinese government.

that funding service programs developed by its client NGOs can help the latter to achieve performance targets (Interview BS6 2015).

In another case, a GONBO (federation) completely relies on state finance through a service delivery contract. Yet, the federation has managerial autonomy from the government sponsor since the amount of financial support is based upon the number of NGOs joining the federation rather than its cost of personnel, office space and program operation (Interview HS9 2015).

Tax exemption is a policy tool that can be used in future to grant more autonomy to all BOs. Currently in China, tax exemption status has to be officially approved by the government case by case and is yet to be automatically granted to all registered NGOs. Given their proximity to the state, GONBOs are more likely to enjoy this status than privately initiated BOs^[51]. For example, one GONBO that enjoys tax exemption status has attracted a lot of societal donations and does not have to rely on state finance for revenue. This GONBO only needs to submit data and information about its operation to the government sponsor, and has managerial autonomy (Interview SS12 2015).

4.5 Control of Information and Knowledge

Since reform measures encourage private initiation, competition among BOs is facilitated. As a result, control of information and knowledge in order to better respond to the state sponsor as well as member/client NGOs becomes an important source of competitive edge of BOs. More competitive BOs are able to maintain autonomy from the state sponsor.

A manager of a privately initiated incubator explained how they declined the Party sponsor's offer to be "authorized" as a hub-style social organization because they do not want to lose autonomy. This manager

perceived that developing professional knowledge needed by the market would enable them to remain competitive and autonomous in the long run:

A boundary organization shall develop its functions in a competitive market, not being defined by anybody. ... If we are authorized by the state to be a boundary organization, this means that our only function is to bridge the state and social organizations. ... We hope to collaborate with the state... But we prefer to see the state sponsor as one of our resource providers but not the only one. ...Now we are more and more professional and specialized because our clients are more demanding. This enhances our competitiveness because our products are less replaceable now. (Interview HS2 2015)

In another case, a service center initiated by the Youth League in Shanghai has been playing an information and knowledge brokering role between the Youth League and grassroots NGOs. It developed a list of NGOs for the Youth League at the municipal, district and street-office governments to choose as their contactors. In order to have first-hand information about the difficulties faced by NGOs, the service center also operated three voluntary service programs on its own (Interview HS8, 2015).

Three dimensions of BOs' autonomy mentioned in the literature were corroborated: legal status, managerial integration with the state sponsor, sources of financial support. Two new dimensions emerge: 1) use of policy tools; 2) control of information and knowledge (Table 2). The latter two dimensions were found to enable BOs to enjoy high level of financial support from the state sponsors and at the same time maintain autonomy to serve NGOs.

4.6 Managerial Autonomy, Bridging Functions and Coordinating Mechanisms

This section investigates how BO's autonomy and

Table 2. Five Dimensions of BOs' Autonomy

| Dimensions | Less autonomy → more autonomy | | |
|--|---|---|--|
| Legal status | Unregistered | Registered associations or federations | Registered NEPAs |
| Managerial integration with the state sponsors | Co-managed by state officials and BO's staff | | Independently managed by BO's staff |
| Sources of financial support | One state sponsor | Several state sponsors | State and non-state sponsors |
| Use of policy tools | Direct instructions from state sponsors | Service contract | Tax exemption |
| Control of information and knowledge | Sufficient information about the goals of state sponsors but limited information about the needs of NGOs; limited professional knowledge of service provision | Sufficient information about the goals of state sponsors and needs of NGOs; limited professional knowledge of service provision | Sufficient information about the goals of state sponsors and needs of NGOs; sufficient professional knowledge of service provision |

bridging functions relate to their coordinating mechanisms. BOs' bridging functions involve four dimensions, including resource mobilization, knowledge & information generation and exchange, policy implementation and influence on policy decisions. An additional dimension emerges from the data: mobilizing political support.

