See discussions, stats, and author profiles for this publication at: https://www.researchgate.net/publication/294395039

The Role of Government in Stimulating Public Service Innovation (Case study Iraq) Rich Oil developing country which is less...

Conference Paper · October 2015

Project

CITATIONS 0	5	reads 20
1 author		
()	Paiman Ahmad National University of Public Service 9 PUBLICATIONS 0 CITATIONS	
	SEE PROFILE	

Some of the authors of this publication are also working on these related projects:

https://docs.google.com/a/raparinuni.org/forms/d/1QtvUvOWT51h2ZE5DZqOs6bGnCzsboTH65KrH_3bjJLk/edit View project

All content following this page was uploaded by Paiman Ahmad on 14 February 2016.

The Role of Government in Stimulating Public Service Innovation (Case study Iraq) Rich Oil developing country which is less innovative in the twenty first century Paiman Ramazan Ahmad

PhD student-National University of Public Service-Faculty of Public Administration-Budapest-Hungary

Paiman.ahmad.ramazan@uni-nke.hu

Paiman.ramazan@gmail.com

Abstract

According to the World Development Report (1997), which argued that "an effective state is vital for the provision of the goods and services – and the rules and institutions that allow markets to flourish and the people to lead healthier, happier lives. Without it, sustainable development, both economic and social, is impossible". The effectiveness of public service innovation is mainly centralized in the role of government. For improving the government performance and expanding institutional capacity development, the barriers that restrict innovation should be taken into account seriously by the Iraqi government in power.

This paper will focus on the role of the Iraqi government and the challenges that public service encounters in the post-invasion era. The Iraqi government as a developing rich oil country failed to set the stage for real reforms in the public service. The aim of this paper is to focus on the barriers of public service innovation including: the context of innovation in the developing countries-Iraq as a case study in the Middle East, the culture of innovation from the leadership, opportunities for innovation, the role of the citizens, and governance of public service too. By analyzing the data about Iraq in different dimensions either economics, social, political,

Iraqi performance is very poor as a government. The Corruption Perception Index-2014, ranked Iraq as 170/175 states which is among the most corrupted states in the world¹. **Figure (1).**



In this regard, transparency and corruption in Iraq affected the public service deliver and innovation in the governance of public service. The last part of the paper will highlight the attempt to translate the challenges into the tools of innovation that benefit state agencies and institutions for better performance in public service with efficiency and quality. Besides, the role of government in setting indicators to measure the public service, and the capacity to execute an innovation agenda, which is needed to strengthen the new ideas, skills and talents that are required.

Keywords: Iraq, public service, reforms, innovation, barriers for innovation.

Scope of the paper and Limitations

This paper is overviewing the public service delivery and the main barriers for reform and innovation in the public sector in Iraq. To further improve the efficiency in government service delivery in Iraq, there is a need for more research to be done in this field. Besides, it is important to better plan and revise spending in the public sector for more accountability and performance

¹ Corruption Perception Index, (2014), Transparency International, accessed on September 5, 2015, available at: <u>http://www.transparency.org/cpi2014/results</u>.

in public service delivery. In this paper the focus is not on the Kurdistan Regional Government thus it is not mentioned.

1.1.Introduction

The dependence of Iraq on petroleum as a basic commodity and as an only source of its revenues for financing development and innovation programs has subjected Iraqi economics to unsystematic fluctuations that are being felt internationally and regionally. The lack of the basic services, including, water, electricity, health insurance, safety, security, employment, poverty are the endless troubles for the Iraqi population. The endless corruption and lack of transparency and weak governance across Iraq has become unbearable since 2003. The Iraqi public kept pressure on the government and parliament. Iraqis show the government that people will not be silenced only by the promises. Recently in August-2015 the Prime Minister Haidar Al-Abadi started sweeping reforms to tackle the massive corruption that Iraq faces it. Many Iraqis think that the reforms are announced only to quite the people temporarily, due to the security crisis and political condition of Iraq. Apparently, the main challenge Al-Abadi encounters; can he ensure those reforms to get implemented and also the demands of Iraqis for better services to be met.²

The public pressure had always been a key for governmental reforms, thus Iraqis public pressure on Al-Abadi responded to the protests quickly by promising reforms. In fact, the public shows that the Iraqi street will not be silent, unless governments will deliver public service accurately. However, people ought to keep pressuring to ensure the fulfillment of Abadi's promises. The quest for better service delivery is the right of the Iraqi people; however, obtaining it systematically is impossible, since, as reported, public sector innovation today mostly happens

² BBC (2015),Iraqi PM Haider al-Abadi moves to tackle corruption, August 9, accessed on September 10, 2015, available at: <u>http://www.bbc.com/news/world-middle-east-33840067</u>.

through uncoordinated initiatives rather than as a result of deliberate, strategic efforts^{1,3} Which means the government only seeks the short term solution not a long-term reforms typically in Iraq. In essence, the Iraqi government officials are democratically elected by the Iraqis; hence forcing them to follow the commitments to the public is a must. A clear discrepancy today is Iraq is not among developed and industrial countries. While, during 1988, Iraq was ranked 50th out of 130 countries on the 1990 UNDP Human Development Index (HDI), after 8 years of war with Iran. In fact, Iraq was nearly at the top of "medium human development category, since government invested well in basic social services. Whistle, in 1995, in five years, Iraq declined to 106th out of 174 countries, and by 2000 it had ranked as 126th, which is close to the bottom of the Medium Human development" category". ⁴ Understanding the economic system and its relation with the state development and innovation is a centric point for this paper. As highlighted by Alexander Gerschenkron that "advantages of relative backwardness",⁵ the ability of poor nations to benefit from accessing existing, more productive technology from rich nations, rather than having to develop them de nouveau via the research and development process.

In line with this, the role of technology has impressive effect on innovation and development in the public service delivery. In fact, technology is considered as a key player and an engine of growth in developed nations as central point for innovation and development. Restricting technological development in Iraq had been the main factor for weakness in public service innovation. Emphasizing on Iraq a rich-energy country can only be explained by analyzing

³ European Commission. (2013), powering European public sector innovation, towards a new architecture, *European Union*.

⁴Iraq Economic Data (1989-2003), *Central Intelligence Agency*, accessed on September 8, 2015, available at:

https://www.cia.gov/library/reports/general-reports-1/iraq_wmd_2004/chap2_annxD.html.

