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## Public policy more than politics

To fundament the public policy at the level of standard practice are required class specialists. The reality is that experts are formed over a great period of time and the bureaucracy from the Romanian public system, the resistance to changes and the lack of effective forms of motivation had discouraged in many cases the involvement of young people to become experts in this field. The situations where factors of decision from the political filed had confused professionalism with "political debt", and had led in some cases of positioning in key points at the decision level from the field of economic policy of some policy that had often discouraged the initiatives in the domain of public policy. To design credible public policies the state must use public management in his ensemble quality of the overall process of finalization, of organizing and control of public organizations. The diversity of situations in which the public institutions had stand is challenges for policy makers who must pass from "Universe Findings" to "Universe Action". In the future at the level of public policy it should be passed to another type of partnership between public and private. Creating future budgets will mean not only care for the reckless consumption of the resources but also the responsibility of those who are distributing these resources. Public management will be defined as the economic and social framework in which public institutions manage their resources and policies public will become public entities vectors that will guide collectivities to performance.

Prof. Ph.D. Paul Marinescu



## Management and marketing in Korca tourist destination

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Abstract: Tourism is characterized as being a sector that stands out as one of the business activities with the greatest potential for worldwide expansion and as an engine for economic growth. If at the national level, the appeal of tourism is significant, on the local level this sector presents itself as an essential tool in regional development, as a means to avoid regional desertification and stagnation, stimulating the potential of more undeveloped regions. In such a competitive sector as tourism, companies should develop synergies and achieve competitive advantage. This paper reports on experiences and activities that are taken in destination management and marketing in Korça tourist region. Primarily it is told about importance of management and the role of marketing in the development of tourist destination and how to be combined them to grow up competitive advantages. Then are described all main problems of destination management and marketing in Korça region and all problems that are viewed in tourist villages of this region. In the end is suggested a model that can be used to develop sustainable tourism, to grow up profits and to reduce negative impacts that would come from this industry.

Key words: competitive advantages, destination management, sustainable tourism

#### 1. Introduction

Tourism plays a significant role in the economic and social development of many destinations and communities around the world. Destinations seeking to find a balance between their economic, social and environmental aspirations are engaged in 'destination management'. Destination managers and tourism planners have recognized the need for a more holistic approach to destination planning, development and marketing. Over the last decade tourism stakeholders at the destination level have gradually shifted focus from the traditional marketing and promotional functions to the more coordinated strategic approach of destination management. The term 'destination management' and other tourism-specific terminology are often defined differently. Marketing literature suggested further that marketing success is more likely when customer groups are well defined and the market segmentation and method are selected. A large part of marketing literature has been devoted to finding the best instrument for market segmentation(Madrigal and Kahle L.R, 1994). Understanding the needs and wants of the selected segment of customers is vital since their tastes will dictate product development, pricing, place (distribution), and promotion (communication). These aspects are known as a 'traditional' marketing mix or 4Ps. Overtime, the goods marketing versus services marketing debate has led scholars to broaden this traditional mix to three additional '3Ps": people, physical evidence and process. Ryan, C. (1991) concludes that "marketing has been interpreted narrowly as being concerned with advertising and promotion and possibly to some extent with price .. ",adding, "Murphy,P.(1985) argues strongly for the need of communities to be involved in tourism planning but generally omits the role of marketing within product development". Similarly, March, R.(1994) has indicated that marketing'S contribution to tourism has been dismal. March added, " when the issue of marketing has been raised in the academic tourism literature the term is usually narrowly defined or corrupted".

Furthermore, March contends that the adoption of marketing principles within the tourism industry, compared with other service industries, has been undervalued and misrepresented by tourism policy makers and practitioners alike.

Destinations are created at various geographical levels, with corresponding responsibilities and functions. At the institutional level, the organizational structure is represented by local and regional tourist organizations (associations, federations, destination management, DMO). A good way to manage a tourist destination is the creation of destination management organization (DMO) and the key principle of the present travel industry management in the destinations is the cooperation of actors from both the private and the public sector. The collaboration of the actors is important mainly because of the synergy effects that it creates. Tourism in most countries is led and driven by the private sector - though within legal and planning frameworks set by the public sector. In recent years, many tourism destinations have realized the need of involving the private sector in the strategic planning, development and marketing of tourism to ensure the longterm sustainable development of the sector. This is generally ensured through effective public-private partnerships. The issue of private sector involvement is of utmost importance, and cannot be treated lightly. Often, the private sector is expected to contribute financially to tourism destination management, but is not given the accompanying involvement in the planning and monitoring process of this development.

The requirement for both public and private sector commitment to tourism development is essential for the planning, sustainable development and marketing of tourism in any destination. And commitment means willingness to invest the relatively limited resources required to ensure the necessary planned development. For the public sector, it is often limited to realizing that to achieve set targets of tourism development, there is a need to allocate sufficient resources for the management, marketing and promotion of tourism that will ensure these targets are achieved.

Similarly, if the private sector wants to be involved in the planning and management of tourism development, it must be willing to participate in the cost of destination management to the mutual benefit of the expected development, even if the cost coverage initially is nominal.

In particular with respect to the SMEstructure, the resources are used more effectively, innovations are implemented, new management methods and TQM introduced, and economies of scope created, which enables the destination to better face negative externalities, in particular with respect to the environment, etc. Moreover, destination management provides for functions that are beyond the capacity or the interest of the individual actors – e.g. brand building and brand management.

## 2. Tourism management in Korça region

The Korça Region is located in the Southeast of Albania and borders Greece and Macedonia to the South and the East. It is a mountainous region with two major lakes, Lake Ohrid, one of the oldest lakes in Europe, which is shared with Macedonia and Lake Prespa which is shared with Greece and

Macedonia (100 km2 in Albania). The highest peaks are Gramozi in the East of the region at 2,523 m and Morava at 2,047 m. The altitude provides the region with an excellent climate which is very favorable for tourism - cool in summer and the snow in winter is an attraction for visitors. The economy of the region is based on agriculture including farming, forestry and fisheries which account for 30% of overall production in the region. In recent years the construction and transport sectors have expanded, as have some service sectors such as the communication sector and tourism. Remittance from immigrants living aboard is an important source of income and investment for the region. Whilst the Korça Region has a very long history, distinctive traditions and an exceptional environment, tourism in most of the region is emerging as an economic sector (with to a certain extent the exception of Pogradec on Ohrid Lake where leisure vacations have been established over a longer period). Figures for tourist arrivals have not been collected or compiled but according to local stakeholders, there has been a significant increase of visitors in recent years. The region has an excellent mix of soft and hard cultural assets as well as outstanding natural assets.

Problems that exist and have to be resolved in this region are:

- -No good infrastructure in tourist rural areas around the region.
- -No signs for orientation of international visitors to tourist attraction.
  - -Lack of environmental protection plans
- -No focus on capacity building of the region.
- -Lack of web face for tourist destination and no possibility to reserve or buy on line
- -Lack of shops that sell traditional souvenirs and handicrafts.

#### 3. Role of DMO in Korça region

It is clear that there is a pressing need for a regional management structure to be put in place to provide the tourism sector with leadership and management required to properly develop the Korça Region's tourism potential.