The first bridging function of BOs is to mobilize resources for NGOs they serve. BOs with less autonomy from the state sponsor tend to mobilize resources within the state sector, relying on a top down hierarchical mechanism (Interviews HS11 and SS5 2015). BOs with more autonomy tend to use network and market mechanisms. They encourage clients or member NGOs to attract private resources, and to collaborate among themselves to apply for state funding (Interviews BS2, BS6, HS1 and SS2, 2015). Some BOs use co-payment (rather than levying no charges), a semi-market mechanism, to identify true demands for training services and generate some revenue from NGOs (Interview BS6, 2015).

The second bridging function of BOs is to generate and share information & knowledge with the state sponsor and NGOs they serve. When BOs have less autonomy from the state sponsor, they are often instructed by the state sponsor to collection information from member NGOs. Such a hierarchical mechanism is often ineffective when member NGOs cannot benefit from the information collection (Interview HS3 and BS4 2015). BOs with more autonomy carried out this function to benefit their members, which is more effective and relies on market and network mechanisms (Interviews BS2 and HS9 2015).

BOs with less autonomy tend to use hierarchical mechanism to disseminate policy-relevant knowledge. The knowledge often embodies mainstream values and goals (Interviews SS6 2015). As a consequence, marginal or new values are often excluded.

BOs with more autonomy use network mechanisms to generate and share information. For instance, a privately initiated BO assisted the Party sponsor to identify new social problems and know more about the needs of grassroots NGOs (Interview BS6 2015). Several GONBOs and privately initiated BOs (federations) have within-network alliances or committees that facilitate professional knowledge sharing among member NGOs (Interviews BS2, BS4, HS9 and SS11 2015).

BOs with more autonomy use market mechanism to coordinate knowledge exchange. For instance, the profit-making members of a GONBO (federation) contribute expertise at lower-than market level price, motivated by the hope of gaining a larger social impact and a market share in the future (Interview HS7 2015).

The third bridging function of BOs is to assist the state sponsor to implement policies among NGOs. In cases of GONBOs with less autonomy, policy implementation is coordinated by the hierarchical mechanism (Interviews HS3 and SS8 2015). In cases of BOs with more autonomy, policy implementation is coordinated by the network mechanism, namely voluntary participation by relevant parties. For instance, a manager of a privately initiated BO (federation) supported the Party sponsor to improve member NGOs' transparency and compliance with regulations. This BO then applied for a state grant to achieve this purpose. Participation by its member NGOs is voluntary, and is encouraged (not commanded) by allocating more resources to the NGOs (Interview BS2 2015).

The fourth bridging function of BOs with more autonomy is to influence government programs or policies through network and market mechanisms. For example, a GONBO (federation) helps its member NGOs to design grant proposals that identify new social problems the state actors are interested to resolve (Interview HS9, 2015). By contrast, BOs with less autonomy from the state sponsor tend to shape NGOs' program design so as to align the latter's goals with state policy directions. For example, some GONBOs would: 1) invite leaders of NGOs to participate in meetings and events organized by the Mass organizations (Interview HS11 2015); 2) issue policy documents from the Mass organizations to NGOs (Interview SS1, 2014; Interview SS7, 2015). Such GONBOs may not be able to attract NGOs with alternative mission and goals. In fact, the leader of an elderly service NGO chose to receive capacity building services from a privately initiated BO, not from GONBOs: "Unlike us, cadres of the Mass organization in the street-office government do not have passion for services. When their superior come to supervise their work, they will organize (service NGOs or groups) for a show. In street-office X, there is a youth activity incubating center organized by the Youth League. No one goes there. A young person in charge of the center just idly sits there with nothing to do." (Interview BS6-1 2015)

The fifth bridge function of BOs with more autonomy is to mobilize political support for the state. Recruiting members from new social and economic groups has been a strategy adopted by the Party-state to mobilize political support and adapt to changing environment^[23,52]. However, despite the Party's policy to establish Party organizations in NGOs, very low percentage of surveyed NGOs are found to have done so^[53]. The Party has recently reiterated the importance of party-building activities among the NGOs^[54]. BOs, especially GONBOs,

play an important role in involving NGOs to participate in Party-building activities.