⁵ Alexander Gerschenkron, Economic Development in Historical Perspective. *Cambridge*, MA: Harvard University Press, 1962. Cited in Howard, Pack. (2008), Asian Successes vs. Middle Eastern Failures: The Role of Technology Transfer in Economic Development, *Issues in Science and Technology*, Volume XXIV, Issue 3, spring, available at: <u>http://issues.org/24-3/pack</u>.

many factors and indexes, including the differences in the quality of leadership and economic policy. But, importantly, focusing on barriers of innovation not only technology but the role of professional labor force, and governance skills are extremely crucial to better understand the public service failure in Iraq.

1.2. The Role of the Iraqi Government in Stimulating Public Service Innovation

Systemic innovation in the public service comes from the government, it is vitally important to highlight the initiative reforms of Iraqi government, the prime minister has identified civil service reforms as major key areas in the Iraqi government's program for 2011–14, reforming the public administration system to obtain good governance by following these key drivers for reform including:

(i) Reform of the civil service system, adoption of the Civil Service Law, and the establishment of the Federal Civil Service Council;

(ii) Review of legislation and regulations;

(iii) Institutional reform and review of organizational structures, internal regulations, job descriptions, and staffing requirements;

(iv) Reform of the practices of public financial management;

(v) Improvement of communication between government institutions, and between the federal government and local government institutions; and

(vi) Strengthening of anti-corruption measures and continued cooperation with international organizations combating corruption and bilaterals.⁶

The Iraqi government is left with many employees who are unused to take the risks, new things and creatively approaching problem solving. In addition, many key barriers to innovation are not yet approached by the government. The lack of competition and profit motive in the

⁶ The World Bank, (2014), A World Bank Study, Republic of Iraq Public Expenditure Review, toward more efficient spending for better service delivery, International Bank for Reconstruction and Development / The World Bank, Pp.26-27.

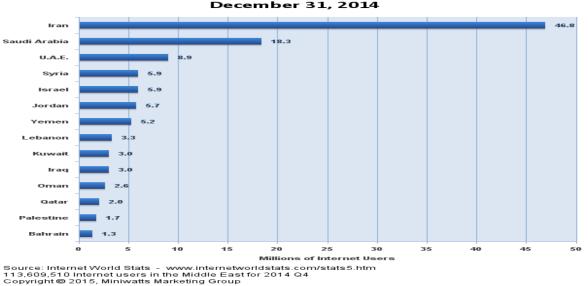
public sector certainly plays an important role.⁷ Typically, in the countries where the government is the ownership of the service like in Iraq. The Iraqi public service sector is entirely crippled, and in many cases the political and ethnic tension controls the service, and disrupts the efforts of the local government bodies. The main solution for public service innovation in Iraq depends on the short term nature of the political leadership, thus the government is unable to sustain new initiatives from idea to implementation. Lack of cooperation for innovation in public service delivery poses barriers for innovation, besides, there are few serious attempts of the government to navigate the bureaucracy, avoid pitfalls, and implement innovative ideas.

Indeed, the government of Iraq is ill-prepared to manage innovation in the public service sector. The government has a responsibility to continually improve the way services are delivered to the Iraqi people. Since, the barriers to innovation are not new, but they are persistent and stand in direct opposition to achieving agency's high priority performance goals. To be stated, innovation is not yet the culture in many agencies' principles. Lack of funding the process of innovation in the public sector puts the burden on the people, public servants and the government too. An enormous challenge the government of Iraq confronts is spending too much for unproductive reforms, "general public services and economic affairs together accounted for well over three-quarters of total capital expenditure over 2005–2010."⁸ But on the real ground nothing happened during 2005-2010, based on the amount spent, the service delivery performance did not change. According to Mintzberg (1989), political motivations for innovation are, at least potentially,

⁷ GovLab,(nd), Public sector, disrupted How disruptive innovation can help government achieve more for less, *The Deloitte Federal Practice*, p,2, accessed on September 10, 2015, available at: <u>http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Public-Sector/dttl-ps-publicsectordisrupted-08082013.pdf</u>.

⁸ The World Bank, (2014), A World Bank Study, Republic of Iraq Public Expenditure Review, toward more efficient spending for better service delivery, *International Bank for Reconstruction and Development / The World Bank*, P.34.

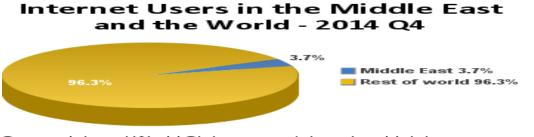
common to all organizations."⁹ The public sector in Iraq has a complex nature, not only politics, but incentives to innovation are low, in this environment risks are high, it might often be seen as what Mulgan & Albury (2003) addressed as an " optional extra or an added burden". ¹⁰ The public service innovation in many cases is exploited to show the commitment of the government towards the public. The image of local government is an important driver for citizens, because the quality and levels of efficiency depends on the government competitiveness in delivering public service. Apparently, the Iraqi government is not able to project a public image, which will heighten foreign appeal, since the government is not modeling an efficient public service and lacks innovation in most of the sectors. The public of Iraq is aware about modernization process and innovation in public services than before. Even though, internet penetration is low in the Middle East, compares it to the rest of the world, and in Iraq is quite low, yet it has an effect on young generation and their awareness. **Figure (2)**.



Internet Users in the Middle East December 31, 2014

⁹ Henry Mintzberg. (1989): *Mintzberg on Management: Inside Our Strange World of Organizations*, New York, Free Press

¹⁰ Mulgan and Albury, 2003. Innovation in the Public Sector. Discussion Paper. Strategy Unit, Cabinet Office, UK, p.5.



Source: Internet World Stats - www.internetworldstats.com 113,609,510 estimated Internet Users for Dec 31, 2014 Copyright © 2015, Miniwatts Marketing Group

Figure (3).