The tourism administration organization - referred to the Destination Management Organization (DMO) – have the following responsibilities:

- Regional tourism policy and strategic planning
- Marketing and promotion
- Collection and provision of visitor and general information
- Product development
- Market research
- Facilitation of the private tourism sector and of tourism investment
- Development of relevant PPPs
- Regional tourism awareness

This structure is a clear partnership between the public and private sector with both contributing resources (financial, human and in-kind); it should be a permanent, independent and safe from dissolution because of a change in administration. Its financing arrangements should be guaranteed by statute and its resources totally within its own control. The key roles of the DMO will be to coordinate the implementation of strategic plans affecting tourism in the region, to enhance public-private partnerships within the tourism sector and to become the focal point for the coordination of tourism planning and development in the Korça Region. This organization have followed this action (DMO of Korça Region ,2012):

- ➤ Have encouraged villages to develop and offer distinct products related to each village to provide them with a clear identity and to offer a greater regional village tourism product.
- ➤ Have created links between villages and establish an association of Korça Region Tourist Villages which will be linked to the regional DMO.
- ➤ Have created a website for the associations which will be linked to the Korça Region portal and relevant national agency websites.
- ➤ Have identified different market segments such as; those that will just visit the village, those that will have lunch or dinner in the village and those that will stay overnight offering different packages on the website with contact and booking details, in Albanian but also in English, Greek and Macedonian.
- ➤ Have established information points in each village. (Village office, larger hotels, restaurants)
- ➤ Have done a list of available accommodation, restaurants and their specialties as well as activities available to enjoy in tourist guides and at specially established information points in the villages.
- ➤ Have put up clear signage and a map with local attractions in the centre of the village.

## 4. A Model for a successful management of the destination

Partnerships between the public and private sectors are increasingly recognized as a strategic option for the development of tourism. However, there is a gap in the studies conducted on this subject, mainly concerning

the efficacy and efficiency of such partnerships. It is therefore necessary to identify the critical success factors of these cooperation forms in tourism (Augustyn; Knowles, 2000). This model has a point that consists of a tourism stakeholder relationship network (tourism industry, local government departments, universities and the community tour operators, tourists, public sector and government,) with the PPPs (public and private partnerity) of the tourism destination, considering the resources and attractions available, influenced by the partnership goals and the critical factors that may influence the success of the partnership. The objectives are based on the products, human resources, infrastructure,

marketing and promotion and funding. The critical success factors are based on the formality of the agreements, leadership and flexibility, clear goal definition, organizational structure, social networks and the efficiency/efficacy of the partnership performance. The model represents an interactive tourism system. If there is harmony between the various relationships and variables, these aspects will contribute to the success of the partnership and therefore contribute to the regional development of a tourist destination.

The following figure presents a theoretical conceptual model proposal for successful public-private partnerships, for the development of a regional tourist destination.

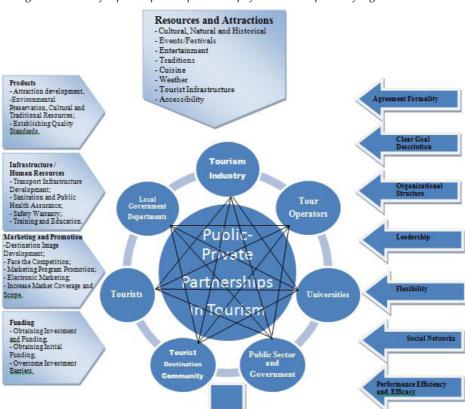


Figure 1 - Model for public-private partnerships for the development of regional tourism

Regional Development

#### **Conclusions**

Korça region has a good perspective to develop tourism because is rich of tourist attraction. This region has a strong concurrence from neighbor countries as Greece and Macedonia, which are well known as a tourist destination.Korca region need a good strategy in management and even in marketing to be developed as a successful and competitive destination. To achieve this aim in this region with the help of WTO is created DMO which has done many activities in tourism management.In the management of a tourist destination is needed a integration of marketing and management strategies which will be focused on comprising desires and expectations of tourists ,community and all tourist destination stakeholders. A good model for managing tourist destination is the partnership between public and private sector and interaction with all stakeholders. The key factor leading to partnership relies on the fact that all partners, either from the public or private sector, wish to benefit from sharing resources and objectives. This study led to the conclusion that the importance of partnerships, as a way to ensure sustainable development of the tourism sector tends to present itself as something consensual and evident.

However, the great difficulties and obstacles the creation and organization of partnerships face are also undeniable. From the same perspective, identification of critical success factors is revealed to be of great importance for correct partnership management, acting as a reference of good practices

for the creation and maintenance of this cooperation method. The proposal of a model for public-private partnerships presented here, makes a contribution to regional development, may contribute to identification of gaps and potentials for competitive development that will aid the competent entities in their management tasks. This paper has limitations related to the fact that the model presented was not tested empirically, as well as the shortage of specific studies about the tourism partnership phenomenon in Portugal. In fact, the interface between the public-private domains has received great importance in national and international contexts, due to the economic and financial crises. Thus, the model presented may be looked upon as a small step in the study of public-private partnerships in tourism, a matter that should be researched in future studies, namely through a case study of inland regions and geographical and temporal comparisons.

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# Results based management in Albanian local governments. Case study municipality of Korca

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Abstract: Public Management has been a constant concern for all politicians and public administrators at all levels of governance in Albania. Increase of public demand for higher accountability, efficiency in the administration of public goods and services is now challenging the traditional means of governance by so aiming tangible results in the public management. Results Based Management (RBM) is a new approach in the public management, a practice already developed in the western countries. RBM is defined as an approach that integrates in one whole instrument the strategies, human resources, processes and their evaluation, with the aim of improving decision-making, transparency, and accountability of public institutions. This study makes an effort to approximate and clarify as simply as possible such a management scheme which remains a relatively new approach for Albania and especially for local governance stakeholders. RBM is not only a planning-monitoring -evaluation tool but also a model that can facilitate the activity and development of Local Government Units in order for them to improve their "product/services". From empirical data deriving from this prior assessment it results that municipality of Korca in Albania have the willingness and the institutional and technical capacities, though very fragmented and not integrated in one whole clear model, to embrace the RBM as a new approach in their institution's management.

*Key words:* RBM (Results Based Management), local government, performance indicator, strategic planning, result's monitoring.

JEL Clasification: H11;R10;R58

#### Introduction

RBM (Results Based Management) is a new approach that brings to the attention of politicians, public administrators and other stakeholders of Albania's development and institutional reforms at national and local level with the purpose to improve these processes and to build a public sector that is more efficient and accountable to the society in its quest to access European Union and generate genuine values as EU member.

RBM is the newest trend in systems of management, which aims to improve efficiency and increase effectiveness. As a management method, the RBM-strands found in the literature of economics and management has found further application in public or private organizations in developed western countries.

Most important elements of results based management are:

- defining the outcomes and targets,
- establishing performance indicators,
- institutional environment
- Performance information systems.

RBM has aimed at achieving significant changes in how organizations operate through performance improvement over the results. RBM has is a management framework that includes methods for strategic planning, risk management and performance monitoring and evaluation through indicators. Its main purpose is to improve the efficiency and effectiveness through organizational learning, and secondly to meet the obligations of accountability through performance reporting.

What are the aims of RBM model?

i) Achieving tangible results; ii)
 Clarifying the concept and role of "client"
 and "mandate" of institution; iii) Promote

standardization and analysis of result based management; iv) Focus to report "resources / energy spent - value generation";

Why required RBM's model?

i) The community wants better services;
 ii) more effective distribution of internal resources;
 iii) Need to better focus the development of the organization;

Why "RBM's" Local Government Units?

RBM is not simply an instrument of planning, monitoring and evaluation but also a model that facilitates the operation and growth of the organization to improve the "product / service" of its own.