However, Party-building activities will be less effective if they remain unattractive to NGOs. A more effective way is to use the market mechanism, namely to award active participants some benefits. For instance, one GONBO (federation) allied with Party-branches in other organizations to co-develop service programs and helped its member NGOs to win government contracts. The NGOs' contracted services embody the Party's propagated core values such as altruism, contribution to society, volunteerism and serving the disadvantaged, and therefore achieve the purpose of Party-building (Interview HS4 2015). Similarly, the manager of another GONBO (federation) stressed the effectiveness of market mechanism in party-building:

"In what ways can a boundary organization play a bridging role? The answer is through Party-building. This is of Chinese characteristics. But if the government's preferences are merely communicated to NGOs through lecturing, no one will be interested to listen. If you offer them business opportunities and open up the service market, they will be very interested to participate and promote themselves through us. If we only talk about 'serving and sacrificing for the society', NGOs may choose not to participate since they get no benefits." (Interview HS7 2015)

The network mechanism that identifies common goals among NGOs can encourage their participation in Party-building activities, which in turn mobilizes passionate leaders of NGOs to contribute to network-level services

(Interviews SS3-2 and BS2 2015).

5. Conclusions

A multi-dimensional perspective towards the autonomy of state-society BOs questions the preconception that state initiation or state financial support necessarily constrains BOs' capacity to serve their clients or constituents. The paper concludes that state-society BOs in mainland China's social service sector can maintain autonomy from the state sponsors along several dimensions. Diversifying sources of financial support is not the only dimension. For state-initiated BOs, reform measures that encourage their legal status, limit managerial intervention from the state sponsors and distribute state resources through indirect tools (such as service contracts) also increase their autonomy. At the same time, privately-initiated BOs are able to utilize large amount of state resources without losing too much managerial autonomy if they have information and professional knowledge.

The convergence of GONBOs and privately-initiated BOs demonstrates the importance of analyzing coordinating mechanisms to identify effective boundary practices. State-society BOs, especially those initiated by the state, can play a more effective "bridging" role if they adopt market and network mechanisms. Effective BOs can motivate NGOs to provide information, deliver services, comply with government regulations and participate in Party-building activities. Effective BOs can mobilize resources and support within the state sector, while changing the state actors' bureaucratic logic to consensus-based and service-oriented logics, and incorporating

Table 3. BOs' Bridging Functions, Coordinating Mechanisms and Autonomy

| Functions | Less autonomy | More autonomy | |
|---|--|--|---|
| | Hierarchical mechanism | Network mechanism | Market mechanism |
| Resource mobilization | Mobilizing resources within the state sector | Voluntary exchange of resources among clients or member NGOs for common goals and non-profit services | Voluntary exchange of resources based upon price mechanism and the exchange accommodates profit-making motives |
| Knowledge and information generation and exchange | Information collection based upon authority, top-down knowledge generation and dissemination that excludes marginal values | Shared knowledge production, information sharing and mutual learning among government, BOs and BOs' clients or member NGOs for non-profit services | Information and knowledge exchange based upon price mechanism and the exchange accommodates profit-making motives |
| Policy implementation | Instructions based on authority | Negotiable service contracts | Encourage voluntary compliance by distributing benefits to NGOs |
| Influence on policy decisions | Shape NGOs' program design to align with government policy directions | Balance the considerations and the needs of governments and NGOs | Influence government programs and policies to benefit NGOs |
| Political support mobilization | Instructions by party officials based upon authority | Identify common goals among NGO leaders to contribute to network-level services | Encourage voluntary participation by awarding NGOs benefits |

marginal values cherished by the non-state actors.

The findings are consistent with Provan and Kenis' propositions that an effective network needs to balance stabilities and flexibilities, and that a network administrative organization (NAO) acting as a broker can best achieve this balance^[25]. However, it is not clear what coordinating mechanisms an NAO adopt to achieve this balance. State-society BOs in this paper is similar to NAOs. By focusing on BOs' coordinating mechanisms, this paper has sought to fill in the gap and clarify what makes NAO work.

Another finding is that network governance as a static structure does not preclude hierarchy, network and market as dynamic coordinating mechanisms. Arguably, what defines an organization in a collaborative network as a boundary organization is precisely because it can simultaneously deploy multiple mechanisms to sustain its autonomy and at the same time integrate differences of interests among collaborators.

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