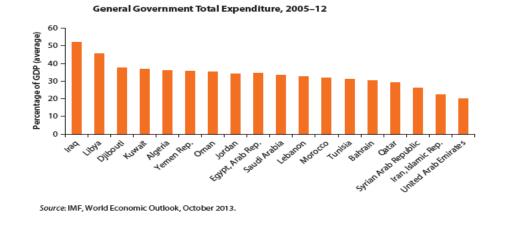
Mentioned by Albury (2005) that "it is only through a process of innovation that public services can shift out of a 20th century ' mass provision' mode to a more personalized mode."¹¹ In the Iraqi circumstance, not innovation, but the basic service is not accessed at all times like (the 24/7) a week, but mostly on the basis of hours per region/or city such as water and electricity. In 2014-2015 the public service suffers mainly under the pressure of the war with the Islamic State of Iraq and Syria (ISIS), and the deficit in the government budget. Reported by the UN, that "as many as 10 million persons could be affected and be in need of humanitarian assistance, this is by the end of the war with ISIS". ¹² Mulgan & Albury (2003) stated that there is a historic tendency for costs in the public sector to rise faster than those in the rest of the economy".¹³ It is not to reduce waste and improve efficiency, in certain cases service deliver has no priority like in Iraq, and many Iraqis are employed in the public sector, which means people think the public sector is more promising than the private sector. To be mentioned, the government is working to get well-qualified workers and graduates to become public servants. Comparing Iraq to any developed countries would not be fair, since Iraq has been involved in various crises, to be addressed; the first and second gulf wars, the UN sanctions, Trade Embargo, and currently the rise of the Islamic State of Iraq and Syria. Prior to the post invasion- Americans with the

¹¹ Albury D. (2005). Fostering innovation in public services. *Public Money and Management*, 25, January, 51-56.

¹² UN, (2015). Year of sustained violence across Iraq has hit children hardest, UN says, *UN news Center*, June 30, accessed on september5, 2015, available at: http://www.un.org/apps/news/story.asp?NewsID=51301#.Vf3P-0jFy18.

¹³ Mulgan, G., & Albury, D. (2003). Innovation in the Public Sector, Strategy Unit, Cabinet Office, October 2003.

international coalition forces planned for innovation and reforms, nevertheless the goals are not obtained yet. The Iraqi government works hard to invest in public service innovation and supporting sustainable development, while that did not work for almost 20 years. It is reported that service delivery is not reliable, only 52 percent of people whose houses are connected to the public water network report that their water supply is stable. For electricity, only 22.4 percent can rely solely on the public network for their housing units. Overall, Iraq's poverty headcount index stands at 22.9 percent.¹⁴ By contrast, the public sector spending to gross domestic product (GDP) ratio, is highlighted by the International Monetary Fund (IMF) that the regional average for public expenditure to GDP in the Middle East and North Africa was 30 percent, while advanced economies were 41 percent, 29 percent was for emerging and developing economies, while Iraq has the highest level of spending as 52 percent during 2005-2012. **Figure (4).**



Republic of Iraq Public Expenditure Review • http://dx.doi.org/10.1596/978-1-4648-0294-2

After the invasion the standard of living for Iraqi citizens' drop dramatically, reported that health and education were both up in 1980s, while the 1990s recorded devastation to the Iraqi

¹⁴ The World Bank, (2013), Iraq: Investing in Infrastructure and Institutions to Create an Environment for Sustainable Economic Revival and Social Progress, October 5, accessed on September 12, 2015, available at: <u>http://www.worldbank.org/en/results/2013/10/04/iraq-investing-in-infrastructure-and-institutions-to-create-an-environment-for-sustainable-economic-revival</u>.

economy, one U.N. study founded that living standards dropped 2/3 from 1988 to 1995. ¹⁵ Notably, the public expectation for better services and competency in delivery service is rising while the Iraqi government's competence is declining. Resulted from weak planning, political and bureaucratic tensions which dumped millions of dollars in the public sector without any outcomes. As described by Geoff (2007) monopolistic sectors tend not to be very innovative for the obvious reason that the monopolist has little incentive to invest profits in new products and services".¹⁶

1.3. Lack of Services and Innovation in Iraq

Innovation in the public sector has to be a necessity for the Iraqi government, since Iraq struggles to maintain and deliver a high quality service in a context of the abundant resources condition. Stressing on Utilitarianism, and how the notion of the philosophy was modified by John Stuart Mill through the phrase "the greatest good for the greatest number of people", in which Jeremy Bentham focused on the calculus in a quantitative sense, whereas Mill used the same calculus in a qualitative sense.¹⁷ This is an extremely important system to be taken into out by the Iraqi government. Respectively, it is important to emphasize on the role of technology as a key component of innovation in the public sector. In fact, information communication technology (ICT) in Iraq is yet on backward and no modernization in governmental services. Although, in 2003 a United States (US) vendor has proposed an ICT roadmap for Iraq, but no

¹⁵ Joel, Wing. (2009). In Iraq Before and After The Invasion, *musingsoniraqblogspot*, Tuesday, August 25, 2009, Accessed on September 6, 2015, available at: <u>http://musingsoniraq.blogspot.hu/2009/08/life-in-iraq-before-and-after-invasion.html</u>.

¹⁶ Geoff, Mulgan. (2007). Ready or Not? Taking innovation in the public sector seriously, NESTA Making Innovation Flourish, April 3rd,p.18.

¹⁷ Kerby, Anderson. (2004). Utilitarianism: The Greatest Good for the Greatest Number, *Probe Ministries*, May 27, accessed on September 10, 2015, available at:https://www.probe.org/utilitarianism-the-greatest-good-for-the-greatest-number.

clear cut results. ¹⁸ Technology transfer plays a very important role in innovating public service, Iraq with a low level of domestic innovation, new technology is mainly imported. Since, the invasion 2003, technology transferred through foreign direct investment in Iraq, by different multinational corporations. Sometimes even the professional labours and consultants are hired by the Iraqi government. In analysing the Oslo Manual which consists of guidelines to understand and analyse innovation, the Oslo Manual is being applied to collect data, to evaluate and compare innovation performance. The commonly agreed definition of innovation is driven from the third edition (OECD/Eurostat, 2005), "An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations." The four basic types of innovation are missing in Iraq:

- **Product innovation** ("introduction of a good or service that is new or significantly improved with respect to its characteristics or intended uses"),
- **Process innovation** ("implementation of a new or significantly improved production or delivery method")
- **Marketing innovation** ("implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing"), and
- Organizational innovation ("implementation of a new organizational method in the firm's business practices, workplace organization or external".¹⁹

And, also the absence of an effective Public Investment Management Framework in Iraq".²⁰

¹⁸ ICT roadmap for Iraq proposed by a US vendor in2003:<u>pws.prserv.net/sadowsky/papers/iraqpolicy.pdf</u>

¹⁹ Oslo Manual, (2005) Guidelines for Collecting and Interpreting Innovation Data, *OECD/ Eurostat*, 3rd Edition, accessed on September 16, 2015, available at: <u>http://www.oecd.org/sti/inno/2367580.pdf</u>,.