Some practical reasons for using RBM are:

- Better utilization of time and resources in view of quality services;

-Improved communication to convey the values of the institution;

-Sustainable capacity development for Local Government Units (LGUs);

-Continuous improvement strategies & approaches through evaluation;

-Strengthens the relationship with the community - LGU customer service - as a result of consistency between the results of the LGU and the growing expectations of citizens.

The chain of results" is the main ingredient for the construction of "results-based logical model" which is one of the major cycle management based on results. The chain of results is the mechanism that can be used at strategy, sector, program or project that depending on the needs of the LGU. Links of the chain of results are:

Inputs – Activities - Products – Results - Impact

In order to achieve long-term impact of an activity, whether in the level of the strategy, sector, program or project, should all the components of this model to be linked together in a logical manner in which the realization of one step leads logically to achieving the next step. If there is a discrepancy between expected results and products produced, then it means that the "results chain" is detached in one of his chains, which should bring the appropriate corrective measures. Results for local government units shall be determined by indicators measurable and in close collaboration with the community and all stakeholders.

#### Results Based Management (or Performance Mangement) in national level in Albania.

At the national level of government, the Albanian Government has adopted the Integrated Planning System (IPS), which is a set of operating principles that ensure the realization, in the most efficient and harmonized planning and monitoring of government policies in general. Two are the main processes involving all government organizations and activities:

-National Strategy for Development and Integration (NSDI), which defines the medium and long term objectives of government and strategies for all sectors based on a national vision, and

-Medium Term Budget Program (MTBP), which requires each ministry to develop a 3-year plan for achieving program goals and policy objectives within the ministry's expenditure ceiling, set by the government's fiscal plan.

Results Based Monitoring will be used as an instrument technician monitoring "Result Assessment Matrix". (RAM) based and contains performance indicators, designed the methodology SMART objectives at sectorial programs which contribute to the implementation of a sectoral strategy.

More specifically Result Assessment Matrix contains:

Planning Tables of (RAM): report of planned targets the main objectives of monitoring strategies.

Monitoring Tables of (RAM): target report current opposed to the planned performance indicators and provide results of achievements by programs and strategies,

Results Tables of RAM: this is the mechanism of accountability 'traffic lights', based on the above result (these tables should be internal documents to guide the political discussions in the Committee of Strategic Planning.

## Results Based Management in local government in Albania.

Management based on the results, it is a new approach to local governance in Albania, but can not be avoided similar initiatives implemented. In this context, it is worth mentioning in this paper, the two initiatives differ in character although the implementation where each instrument comes as dictated from above - down to all public sector entities and the other is a tool implemented in local context of some LGUs, both aimed at improving public sector performance. The first instrument, the Medium Term Budget Program, and provided the instrument is required by law for all public sector entities in the center as well as locally.

According surveys of the work of LGUs, we believe that reason of limited organizational capacity, noted that some of them

formally implement the Mid Term Budget Program, which reduces the value and importance of this instrument. RBM has, however, differs in its philosophy the concept and implementation, as not only emphasizes the importance of technical elements and the instruments used, but also the process of implementing the RBM, making its implementation in a permanent way in a culture management of the local government unit.

#### Metodology of the study

Korca City is the major urban centre in Southeast Albania. Korca Region neighbours the Elbasan Region to the Northwest, the Berat Region to the West, the Gjirokaster Region to the Southwest, while it shares borders with Macedonia to the Northeast and Greece to the Southeast. Korca is part of a regional network of small and medium size Albanian cities, while historically it has been part of an interregional network including Ohrid, Bitola, Kastoria, Florina and other urban centres located in Macedonia and Greece, including Skopje and Thessaloniki. Korca is the major economic centre in Korca Region and Albania's southeast. Local economy is based on agriculture, light industry, construction and services. The financial and banking system of southeast Albania is based in Korca, along with the majority of foreign companies.

The questionnaire aims to make an overall assessment on the situation in local government in terms of assessing the staging point for future implementation of results-based management, this new experience, but important for all public institutions at government, but that can be applied centrally. Prepared questionnaire contains five

main sections with about 30 questions, some of which contain several sub questions. The questionnaire also identified three categories of respondents by sex, age and education. Questionnaire refers to the category of respondents divided into - municipal staff, municipal councilors, and representatives of central institutions at local and non-state actors such as civil society, media, and business community.

For employment category, about 50% of respondents are municipal workers, who compose the largest group of respondents. Further, the second largest of respondents comprised of members of city council (16%). So the questionnaire has a very good stretch in the sample of respondents who know very well and closely the work of the municipality, providing a much higher objective response. Also to provide a broader approach is intended to be interviewed by representatives of other interest groups, namely civil society, private sector and local media, which all together represent about 34% of respondents. This guarantees a higher objectivity questionnaire.

For the category of education, about 69% of respondents are highly educated and 18% with post-graduate qualifications. Only 13% of respondents are with secondary education. This random distribution has guaranteed a high quality in terms of questions and answers given. For the category of gender division is targeting a balanced distribution of respondents and it was agreed that about 42% are women and nearly 58% male. An ideal split would be 50% to 50%, but even so respected achieve a high degree of parity of gender representation.

#### Finding of the survey

#### Vision and leadership section:

This section of questions was designed to determine access to municipal leadership, strategic guidance on issues of municipalities. Through the active role of creating a development vision for the institution, a leader encourages his staff to take initiatives to achieve goals and to create an organizational ethic that expresses value to the community

Questions included in this section are as follows:

- 1. In your knowledge, is there a strategic planning document your municipality?
- 2. Do you think your municipality has a clear vision for the development of this institution?
- 3. If so, how would you assess the sharing and promotion of this vision of the municipality with the following actors: a) Staff of the municipality b) City Council c) interest groups (business, civil society, etc.), D) Citizens.
- 4. In your judgment, do you think the city administration has the right encouragement and support from leaders of institutions to take initiatives in implementing the strategic development goals of the municipality?
- 5. in your judgment, did appear set your mayor of the municipality to undertake concrete measures for fulfilling the strategic goals of the institution?
- 6. A municipal activity reflects the dynamics of developmental processes to update and adapt the strategic objectives of concrete measures to the local context?
- 7. Does your municipality a plan monitor and evaluate the performance of the institution?

8. A mayor urges harmonization of a common vision between the municipality and city council?

#### Conclusions for the section

From the questionnaire responses show that has a good knowledge of the concepts of strategic planning. Issues of vision and strategic plans are considered as instruments of work already at the level of respondents. While the vision of development as the main part of the strategic plan shared with relevant stakeholders and promote municipal staff (over 77% of respondents) and council members (55%) who have good knowledge of vision. In this context, separation and fully promote the vision with other actors as interest groups and citizens, perceived low levels, respectively, 37.7% and 33.5%, the rest in the majority considers partial or no knowledge of this. This shows that the strategic plan is perceived more as an instrument that most institutions should be promoted within the municipality and on a lesser scale with citizens and interest groups. In the answers of the respondents noted that management has an incentive and relatively reduced support to implement the strategic goals of the municipality. If we compare the responses to the question that the Mayor's determination to support the fulfillment of specific goals appears that most respondents answered this question positively.

In this context, the push for implementation of strategic goals considered more as a task of the leadership of the municipality, mayor, than the staff of administration. In practice this means that the implementation of the plan considered the issue of leadership while the approach to implementation should be the involvement of not only the

administration but also other stakeholders. Administration generally does not perceive itself as an integral part of implementing the strategic plan because of the encouragement and support inappropriate to it. Dissemination of strategic goals and to other stakeholders like civil society and private business has not found the proper sensitivity to the local level while councils rightly considered as part of the realization of strategic goals, which is observed with a stronger tendency in major cities.

Plans for monitoring and evaluating performance have found a relative pursuant to cities, where obvious fact remains that little more than half of respondents indicated that either they are formal, or do not know their existence. In general, the literature of management science, says it is better not to have quite a strategic plan without a plan or evaluation of performance monitoring. At this point we can say that the questionnaire responses of the major municipalities appear somewhat better compared to municipalities and small sized. Generally the majority of respondents, the Mayor perceived as a driver of harmonizing common vision between the administration and city council. This practice reflects a simplified approach to strategic planning by considering it more as a management tool than as a surface permanent access to the work of administration at local level.

## Promotion and achievement of the qualitative results section:

In this section, situation assessment was aimed at promoting and achieving quality outcomes in municipalities by lideshipit, mainly through the development of a professional environment with a high performance through the establishment, promotion,

implementation and evaluation of service delivery quality high.

Questions are as follows:

- 1. What is the level of the initiatives undertaken by your mayor of the municipality to establish standards in service delivery?
- 2. As your mayor of the municipality encourages methods for continuous improvement of standards for achieving high quality in service delivery?
- 3. Is there a mechanism for controlling and evaluating the performance of city staff and facilities?
- 4. If YES, do you think that this mechanism is efficient and promotes quality outcomes?
- 5. How do you rate the mayor's relationship with the municipal council in terms of building a people-oriented partnership?
- 6. Do you think the city is open to critical reflection about successful practices not it?

#### Findings for this section:

Questionnaire responses indicate a high perception on the promotion and use of standards in services and performance assessment. If we compare the responses to performance evaluation and motivation at work has noticed that the relative dependence means that the low motivation of employees, their performance affects the results of the work. There is a perception on the cooperation relatively high municipal council - mayor. Specifically, 38% of respondents rated "very good" level initiatives taken by the Mayor to set standards of service, against 37% who responded "better", 18% poor and 7% with "very poor". While 47% of respondents consider very good encouragement that makes the mayor about the introduction of methods to improve service standards.

Nearly 54% of respondents stated that there is a control mechanism and performance evaluation of staff of the municipality, against 34% who say they do not know and about 12% who say "no" has such a mechanism. While 52% of respondents consider "somewhat yes" effective this mechanism while 32% consider it as "fully YES" efficient. For questions about the relationship the mayor - the municipal council in view of service to the people, for 41% of respondents are considered as effective and at the same value that is 41% as partly effective. These values range from practice against some cases of large citieshas shown that where the mayor belongs to another political option than the majority of the council that these relations have been more problematic and the cost to citizens. Asked if the city is open to criticism for practices reflections unsuccessful turn, 39% of respondents consider that, "always" the city is open for reflection, while 41% consider that it "depends on circumstances".

## Development of relationship and partnership section:

This section is intended to assess the level of development of relations with other actors, that Mayor establishes and maintains positive relationships in the context of working with government and other civil groups and private sectors through the establishment of effective communication strategies. There is a high perception of cooperation with central government, but when asked for relevant institutions, the perception of cooperation shown in the lower levels which runs closer to reality.

The response clearly shows that higher intensity of cooperation is the prefecture (the Prefect is the institution responsible for the monitoring of the legislation of the LGUs) or social service agencies and little environmental.

Some of the questions are:

- 1. In what level your Mayor has created networks between municipal actors and partners outside the local government?
- 2. Your mayor keeps the cooperative relationship with central government actors at the local level?
- 3. Which of these institutions, your municipality has an efficient institutional collaboration?
- -Prefect,-State Police,-Regional Environmental Agency, - Water and Sanitation,- National Employment Service, -Regional Education Directorate,- State Social Service.
- 4. What do you think is the main issues in the context of improving municipal cooperation with central government institutions at local level?
  - a) The politicization of cooperation
- b) Respect for the independence of local government
- c) Aspects of inter-institutional coordination
- d) The level of professionalism of cooperative actors
  - e) Other (specify)

#### Conclusions for this section:

Asked what level the mayor has created networks of partners with actors outside government, 41% of respondents answering "very good" and 35% "good". If we make a comparison between categories of municipalities, major municipalities resulted only 29% of respondents expressed "very good", 44% in secondary cities and 49% in small

municipalities. Even in this case reinforced the strong tendency in the answers above that small municipalities because of the smaller resources available, are more inclined towards greater cooperation with other actors outside the local government.

While the question of maintaining cooperative relationships with the mayor and central institutions at the local level, 41% of respondents said they "were completely" as successful and 42% consider them as "partly successful". In this context the question with which the central institutions at the local level, there is a fruitful collaboration, respondents regard as "very good" relations with the institutions listed below:

- Prefect 28%
- -Water and sanitation 23%
- State Police 20%
- State Social Service 17%
- -Regional Education Directorate 10%
- -Regional Environmental Agency 8%
- -National Employment Services 7%

This overview shows that mainly the relationship with central government level is not the right level.

About the politicization of cooperation, nearly 43% responded that they consider problem to improve cooperation. 23% responded that it is "respect the independence of local government" problem of improving cooperation.

## Management of the resourses and risks section:

In this section insisted on specifying the type of resources and risk management in the municipality. In function of this questionnaire the term risk is understood the possibility or threat of injury, or an adverse event caused by factors internal or external that can be neutralized through deliberate actions. This ensures that human and physical resources, including the financial, technological and information to be effective and appropriate ethics to meet the needs of citizens in service delivery.

#### Questions are:

- 1. Do you think that your mayor has been successful in the effective management of human resources of the institution?
- 2. Do you think that your mayor has been successful in the effective management of risks and challenges associated with them?
- 3. Does your municipality has managed to secure alternative sources of financial assistance to fulfill the strategic objectives of development?
- 4. Do you think city staff, including the President, should further improve their capacity and skills regarding the management of risks and resources?
- 5. What is the level of commitment to your city mayor for division of labor in the municipality?

About 44% of respondents answered that the mayor has been fully successful at efficient human resource management. While the question how successful have been the mayor of risk management, 37% of respondents answered that they have been fully suksesshëm. Asked to find financial resources and other options for meeting strategic goals, 26% of respondents responded that, yes always and 46% mainly YES. Categorical values are interesting municipal responses obtained from small municipalities in which about 55% of respondents answered "mostly yes" to this question compared to about 35% and 41% respectively for the municipalities of medium and large. Small municipalities have fewer resources and tools available to municipalities large and medium, and hence their dependence on alternative sources is great. Over 86% of respondents expressed positively to the question of whether to further improve the capacity and capability of staff and chairman regarding risk management. While only 37% of respondents agreed completely with the level of commitment to the division of labor by the Mayor, where the bulk of nearly 63% of respondents say that they are partially (36%), less (18%) or no (9%) satisfied with this division.

#### Conclusions and recomandations

-Strategic planning as a management tool known and used in a number of local government units, but it lacks the monitoring and evaluation instruments for achieving concrete results in their application and implementation as an integrated approach in a within broader impact;

-Develop and implement strategic visions and goals remain more accessible for the leadership and less administration and other actors, it is not provide their harmonization, managing for a concrete and measurable results by the administration

-Qualification of administration is treated as a very important issue by employees, but that is not reflected in their professional motivation, which does not contribute to management based on concrete results in the work of administration;

-Cooperation with the central institutions at the local level remains an issue to be improved under the perspective of achieving certain goals and outcomes management model based on results.