²⁰ The World Bank, (2014), A World Bank Study, Republic of Iraq Public Expenditure Review, toward more efficient spending for better service delivery, *International Bank for Reconstruction and Development / The World Bank*, P.63.

1.4. The Fundamental Drivers of Innovation in Public Service are missing in Iraq

1.4.1. Lack of Human Capital and Public Service Innovation:

The Iraqi public service account for 17% of the GDP, the public service budget by far is the largest spending category.²¹ Compared to Europe nearly 55% of GDP, the United States with 32%, 26% in Japan, 16% in China, 17% in India.²² According to the Iraq Labor Force Analysis 2003-2008, Public services-related employment accounts for 43% of the work force.²³ While one third of the total EU working-age population and public employment represents more than 15%.²⁴ According to the World Fact Book, in the percentage distribution of the labor force by sector occupation, including Agriculture, Industry, services cover government activities, the data shows the highest ratio of labor is in services in Iraq.²⁵ Figure (5).

Iraq	agriculture: 21.6%
	industry: 18.7%
	services: 59.8% (2008 est.)

The World Factbook: https://www.cia.gov/library/publications/the-world-factbook/fields/2048.html.

The Global Innovation Index (GII) 2014, The GII highlights the key role of innovation as a driver of economic growth and well-being. Besides, the workers with advanced degrees are an

at:

 ²¹ The World Bank (2014) Republic of Iraq Public Expenditure Review: Toward More Efficient Spending ,
p. 40. Available

https://books.google.hu/books?id=gBVTBAAAQBAJ&pg=PA40&lpg=PA40&dq=iraqi+public+services+account+f or+how+much+of+GDP&source=bl&ots=B8Uwoly35y&sig=4By6Cqy_arHrSAVOaNDA_ouYVxE&hl=en&sa=X &ved=0CDAQ6AEwA2oVChMIoavWlMX8xwIVy7cUCh3azgBF#v=onepage&q=iraqi%20public%20services%20 account%20for%20how%20much%20of%20GDP&f=false. ²² Hugo, Thenint. (2010). Mini Study 10 Innovation in the public sector, *Global Review of Innovation Intelligence*

and Policy Studies ,accessed on September 12, 2015, available at: http://ec.europa.eu/enterprise/policies/innovation/files/proinno/inno-grips-mini-study-10_en.pdf. ²³Iraq Labour Force Analysis 2003-2008 □(2009), available at: http://www.unglobalpulse.org/sites/default/files/reports/OCHAIAU%20LabourForceImpactsIraq%202009.pdf.

²⁴ Nunzio, Casalino.,&Peter, Bednar. (nd). managerial governance and transparency in public sector to improve

services for citizens and companies, p.2. Available at: <u>http://lup.lub.lu.se/luur/download?func=downloadFile&recordOId=5153936&fileOId=5153937</u>.

²⁵ The World Factbook, (2014). Labor Force by Occupation-Iraq, *Central Intelligence Agency*, accessed on September 12,2015, available at: <u>https://www.cia.gov/library/publications/the-world-factbook/fields/2048.html</u>.

essential starting point for innovation. ²⁶ This brings in the mobility of the human capital globally and regionally. The human factor in innovation analysis the role of individuals in the process of innovation, the United Nations Committee of Experts on Public Administration (UNCEPA-2011), had identified the main six priority areas in which the member states could build their capacity to implement the Millennium Declaration, including; " "the public sector must develop a strategy to recruit and retain its fair share of the best talent", following the UNCEPA-2003, this issue was again considered in the discussion, " that revitalizing and revalidating public administration to enable the State to perform its changing role and to better serve citizens was an overarching priority for all countries".²⁷

Since the invasion of Iraq in 2003, Iraqi lost its skilled labour, thus identifying and applying such knowledge in the public sector requires a highly educated domestic labour force. Thus, generating purely local innovations through domestic research and development was not helpful in developing public service in Iraq, because the main driver of innovation the human capital was missing to nurture innovation process. As an important part of the process of innovation, the Iraqi young generation is subjected to ill-treatment from the government, even the two "Government attention to youth is reflected in such documents as the National Development Plan 2013–2017 and the National Youth Strategy 2013–2020. This report must be seen as complementing and supporting both those national programmes and the UN initiatives tackling issues related to the youth as a paramount development priority in Iraq over the period to

²⁶The Global Innovation Index, (2014). *The Human Factor in Innovation*, accessed on September 5, 2015, available at: <u>http://www.wipo.int/edocs/pubdocs/en/economics/gii/gii 2014.pdf</u>.

²⁷ United Nations, (2003).Committee of Experts on Public Administration, Report on the second session, , Economic and Social Council Official Records 2003 Supplement No. 44 (E/2003/44-E/C.16/2003/6), 7-11, April, accessed on September 12, 2015, available at: http://unpan1.un.org/intradoc/groups/public/documents/un/unpan010750.pdf.

2020".²⁸ In this regard, the human capital in the process of stimulating public service delivery is highlighted by Kelley (2010) as an achievement which can be pursued by collaboration rather than a single skilled worker.²⁹ The Iraqi public service is not productive for the Iraqi public, since the productivity of education in industry and advanced service is not operated well in new manufacturing process and producing new products which require well skilled and trained individuals. In line with this, Ferrary (2011) emphasized".The life cycle of innovation is an interactive process that starts with exploration and ends with exploitation".³⁰ As, Iraqi highly educated labour force generates their capacity abroad, Iraqi would be more productive, if the talented people of Iraq to stay. The the OECD (2001a, 18), human capital is "the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being".³¹

Educated and skilled labour is the key stimulator and facilitator for innovation of the public service, illiteracy among the population increased in the 1990s, which resulted in decreasing Iraqi's stock of human capital besides the physical infrastructure. Notably, the 1970s and the 1980s literacy campaign had dramatically reduced illiteracy among 15-45 year olds from 48 percent in 1978 to 20 percent in 1987 (UN/World Bank, 2003b). Whistle, in 2001 based on the United Nations Human Development Report, 55 percent of Iraqis aged 15-24 were illiterate. The Iraq Knowledge Network Survey (IKN) Survey 2011, the chart shows that the Iraqi population

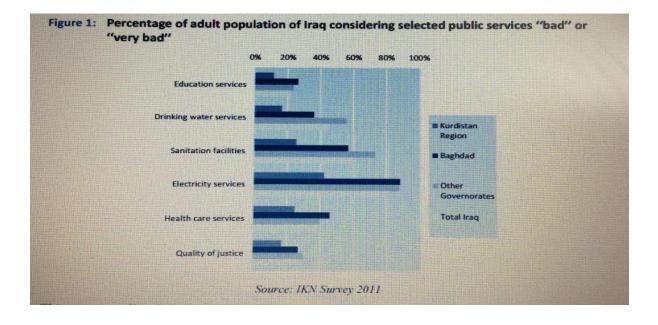
²⁸UNDP, (2014), Iraq Human Development Report, P.19, accessed on September 12, 2015, available at:http://www.lse.ac.uk/middleEastCentre/publications/IraqNHDR2014-English.pdf.

²⁹ Kelley, B. (2010). Stoking Your Innovation Bonfire. Hoboken: John Wiley.

³⁰ Ferrary, M. 2011. Specialized organizations and ambidextrous clusters in the open innovation paradigm. European Management Journal, 29: 181-192.

³¹ Organization for Economic Cooperation and Development (OECD) (2001a), the well-being of nations: the role of human and social capital. *OECD*, Paris.

are still confronted with continual power cuts, lack of clean drinking water, poor health service, this means widely perceived service are unsatisfactory. **Figure (6)**.



Asserting Human resources as the major ingredient of public sector revitalization is needed to bring in reforms in the public sector in Iraq. Adding to this, the quality of the human resource in the public sector should be the main goal for the public policy in Iraq. Lack of improving the education system and enhancing technology imports resulted in creating unskilled labor in the business market of Iraq. Incorporating a well-educated generation is a valuable asset for developing and delivering better public service for Iraqis. It could be argued that the Iraqi population were nevertheless acquiring different relevant skills though the classical education, but there were relevant to utilizing and managing the governmental duties. The domestic knowledge generation can promote public service. To be noted, scientific research is a crucial factor, which is neglected in Iraq. Researchers in R&D are professionals engaged in the conception or creation of new knowledge, products, processes, methods, or systems and in the management of the projects concerned. Postgraduate PhD students (ISCED97 level 6) engaged in R&D are included. Number included (426) individuals, 2010-2014s, while Ireland alone is 3,513.³²Figure (7).

data.worldbank.org/indicator/SP.POP.SCIE.RD.P6 Country name 2010 2011 2012 Haiti Honduras Hong Kong SAR, China 2.925 Hungary 2.131 2.303 2.389 Iceland 7.012 India 160 Indonesia Iran, Islamic Rep. Iraq 415 426 Ireland 3,173 3,355 3,513

The effect of instability and security had a negative effect on forcing many Iraqi professionals and skilled labors to live at exile during the Baath regime period, and in a post invasion era. Doug (2006) mentioned that there is a "Brain Drain" move in which many professionals and businessmen escape to regional countries or to the West. The top Iraqi doctors, lawyers, professors, and businessmen had been targeted or kidnapped, thus the core of skilled people it needs most left the country.³³ Oddly, statistics about Iraqi people left Iraq is not accurate, due to constant war and instability, "the Iraqi diaspora worldwide was estimated between 2 and 4 million people, half of this number having left Iraq in the aftermath of the 1991 Gulf War". ³⁴

³² World Bank, (2014), Researchers in R&D (per million people), Data-Iraq, accessed on September 7, 2015, available at: <u>http://data.worldbank.org/indicator/SP.POP.SCIE.RD.P6</u>.

³³ Doug, Struck. (2006). Professionals fleeing Iraq as violence, threats persist, *Washington Post Foreign Service*, January 23, accessed on September 12, 2015, available at: <u>http://www.washingtonpost.com/wp-dyn/content/article/2006/01/22/AR2006012201112.html</u>.

³⁴ Aij, Fidh. (2003), Displaced persons in Iraqi Kurdistan and Iraqi Refugees in Iran, *Alliance Internationale pour la Justice*-International Federation for Human Rights, Paris.

1.4. 2. The Effect of Corruption on Innovation in Public Service in Iraq

The Iraqi public services continue to be plagued by severe deficiencies all around the country in the post invasion era. Notably, widespread corruption is spread in Iraqi government, which is alarming for a developing country. Indeed, corruption becomes a trend in Iraqi, which is tolerated by the government, thus it is widespread in all institutions mainly the governmental sector. Based on the data on corruption the Iraqi government lost international, national and regional credibility, because Iraq is not able to fight corruption, the government anti-corruption policies do not work to reduce corruption.

Lack of checks and balances in the Iraqi government give the space for more abuse of the wealth of Iraq, this phenomena has devastated the public sector and resulted in the reduction of public service following the 2003 U.S. invasion. In line with this the public of Iraq has no information on the wealth and how the Iraqi wealth is spent, the Open Budgetary Survey, is an index indicator showing the government's openness in terms of the budget, according to the data on the Transparency/open budget index Iraq is 3/100 which means the government hides information about the budget. Besides, the public participation is labeled as 4/100 the Iraqi government does not allow the public to engage in the budget process. And also, the budget oversight by legislature is 27/100 which is weak in Iraq. Lastly, the budget oversight by the supreme audit institution in Iraq is limited as 50/100. ³⁵ Lack of strong institutions primarily courts and the judicial system gave scope for more corruption, since the political pressure gave the government officials to feel freer in being involved in corruption. Meanwhile, the public

³⁵ Open Budget Survey, (2015), Data on Iraq, *international Budget partnership (IBP)*, accessed on September 7, 2015, available at: <u>http://internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/country-info/?country=iq</u>.

service delivery is crippled by nepotism, corruption, lack of auditing, weak parliament legislations; weak federal Supreme Court all together brought Iraq backward in the 21th century.