-Exposure to risks and their management is an issue that 's recognized by LGUs but that is an essential element of the model results based management;

-Monitoring and evaluation of results are new instruments by LGU-s and required a lot of work to change the management model and practice to return to work

-Review work plans and correcting deficiencies as a result of the monitoring and evaluating performance, remains a gap in the work of most local government units. From the above, as the main conclusion emerges that local governments have condition and institutional and technical capacity, which nevertheless remain fragmented and not integrated into a clear pattern; to engage in will be done starting from the foundations for a fundamental change in approach and management of the institution. This is especially important to the local level where new leadership is expected to come from new local elections.

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# The synergy between mass-media and public management: a positive perspective for the Departments of Communication and Public Relations

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Abstract: The aim of this article is to emphasize the major role the departments of communication and public relations detains in the synergy process between mass-media and public institutions, starting from a series of short-circuits which have occurred in Romanian public sector and led to the misunderstanding of messages, due to an unprofessional communication. Synergy, on its basic meaning, represents a simultaneous action oriented in the same direction, which involves several agents who have the same purposes (DEI, 1999). In the present context, I define synergy as intensifying two activities with a determinant role in the proper functioning of public management which contributes, to a large extent, on informing and educating the general public. The premises I start with are that crisis situations occur because of a faulty communication department and these could be avoided if there would be a permanent and efficient relationship between mass-media and public institutions. In other words, an efficiently organized department of communication could enhance company's activity starting from the partnership between media and public institutions. Through collaboration, both units could present advantages to be felt at the organizational, social, economic and cultural levels.

*Key words:* synergy, mass-media, public management, public relations, communication, information.

#### Introduction

We live in the informational era where communication represents, above all, the basis of all networking processes, and finding synergies between two areas today is like seeking for connections that have already been made in terms of communication systems and information transmitting. It is not so hard trying to find connections among different fields, but it is just that hard to develop acting plans which involves upward communication processes and to establish a purpose even since the moment two different domains starts to cooperate. I report these situations to mass-media closely related to public institutions, because mass-media have direct access to what happens inside and outside the environment and, therefore, they may have a decisive role in creating and maintaining a positive image.

#### Literature review

In the modern society of XXIth century, it is essential to discuss about a synergy between media and public system, mainly because the law allows the media to be binding communication between such institutions and their public. Among the articles of low no.544 of the Constitution, there are three of them i would like to put forward: mass-media access to public information is guaranteed (art.15/1); the activities of collecting and broadcasting information of public interest, performed by the mass-media, are a materialization of citizens rights to have access at any information of public interest (15/2); authorities and public institutions can't forbid, in any way, mass-media access to their organized public actions (art.19/2). Therefore, there is a strong connection among public institutions, mass-media and public, and an optimum communication would have a synergistic effect as even the beneficiaries could intensify their activity in order to create a direct relationship among the tree components. This kind of relation is created by an efficient department of communication and public relations, as its function is to intervene in the reconciliation of conflicts, to offer fluidity to informational processes, to prevent situations of crisis information generated by the

non-observance/ misunderstanding of the rules or public demands.

Mass-media have an important role in forming public opinion, exerting a major influence on masses in four phases: media draw public attention regarding a subject, a theme (awareness); media makes available a volume of information about that subject/ theme; the information provided leads to forming and changing attitudes; attitudes formed in this way influence behaviour (DeFleur, 1995). Therefore, it is very important for all these to be part of the public management field, which includes, besides the informative role, the administration component too, and the functions of forecasting, organization-coordination, motivation and control-evaluation. Public management has an integrative, political, diversity and synthesis character, and its domain comprises several areas of interest, such as: the public interest, public power, public authority, public service (Androniceanu, 1999, pp. 4-7).

James Hoggan recommends the best for an organization is to permanently maintain relations with mass-media, even before a crisis occurs (Horsely, 2004), so that the public management - which involves both PR department and media in collaboration - acts as a stimulating and compelling force on citizens. If an organization does not have a good communication philosophy to support the process of public relations from the perspective of informing and involving public, even if there is about a teaser or a general situation, it does not work properly. The organizations based on excellent communication processes (and who are aware of its importance, especially in a crucial period), will have public relations success, mainly if the collation takes place on a plain-hearted and

transparent information field (Horsely, 2004, p. 428 apud Marra, p. 463).

The following paragraphs are related to public communication in limited situations, nationally and internationally, to countries with tradition in providing information through media and to a few arguments about the advantages of the relationship between media, public institutions and their departments of communication and public relations.

#### A comparative analysis

In Romania, as for information transparency, public institutions managing EU funds incurs major difficulties; if in 2009 there could have been noticed a lack of information about "the announcement of launching terms of documents, about sources of financing, the documents changes that had already been published and the clarification of some conditions those documents contained", about the delaying of evaluations or the postponing of results announcements, neither now the situation is a positive one.

Nearly six years after adhering to EU, information is poor, although there are many strategic communication plans made for each program; the notices about new available programs are not brought to the attention of the public concerned, often the only source they could inform about eligible projects being the official web-site of the implementation unit (however, the information on these sites is presented in a complex and bushy manner, difficult to access by people outside the system). More than that, in cases of public requests, there are no departments of public relations formed by professionals who could be able to respond to citizens in due time.

Mass-media play a minor role in this context, in my opinion owing to a lack of motivation cycle: media channels are not encouraged by the state to participate to the communication activities, and the public, who is the final consignee, all along of an insufficient information, is not motivated to start a new project, getting to the conclusion that accessing EU funds involves a very difficult process. A solution would be to coerce the establishment of some targets concerning a minimal number of founded projects, to determine public institutions to present interest in increasing the number of EU beneficiary funds. Consequently, an optimum communication could contribute to the synergy between mass-media and public management, so that the result would be a beneficial one for each of the three participatory components: mass-media, public institutions and public.

Retrospecting the situation to what happens outside Romania, it is noticeable a different approach in countries like Ireland, Germany or Poland; the informational support is rich in content, clear and transparent, media channels representing the main informational base. In informing public about all the measures, possibilities, rules and terms of accessing European funds, there are used communication platforms, public informing campaigns, diffused both on traditional and new media, and there are set up departments of communication specialized in offering all the information the interested public requires. It can be seen a synergy between mass-media and public management, intensified by the specific activities of the department of communication.

In comparison to other countries, Poland enjoys the most successful level of communication and accessing European funds, grace to a few country's social-political issues, but not only. Grațian Mihăilescu, an European Affairs and Local Development Consultant, comes up with some arguments about the different situation between Poland and Romania. In one of his articles, he mentions that "the use of public-private partnerships, the process of creating an efficient system of public employment, eliminating the politicization risks of public service and clarifying the distribution of competences between regions, districts and municipalities, were all measures that have been taken in order to improve the efficiency of multi-level governance and regional development policy in Poland". He adds the fact that, although these social-political factors have contributed to a more efficient absorption of funds, "employees involvement, the transparency, multi-level governance, competitiveness and efficiency" had a great importance too.

The case of poor information about EU funds in Romania is similar to what happened in Ontario, in 1996, during the construction of a neo-liberal hegemonic project, which generated a strike and a very serious crisis at the social level. After an analysis of communication strategy and mediatic content of what had happened during the public strike, made by Kirsten Kozolanka, appears that "The Conservatives utilized political communications processes adeptly to win consent for their hegemonic project. They moved swiftly to centralize and control information and communications in government and in the legislature" (Kozolanka, 2006 apud Brearton, 2003). Communication strategies used by Conservatives in the election campaigns contained "centralized control of simple messages, extensive pre-wit campaigning, heavy reliance on targeted television advertising, the use of hot button or wedge issues to polarize the electorate" (Kozolanka, 2006 apud Fletcher, 1999, p. 1), and all these were supposed to win consent. This made that "a strong challenge to the government led by labour and social justice groups failed in the face of state public relations, media silence, and internal dissension" (Kozolanka, 2006).

## Communication perspectives in public management

Hereinafter, i will illustrate the way the north-american public system is improved, namely, how it is modeled after the private, corporate system, which, for many years, uses public relations to built a positive public image and to improve employee morale. Margulies, the president of "The Margulies Communications Group", who is dealing with improving communication processes in public institutions, mentioned in a telephone interview that "the most successful businesses have strong public relations operations." Thus, he goes in quest of developing the departments of communication and public relations in public institutions by increasing social responsibility through adding marketing and advertising to the portfolio of activities. Moreover, to those departments have been assigned the tasks of creating and maintaining compelling the informational web-sites (Wilton, 2001, p. 2). All these represents new perspectives for the development of these departments and may have a significant role in the partnership between media and public management, whose purpose would be to evoke attention, perception and interest of public.

An efficient collaboration between two or more institutions could be an advantage for public; "most major public challenges are larger than one organization, requiring new approaches to addressing public issues. Public managers who work collaboratively find themselves not solely as unitary leaders of unitary organizations." They often operate in multi-organizational arrangements to solve problems that can not be solved by single organizations (O'Leary; Vij, 2012, p. 509). On collaboration between them, Huxham believes that the advantages of a relationship will be cherished only when objectives could not be achieved by a single public institution, but through collaboration. (O'Leary., Vij, 2012, p. 510 apud Huxhman, 1993, p. 603).

Given the development of new media (online social networks, web-based relational databases, digital image archives, individual or collaborative blogs), these all could be used to develop the public interest in the issues are facing public fields today (Annany&Henessy, 2006, p. 1). New media has multiple benefits that traditional media can not extend because new media's potential is growing too fast and it offers the possibility of expressing freely in the online environment, to which people have access on a large extent. Moreover, social networks are formed through social groups, who share common ideas or try to find solutions to society problems, initiating real movements. Going back to the EU case, the fact that young people (aged up by 30 years) are familiarised with the use of new media applications, they could be the largest target group of potential beneficiaries of funds.

#### **Conclusions**

The synergy between media and public management does not necessarily means a perfect functioning of the system; it only intensifies activities so that the institution develops better. There must be a specialized department to transmit the information, formed by professionals in communication field, who should know how to approach the problems incured by citizens, to a wider level. Mass-media should be only a golden mean in constructing the image and offering information diffused by the public institutions, for the rest could come to the department of communication and public relations.

As it can be seen, specialists are seeking after a change at the informational level in public organizations, in order to an evolution that have positive effects (informative and educative) on public. Communication in such organizations has become a subject of global interest and has generated a series of tendencies and changes to contribute to the national interest information transmission, in two shakes, by professionals, using the best media technology. Periodically, the public management should be concerned to improve its activity in such a way to help to the progress of cultural, social, political and economic environments. If the partnership between media and public institutions is well done, it will intensify the organization success.

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## Forensic accounting as Panacea to the challenge of crime and violence in the Caribbean

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Abstract: Crime and violence are development issues in the Caribbean. The proliferation of crimes and violence in the Caribbean nations has been a growing concern. This paper presents the worldwide emerging discipline of Forensic Accounting as a veritable Panacea to the challenges posed by crimes and violence. Using the secondary data methodology, it argues that Forensic Accounting which is the intersection between accounting, investigations, and legal matters, will provide the lasting solution which is being earnestly sought to tackle the menace of crimes and violence in the Caribbean. The paper therefore, amongst others, recommends a national and international implementation of Forensic Accounting based measures as a unified approach necessary to fight the Caribbean's related crime and violence problems.

Key Words: Forensic Accounting; Crimes; Violence; the Caribbean; Corruption

#### 1. Introduction

The problems of crime and the quality of justice have become central issues in public debate and important public policy concerns in a number of Caribbean countries. This problem is perhaps most acute in Jamaica which has acquired an unenviable reputation for having a high rate of violent crime. The significance of this is underscored by the fact that there has been much research and

discussion on this matter. Millions of dollars have been spent to tell what the problems are (Jones, 2003). The high level of violent crime remains a most troubling and pressing problem as the countries have been in crisis due to the escalating crime rate. Through multiple channels, crime and violence threaten the welfare of Caribbean citizens. Beyond the direct effect on victims, crime and violence inflict widespread costs, generating a climate of fear for all citizens and diminishing economic growth. Crime is a major deterrent to business which creates a huge problem, as tourism is the Caribbean's primary source of business. Crime and violence present one of the paramount challenges to development in the Caribbean. For example, the Government of Jamaica and in particular the Ministry of National Security has been the recipient of many reports and studies and have made serious attempts to solve the problem in Jamaica, and although some progress has been made by various policies coming from the implementation of report recommendations, the problem still persists.

This paper looks at the problem from a global perspective via the engagement of Forensic Accounting, drawing on what is happening internationally and highlighting how the Caribbean countries can seriously draw on the experiences of Forensic accountants to solve the burdensome problem of crime and violence. It also gives recommendations for policy options in the Caribbean.

#### 2. The challenge of crime and violence

The battle against crime in cooperation with identified corruption has made reduction a serious challenge. Murder rates in the Caribbean—at 30 per 100,000 population

annually-are higher than for any other region of the world and have risen in recent years for many of the region's countries. There has also been the increased use of weapons in criminal acts. Assault rates, at least based on assaults reported to police, are also significantly above the world average. Violence against women affects a significant percentage of women and girls in the Caribbean. Despite their diversity, one thing all Caribbean countries have in common is that they have long been caught in the crossfire of international drug trafficking. The drug trade is a prime driver of crime across the Caribbean. There is Cannabis production for export from Jamaica. Kidnapping and corruption are other forms of organized crime which affect the region. Corruption is equally a challenging crime. Transparency International's Corruption Perceptions Index (CPI) of 2006 listed ten Caribbean countries in the world rankings. Haiti was ranked as the most corrupt country in the world, while Barbados was ranked as the 24th least corrupt country, ahead of many European countries. Deaths and injuries from youth violence constitute a major public health, social and economic problem across the Caribbean, where youth are disproportionately represented in the ranks of both victims and perpetrators of crime and violence e.g. the Dominican Republic.

Several factors which cut across the diverse countries of the region heighten their vulnerability to crime and violence. Primary among these is the region's vulnerability to drug trafficking. Wedged between the world's source of cocaine to the south and its primary consumer markets to the north, the Caribbean is the transit point for a torrent of narcotics, with a street value that

exceeds the value of the entire legal economy. Compounding their difficulties, Caribbean countries have large coastlines and territorial waters and many have weak criminal justice systems that are easily overwhelmed. (United Nations Office on Drugs and Crime and the Latin America and the Caribbean Region of the World Bank, 2007).

The proliferation of crime within the islands of the Caribbean has been a growing concern. Countries such as Jamaica, St. Lucia, Antigua, the Bahamas, Bermuda, St. Kitts and Nevis and Aruba struggle to agree on a forward plan to combat their increasing crime rates. The event in regard to the disappearance of Natalie Holloway in Aruba, although tragic, sparked much needed attention to the increasing crime problem in the Caribbean. The similar types and frequency of crimes among the Caribbean islands are not coincidental and are escalating at rapid rates. Institution of curfews, harsher punishments, reintroduction of the death penalty and increased training and recruitment of quality law enforcement personnel must be widely accepted as strategies and supported in order to succeed in the reduction of crime (Lashin, 2005). The countries of the Caribbean face corruption issues on a daily basis. It is estimated that drug corruption provides the Caribbean civil servants with some US \$320 million in income annually. This is not an insignificant problem.