In focusing on the horizons, no reforms in the public sector in Iraqi resulted in better and efficient public service delivery. Referring to the attempt by the Prime Minister Noori Al-Maliki, who planned a 100-day deadline for the government to improve service delivery and reduce corruption. ³⁶ It is significant to see where Iraq is labeled in the international indexes of corruption and transparency. According the International watchdog organization Transparency International, the global corruption perception index has ranked Iraq as 175th out of 178 countries. Indeed, even with the supervision and guidance the United States provided with the international agencies, it seems a waste of time. As, the Integrity Commission, created by the U.S. Coalition Provisional Authority (CPA) in 2004, is primarily charged with investigating and reporting on acts of corruption throughout the public sector. ³⁷Looting and corruption left no room for innovation in public service delivery, even in the presence of international observers.

1.4.3. Lack of Innovative Leadership and Governance Trend in Iraq for almost 20 years

The dynamics of public sector are diverse; innovation in the public sector is linked to the leadership of the institutions and the regions too. Innovation is embedded into the institutional structure, taking into account the Scandinavian governments with less natural resources compare to Iraq are far more innovative in all sectors not only in public services. In this regard, innovation in the public sector is a great responsibility of leaders in charge, and people "public servants" in the institutions. Besides, the policies for innovation and assets "physical capital" allocation for

³⁶ Iraq Status Report, (2011). Iraqi Politics, U.S. DEPARTMENT OF STATE Bureau of Near Eastern Affairs Iraq Policy & Operations Group, March 3, accessed on September 10, 2015, available at: <u>http://www.state.gov/documents/organization/157897.pdf</u>.

³⁷ International Crisis Group (2011), Failing oversight: Iraq's unchecked government, Middle East Report N113, September 26, p.9.

innovation in public service. Respectively, many states and regions invest in Research and Development including Israel, Ireland, Taiwan, Japan, Germany, French, and mostly in the public service. Interestingly, the idea of pulls and pushes is highlighted by Geoff (2007), the fact that leaders accept conditions for innovation, is specific innovations start with pushes or pulls".³⁸ Based on the World Bank, Research and Development Expenditure (% of GDP) Data, Iraqi allocation is (0.4% or 0.3%), which only covers basic research activities, while Israel spends 3.97% by far it is much more than what Iraq spends.³⁹ In case of Iraq spending on development and innovation is declining, and most data reveals the facts that Iraq is on backward in innovation. By contrast, the Military Expenditure (% of GDP) since 2006 is rapidly going up, it was the same before the invasion, and this graphic from the World Bank clearly shows how the cash flow in Iraq goes to Military Spending not to service innovations.⁴⁰ Figure (8).



Military expenditure (% of GDP)-World Bank

³⁸ Geoff Mulgan (2007), Ready or Not? Taking innovation in the public sector seriously, NESTA Making Innovation Flourish, April 3rd,p. 18.

³⁹ World Bank, (2014), Research and Development Expenditure (% of GDP) Data-Iraq, accessed on September 7, 2015, available at: <u>http://data.worldbank.org/indicator/GB.XPD.RSDV.GD.ZS</u>.

⁴⁰ World Bank, (2014), Military Expenditure (% of GDP) Data-Iraq, accessed on September 7, 2015, available at: http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS/countries/IQ?display=graph.

1.5. The Iraqi Public Sector Modernization (I-PSM)

The Worldwide Governance Indicators (WGI), country Data Report of Iraq, 1996-2013, reports the six aggregate governance indicators for over 200 countries and territories, including: a) Voice, and Accountability: is 10-25th extreme condition, b) Political Stability and Absence of Violence: is 0-10th percentile range , c) Government Effectiveness: is 10-25th percentile range d) Regulatory Quality: is 10-25th percentile range e) Rule of Law: is 0-10th percentile range, f) Control of Corruption: is 0-10th percentile range". ⁴¹ The I-PSM program is supported by the World health Organization to conduct functional reviews of the health sector/system with the aim of assessing the capacity of health system by reviewing the core functions in the first phase, and to focus on sector reforms to strengthen service delivery.⁴² Besides, the UN Economic and Social Commission for Western Asia (ESCWA) had an attempt in familiarizing knowledge management as a tool for public sector reforms in Iraq and Kurdistan Region, UN-ESCWA provides government officials, both from Iraq and Kurdistan region to work on the on-going public reforms.⁴³

Since 2003, Iraqi government's concern was reform in the public sector to provide people with better services; therefore, priority was given to the (I-PSM) program, which aimed to reform several sectors of the economy in order to improve public service delivery. Among the sectors, the health sector was chosen as a pilot area for the modernizing reforms, the I-PSM was a four year program allocation budget estimation was US\$55 million; the program

⁴¹ The World Wide Governance Indicators (1996-2013), accessed on March 30, 2015, available at: <u>http://info.worldbank.org/governance/wgi/index.aspx#reports</u>.

 ⁴² World Health Organization (nd),Iraq Public Sector Modernization (I-PSM), accessed on September 12, 2015, available at:,<u>http://www.emro.who.int/irq/programmes/iraq-public-sector-modernization-i-psm.html</u>.
⁴³UN-ESCWA, Advancing Iraqi Public Sector Reforms, available at: <u>http://www.escwa.un.org/main/scroll/printwhatsnew.asp?id=921&referenceNUM=iraq-workshop</u>.

targeted the entire health system in Iraq. However, the reform was not productive compare to the spending. As noted the source of funding the public sector and public service in Iraq is government, and the budget depends on oil and gas revenues.⁴⁴ The public administration reform (PAR) was planned by Iraqi government since 2013, with the support of the National Center for Management Development and Information Technology, (NCMDIT), in the ministry of planning and technical support, the reform aimed at the main ministries. ⁴⁵ In link with this, based on the World Bank, health Expenditure, public (% of GDP) regardless of what local data is of Iraq, health spending in (2010-2013) is between (2.7- 3.3).

And, similar to health, Education which is one of the main public services in Iraq, the World Bank, Government Expenditure on Education, Total, (% of GDP) 2010-2014 has no data available, in which government need to declare it. ⁴⁶ When unfolding data, the CPIA public sector management and institutions cluster average (1 =low to 6=high), which covers, property rights and rule-based governance, quality of budgeting and financial management, efficiency of revenue mobilization, quality of public administration, transparency, accountability, and corruption in the public sector no data is mentioned in the world bank database for Iraq in 2010-2014s.⁴⁷ Figure (9).