Among the factors giving rise to crime and violence are the following in the Caribbean are: Destabilized family structure (including poor parenting); Decline in values and attitudes across the society; Urban drift; Economic instability (including high unemployment); Inequality in income distribution; Drug culture; High Level of illiteracy;

Political tribalism; Emergence of non-traditional/parallel leadership within communities; Ineffectual, citizen-unfriendly policing; Negative perceptions re: access to security and Justice (particularly in poor communities); Ineffectiveness of channels of communication between the community and the police; High availability of firearms and other weapons; Lack of community empowerment (to address/ameliorate problems before they escalate); Weak financial status of civil society organizations which limits pre-emptive and response capability; and Corruption. The aforementioned factors are not exhaustive but pretty much reflect factors highlighted in past reports.

## Effects of Crime and Violence in the Caribbean

The most telling effects of crime and violence include: Polarization of communities into warring factions; Restriction of freedom of movement by citizens; Overload of court system; Loss of investment opportunities; Loss of personal and business income (resulting from civil unrest, etc.); Outflow of foreign exchange for medical and related items; Pressure on health facilities; Lost mandays at work resulting in sub-standard productivity; An overwhelmed and increasingly reactive police force; Political and social disengagement of the citizenry (who lose their sense of security and well-being); Migration of skills; and Economic instability (including high employment).

## The Failure of Past Intervention Initiatives

There has been a failure of some past remedial initiatives. The many interventions

have not carried through with anything approaching maximum effectiveness to citizens and the communities within which they live. There is a multiplicity of reasons for failure and these include: - tendency to go for popular or politically expedient policies and programmes in preference to tough choices equal to the seriousness of the problems (lack of political will); - reactive and prescriptive approach which falls to attack the problems at the root; - mainstreaming of policies and programmes without the necessary infrastructure to take the initiatives downstream; - communities not fully engaged; - outputs not outcomes; - failure to hold the gains;

- what works neglected; - too little investment in people; - failure of policy makers and implementers to "walk the talk", and - chasing the "useful many" instead of concentrating on the "vital few" causes.

## 3. Forensic accounting as the way forward

#### What is Forensic Accounting?

Forensic accounting, sometimes called investigative accounting, is a worldwide heating up profession, which entails the application of accounting concepts and techniques to legal problems. It encompasses the process of auditing to recognize and investigate financial fraud occurring in an organization. Forensic accounting, which is a state of the art discipline sees to the investigation and documentation of financial fraud, white-collar crimes, corruption, wastes and mismanagement. There is a growing need among enforcement professionals, government organizations, small business owners, and department managers to better understand basic forensic accounting principles,

how different types of fraud occur, and how to investigate a fraud that is detected in a way that maximizes the chances of successful prosecution of the perpetrator (The Free Library, 2006). Forensic accounting is belonging to, used in or suitable to the court system or legal proceedings.

#### Who is a Forensic Accountant?

The Forensic Accountant is a crime fighter and a value added accountant. He has knowledge and experience in: Financial Statements & Audit, Internal Controls and Operational Processes, Fraud Schemes, Investigation and Legal Elements of Fraud, and Psychology of the White Collar Criminal. He is skillful in handling typical business processes involving: Purchasing, Receiving, Accounts Payable; Revenue, Shipping, Accounts Receivable; Payroll, Human Resources, Benefits; Production & Inventory (Raw Materials, Work-In-Progress, Finished Goods); Capital / Construction and Fixed Assets; as well as Reporting, Reconciliation, and General Ledger.

The forensic accountant is equally an expert in conflict resolution processes such as mediation, arbitration, litigation, and prosecution. He does case assessments using the methodical approach of: Initial Client Meeting / Consultation, Identification of Risks, Issues, Concerns & Suspicions, Weighing Benefits and Risks / Setting a Budget, Understanding of Processes and Controls, Financial Statement Trend Analysis, Financial Statement Ratio Analysis and Preparation of Work Plan that is refined throughout (Sawyer, 2008). Situations requiring forensic accounting include: Fraud Examination, Bankruptcy, Valuation, Due

Diligence, (Lost) Profits Calculation, Contract Dispute, Domestic / Marital Dissolution, Stakeholder Disputes, Purchase Price Disputes (Post-Acquisition), and Intellectual Property. A forensic accountant is a risk manager, a deregulation/corporate governance technocrat, a maintenance driver, and an anti-corruption/fraud strategist who is proficient in the tasks involving Monitoring, Communication, Risk Assessment, Control Environment, and Control Activities. According to Ramaswamy (2005), the forensic accountant can create a leverage or alignment for an institution between corporate governance, internal control, and external reporting activities.

## Knowledge and Skills of the Forensic Accountant

The forensic accountant is a person who must have skills in many areas. Some of them are specialists in certain areas such as information technology. However, the following minimum level of knowledge and skills is required of all well-trained forensic accountants:

(a) Auditing skills (b) Investigative knowledge/skills (surveillance tactics, as well as interviewing and interrogative skills) (c) Criminology (particularly the study of the psychology of criminals) (d) Analyzing and Interpreting financial information e.g. bankruptcy setting, money laundering operation, an embezzlement scheme, financing of terrorist activities, etc. (e) Knowledge of the laws and court procedures (judicial systems) (f) Information technology knowledge and skills and (g) Communication skills (Hopwood, Leiner, and Young, 2009).

#### Forensic Accounting as Panacea

It is important to note that many of the issues facing the Caribbean transcend national boundaries and require a coordinated regional response. Forensic accountants are experts who exist under the auspices of professional bodies in different parts of the world. For example, there is the Caribbean Forensic Accounting Association which can provide the much needed coordinated regional response to crimes and violence in the region.

Fighting the battle of crime is extremely difficult if those enforcing it are partaking in the same criminal activities. Forensic accounting experts are professionals who live by professional code of conduct and ethics. They are anti-corruption and crime people who are committed tooth and nail to the fight against deceit, injustice and criminality in the society.

It is necessary to find a way to engage civil society on the basis of its own self-interest and participation in order to combat crime and violence. This can be rightly done by spreading the knowledge and education of forensic accounting. This will increase the awareness for prevention and detection of crimes.

Finding the way must necessarily begin with answering the question: Why have previous policies and initiatives not worked better? Forensic accounting offers a viable alternative solution because it emphasizes the law, integrity, justice, financial intelligence, efficiency and effectiveness in results achievement.

The forensic accountant, by training and calling, is well equipped to tackle societal challenges that have the following typical features of a system prone to corruption: Concentration of powers in the executive and there are weak or non-existent checks and balances; Poor transparency surrounding executive decision combined with restricted access to information; Elaborate regulatory systems allowing for discretionary decision making; Weak systems of oversight and enforcement; Soft social control systems/high tolerance for corrupt activities (United Nations Development Programme, 2004).

As a result of the fact that reducing "mano dura" or repressive programs in favor of expanding prevention strategies (including prevention-focused law enforcement) would represent an effective and potentially costsaving strategy, forensic accountants are well grounded in the art of setting up preventive control measures. They can also contribute initiatives which will promote interventions that reduce gun and alcohol availability—and their social acceptance—among youth. This can play a crucial role in countries like the Dominican Republic, where the use of both is widespread at young ages and the links to violence are significant.