⁴⁴ A World Bank Study (2014), Republic of Iraq Public Expenditure Review: Toward More Efficient Spending, The World Bank, Washington, p.96.

⁴⁵Iraq Public Sector Modernization Programme (2013) brief information available at: http://reliefweb.int/sites/reliefweb.int/files/resources/Quarterly%20e-

newsletter%20issued%20by%20Higher%20Committee%20for%20Administration%20Reform%20No.%204.pdf.

⁴⁶ World Bank, (2014), Government Expenditure on Education, Total (% of GDP) Data-Iraq, accessed on September 7, 2015, available at: <u>http://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS</u>.

⁴⁷ World Bank, (2014), the CPIA public sector management and institutions cluster average (1 =low to 6=high),) Data-Iraq, accessed on September 7, 2015, available at: <u>http://data.worldbank.org/indicator/IQ.CPA.PUBS.XQ</u>.

Country name	÷ 2010	÷ 2011	÷ 2012	÷ 2013	÷ 2014	
Guyana	3.0	3.0	3.0	3.1	3.1	
Haiti	2.5	2.5	2.5	2.4	2.4	·
Honduras	3.3	3.4	3.2	3.0	3.0	\sim
Hong Kong SAR, China						
Hungary						
Iceland						
India	3.6	3.6	3.6	3.6		
Indonesia						
Iran, Islamic Rep.						

Conclusion

In the midst of the fragile economic system and post invasion war with ISIS, Iraqi government faces with long term issues including; security, unemployment, an outdated public service infrastructure, weak governance, bad health care and public services are in the worst condition. Overall, this paper reflects the poor and unhealthy performance of the public sector in Iraq. In fact, the various factors affecting innovation in public service, including corruption, lack of leadership, security, bureaucracy, and planning, human resource. Thus, those factors are necessary to be taken into account by the Iraqi government in the future. To conclude, Iraq has adapted various approaches at the national level with the support of international actors to foster public-sector innovation, aiming at enhancing service delivery performance. However, the main tools to strengthen public service delivery is missing, therefore there is a need for understanding the current available public service performance in Iraq.

Reference:

- 1. Aij, Fidh. (2003). Displaced persons in Iraqi Kurdistan and Iraqi Refugees in Iran, *Alliance Internationale pour la Justice*-International Federation for Human Rights, Paris.
- 2. Albury, D. (2005). Fostering innovation in public services. *Public Money and Management*, 25, January, 51-56.
- 3. Alexander Gerschenkron, Economic Development in Historical Perspective. *Cambridge*, MA: Harvard University Press, 1962. Cited in Howard, Pack. (2008), Asian Successes vs.

Middle Eastern Failures: The Role of Technology Transfer in Economic Development, *Issues in Science and Technology*, Volume XXIV, Issue 3, spring, available at: <u>http://issues.org/24-3/pack</u>.

- 4. BBC, (2015). Iraqi PM Haider al-Abadi moves to tackle corruption, August 9, accessed on September 10, 2015, available at: <u>http://www.bbc.com/news/world-middle-east-33840067</u>.
- 5. Corruption Perception Index, (2014). Transparency International, accessed on September 5, 2015, available at: <u>http://www.transparency.org/cpi2014/results</u>.
- Doug, Struck. (2006). Professionals fleeing Iraq as violence, threats persist, *Washington Post Foreign Service*, January 23, accessed on September 12, 2015, available at: http://www.washingtonpost.com/wp-dum/aantent/articla/2006/01/22/4/P2006012201112 http://www.aantent/articla/2006/01/22/4/P2006012201112
 - dyn/content/article/2006/01/22/AR2006012201112.html.
- 7. European Commission. (2013). powering European public sector innovation, towards a new architecture, *European Union*.
- 8. Ferrary, M. (2011). Specialized organizations and ambidextrous clusters in the open innovation paradigm. European Management Journal, 29: 181-192.
- 9. Geoff, Mulgan. (2007). Ready or Not? Taking innovation in the public sector seriously, NESTA Making Innovation Flourish, April 3rd, p. 18.
- 10. GovLab,(nd), Public sector, disrupted How disruptive innovation can help government achieve more for less, *The Deloitte Federal Practice*, p,2, accessed on September 10, 2015, available at: <u>http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Public-Sector/dttl-ps-</u> publicsectordisrupted-08082013.pdf.
- 11. Henry, Mintzberg. (1989). Mintzberg on Management: Inside Our Strange World of Organizations, New York, *Free Press*.
- Hugo, Thenint. (2010). Mini Study 10 Innovation in the public sector, *Global Review of Innovation Intelligence and Policy Studies*, accessed on September 12, 2015, available at: <u>http://ec.europa.eu/enterprise/policies/innovation/files/proinno/inno-grips-mini-study-10_en.pdf</u>.
- 13. ICT roadmap for Iraq proposed by a US vendor in 2003:pws.prserv.net/sadowsky/papers/iraqpolicy.pdf.
- 14. International Crisis Group, (2011). Failing oversight: Iraq's unchecked government, Middle East Report N113, September 26, p.9.
- 15. Iraq Economic Data, (1989-2003). *Central Intelligence Agency*, accessed on September 8, 2015, available at: <u>https://www.cia.gov/library/reports/general-reports-1/iraq_wmd_2004/chap2_annxD.html</u>.
- 16. Iraq Labour Force Analysis 2003-2008, (2009). Accessed on September 8, available at: <u>http://www.unglobalpulse.org/sites/default/files/reports/OCHAIAU%20LabourForceImp</u> <u>actsIraq%202009.pdf</u>.
- 17. Iraq Public Sector Modernization Programme, (2013). brief information available at: <u>http://reliefweb.int/sites/reliefweb.int/files/resources/Quarterly%20e-</u> <u>newsletter%20issued%20by%20Higher%20Committee%20for%20Administration%20Re</u> <u>form%20No.%204.pdf</u>.

- Iraq Status Report, (2011). Iraqi Politics, U.S. DEPARTMENT OF STATE Bureau of Near Eastern Affairs Iraq Policy & Operations Group, March 3, accessed on September 10, 2015, available at: <u>http://www.state.gov/documents/organization/157897.pdf</u>.
- 19. Joel, Wing. (2009). In Iraq Before and After The Invasion, *musingsoniraqblogspot*, Tuesday, August 25, 2009, Accessed on September 6, 2015, available at: <u>http://musingsoniraq.blogspot.hu/2009/08/life-in-iraq-before-and-after-invasion.html</u>.
- 20. Kelley, B. (2010). Stoking Your Innovation Bonfire. Hoboken: John Wiley.
- 21. Kerby, Anderson. (2004). Utilitarianism: The Greatest Good for the Greatest Number, *Probe Ministries*, May 27, accessed on September 10, 2015, available at:https://www.probe.org/utilitarianism-the-greatest-good-for-the-greatest-number.
- 22. Mulgan, G., &Albury, D. (2003). Innovation in the Public Sector. Discussion Paper. Strategy Unit, Cabinet Office, UK, p.5.
- Nunzio, Casalino., &Peter, Bednar. (nd). managerial governance and transparency in public sector to improve services for citizens and companies, p.2. Available at: <u>http://lup.lub.lu.se/luur/download?func=downloadFile&recordOId=5153936&fileOId=51</u> 53937.
- 24. Open Budget Survey, (2015). Data on Iraq, *international Budget partnership (IBP)*, accessed on September 7, 2015, available at: <u>http://internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/country-info/?country=iq</u>.
- 25. Organization for Economic Cooperation and Development (OECD) (2001a), the wellbeing of nations: the role of human and social capital. OECD, Paris
- Oslo Manual, (2005). Guidelines for Collecting and Interpreting Innovation Data, OECD/ Eurostat, 3rd Edition, accessed on September 16, 2015, available at: <u>http://www.oecd.org/sti/inno/2367580.pdf</u>.
- 27. The Global Innovation Index , (2014). *The Human Factor in Innovation*, accessed on September 5, 2015, available at: http://www.wipo.int/edocs/pubdocs/en/economics/gii/gii_2014.pdf.
- 28. The World Bank, (2014). A World Bank Study, Republic of Iraq Public Expenditure Review, toward more efficient spending for better service delivery, *International Bank for Reconstruction and Development / The World Bank*, Pp.34.
- 29. The World Bank, (2014). A World Bank Study, Republic of Iraq Public Expenditure Review, toward more efficient spending for better service delivery, *International Bank* for Reconstruction and Development / The World Bank, Pp.26-27.
- 30. The World Bank, (2013). Iraq: Investing in Infrastructure and Institutions to Create an Environment for Sustainable Economic Revival and Social Progress, October 5, accessed on September 12, 2015, available at:<u>http://www.worldbank.org/en/results/2013/10/04/iraq-investing-in-infrastructure-and-institutions-to-create-an-environment-for-sustainable-economic-revival.</u>
- 31. The World Bank, (2014). A World Bank Study, Republic of Iraq Public Expenditure Review, toward more efficient spending for better service delivery, *International Bank* for Reconstruction and Development / The World Bank, P.63.
- 32. The World Wide Governance Indicators (1996-2013). Accessed on March 30, 2015, available at: <u>http://info.worldbank.org/governance/wgi/index.aspx#reports</u>.

- 33. The World Factbook, (2014). Labor Force by Occupation-Iraq, *Central Intelligence Agency*, accessed on September 12, 2015, available at: https://www.cia.gov/library/publications/the-world-factbook/fields/2048.html.
- 34. UN, (2015). Year of sustained violence across Iraq has hit children hardest, UN says, UN news Center, June 30, accessed on september5, 2015, available at: http://www.un.org/apps/news/story.asp?NewsID=51301#.Vf3P-0jFy18.
- 35. UNDP, (2014). Iraq Human Development Report, P.19, accessed on September 12, 2015, available at:http://www.lse.ac.uk/middleEastCentre/publications/IraqNHDR2014-English.pdf.
- 36. UN-ESCWA, Advancing Iraqi Public Sector Reforms, available at: <u>http://www.escwa.un.org/main/scroll/printwhatsnew.asp?id=921&referenceNUM=iraq-workshop</u>.
- 37. United Nations, (2003-2011). "Good practices and innovations in Public Governance", United Nations Public Service Awards Winners, NewYork.
- United Nations, (2003).Committee of Experts on Public Administration, Report on the second session, Economic and Social Council Official Records 2003 Supplement No. 44 (E/2003/44-E/C.16/2003/6), 7-11, April, accessed on September 12, 2015, available at: http://unpan1.un.org/intradoc/groups/public/documents/un/unpan010750.pdf.
- 39. World Bank (1997b). The World Bank Annual Report 1997, the state in a changing world, *Washington*, DC: World Bank.
- 40. World Bank Study, (2014). Republic of Iraq Public Expenditure Review: Toward More Efficient Spending, The World Bank, Washington, p.96.
- 41. World Bank, (2014). Government Expenditure on Education, Total (% of GDP) Data-Iraq, accessed on September 7, 2015, available at: http://data.worldbank.org/indicator/SE.XPD.TOTL.GD.ZS.
- 42. World Bank, (2014). Military Expenditure (% of GDP) Data-Iraq, accessed on September 7, 2015, available at: http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS/countries/IQ?display=graph.
- 43. World Bank, (2014). Research and Development Expenditure (% of GDP) Data-Iraq, accessed on September 7, 2015, available at: <u>http://data.worldbank.org/indicator/GB.XPD.RSDV.GD.ZS</u>.
- 44. World Bank, (2014). Researchers in R&D (per million people), Data-Iraq, accessed on September 7, 2015, available at: http://data.worldbank.org/indicator/SP.POP.SCIE.RD.P6.
- 45. World Bank, (2014). The CPIA public sector management and institutions cluster average (1 =low to 6=high),) Data-Iraq, accessed on September 7, 2015, available at: <u>http://data.worldbank.org/indicator/IQ.CPA.PUBS.XQ</u>.
- 46. World Health Organization (nd). Iraq Public Sector Modernization (I-PSM), accessed on September 12, 2015, available at:,<u>http://www.emro.who.int/irq/programmes/iraq-public-sector-modernization-i-psm.html</u>.