Forensic accounting offers cal measures that usefully reform Criminal Justice Systems. Many countries in the Caribbean have experimented with reform of their criminal justice systems, and the experience is mixed. Two important lessons emerge: (i) the need to pursue better coordination among institutions, including the introduction of information systems capable of tracking systemic performance and generating a set of performance indicators, and (ii) the desirability of linking criminal justice reforms to a broader, multi-sector strategy of crime and violence prevention. Also, forensic accountants are legal experts who can improve upon prosecutorial performance (the

rate of convictions and the percentage or number of prisoners awaiting trial).

Concerning Public Policy of Crime and Violence Prevention, forensic accountants can come up with National and Regional Approaches that will hit the nail on the head. In the Caribbean and most other regions, efforts to prevent violence have fallen into two categories: sector-specific approaches—such as criminal justice, public health, and conflict transformation and human rights-and cross-sectoral approaches—such as crime prevention through environmental design and citizen security. These approaches are complementary. For example, criminal justice reform initiatives (e.g. improved policing and better rehabilitation in prisons) can be pursued simultaneously with citizen security. programs that employ social prevention interventions and crime prevention through environmental design.

It is necessary to co-opt forensic accountants in the development of national crime control master plans and the establishment of national crime commissions to ensure multisectoral collaboration. While the Caribbean faces serious challenges, especially in the areas of drugs, guns and youth violence, intelligent policy making at the national and regional levels can make a difference. Given the high social and economic. costs associated with crime and violence, the development of sound policies and programs is a key development priority for the region.

The formation of National Criminal Intelligence Service in curbing crimes and violence is very relevant and forensic accountants are adequately trained for this. On issues such as: Violence prevention communitarian programs; Educating for peace; Training of teachers in peaceful conflict

resolution; Creation of mediation centers in schools; Educational centers for conflict resolution and peace; Prevention program; Promotion of changes on violence related conduct; - Prevention training - Individual therapy and Institutional Strengthening; and Developing internal promoting capacities, the application of forensic accounting comes in handy.

Caribbean Crime Data Sources for Cross-Country Graphical Comparisons crime rates (as measured by victimization data) are higher where a lower percentage of crimes are reported to the police. This has multiple implications. Forensic accountants are professionals who are adept at the collection of data underscored with dedication and integrity. Official police data which distort the true geographic profile of crime, because official data are biased downwards for higher crime areas will be prevented. Also, the reporting rate which can reasonably be plausibly interpreted as a measure of confidence in the police, will be greatly improved on as people will be more likely to report when they trust the police and believe they will respond. Further, applying the expertise of background checks, re-orientation and widespread education on forensic accounting for the police personnel will improve their character rating and reputation for the better.

.The popularity of forensic accounting education among the citizenry will result in the Caribbean citizens becoming reorientated towards offering assistance to aid law enforcement. Local citizens should assist law enforcement in their pursuit of justice. By this, the challenge of poor police-citizen relation will be resolved.

In order to help eliminate corruption, many islands of the Caribbean have begun

revamping the requirements, training and screening utilized to hire members of their local law enforcement teams. Getting quality personnel for police and security outfits which has been an issue will become a thing of the past by a widespread embrace of forensic accounting. Police/criminal justice modernization i.e. more advanced training and higher educational requirements for police officers and investigators e.g. in forensic accounting, will be very useful.

Because drug trafficking in correlation to gang related crimes, are a multi-million dollar industry, and it will likely take a multi-million dollar investment to rectify it, the effective and efficient application of these resources for investment will require the contribution of forensic accountants who see beyond the figures in their perspectives.

Forensic accountants are specialists in devising laws that contribute to anti-corruption policies. These may comprise those that: Criminalize corrupt activities; Enable tracing, seizure, freezing and forfeiture of illicit earnings from corruption and crimes; Require public officials to regularly declare assets; Identify prevent or resolve conflicts of interests; Protect whistle-blowers; Improve access to information (allowing citizens to obtain information from the state); Regulate implementation of constitutional right of freedom of expression and association; Define basic principles for decision-making in public administration (objectivity, impartiality, equality, obligation to justification, right to appeal); and Enhance transparency in public procurement (UNDP, 2004)

The policy implication of engaging forensic accountants is that since, the presence of large populations of young men is associated with higher crime rates in communities, crime prevention interventions will be strongly targeted at young men. Improving trust in the police and addressing the underlying causes of a lack of trust in the police through the investigative and preventive skills in forensic accounting can help reduce crime and birth policies which improve the transparency of the police, reduce corruption, and make the police more accountable and accessible to citizens, thus enhancing effective routes to bringing down criminal activity.

#### 4. Conclusion and recommendations

Before an effective battle against crime and violence can ensue, their roots in the Caribbean must be understood. The emergence of crime and violence is rooted to the following causes: poverty, unemployment, social marginalization and inequality, the illegal drug trade, corruption, the trafficking of firearms, the deportation of criminals, and the effectiveness of the existing criminal justice systems and consequent waiving of sanctions.

This paper has elucidated on the challenge of crimes and violence in the Caribbean countries, as well as the concept and applicability of the emerging field of forensic accounting in fighting the monstrous crises. The drug trade drives crime in a number of ways: through violence tied to trafficking, by normalizing illegal behavior, by diverting criminal justice resources from other activities, by provoking property crime related to addiction, by contributing to the widespread availability of firearms, and by undermining and corrupting societal institutions. Also, there is a trade-off between resources spent on combating drug trafficking and those spent on other forms of crime and violence

prevention. It should be noted that strong committed leadership from government and civil society, backed by a coalition of supporters including political institutions and parties ready to push for greater accountability and transparency is fundamental to any effective reform programme. It is in the light of the aforementioned that this paper recommends the following measures which are underscored by the value adding field of forensic accounting:

- (a) To be effective and win public support, strategies to fight crime and violence must focus on people and not statistical reports; on rebuilding community structures through which to deploy policies and programmes, and on rebuilding the moral authority of political leadership, which must take and pursue tough and sometimes unpopular decisions. These can be carried out from the point of view of forensic accounting.
- (b) Crime prevention through environmental design, the study and design of environments to encourage desirable behavior and discourage antisocial behavior, has significant potential to generate rapid decreases in property crime and some forms of interpersonal violence. Integrated citizen security approaches should also explored in all Caribbean countries.
- (c) Implementation of programs, by combining modern methods of policing with prevention interventions undertaken by both government and non-governmental organizations, are extremely promising e.g. the public health approach, which focuses on modifying risk factors for violent conduct, is especially promising for addressing violence against women and youth violence.
- (d) A criminal justice-focused approach is essential in dealing with organized crimes.

Within the criminal justice approach, there is much room for improvement. An especially urgent priority is the development of management information systems and performance indicators for better problem diagnosis, tracking of system outputs, monitoring reform programs and providing increased accountability to citizens.

- (e) More services should be offered to reintegrate deportees, along the lines of those provided by the Office for the Resettlement of Deportees in St. Kitts and Nevis. Options should be explored for deporting countries to shoulder a significant portion of the costs of these programs, in exchange for serious monitoring and evaluation of program impacts.
- (f) Better gun registries, marking and tracking can help, as can improved gun interdiction in ports. Long run and sustained reduction in the demand for guns, however, will hinge on progress in combating drugs.
- (g) Solid data and analyses are crucial to evaluating problems, devising solutions and assessing progress. Fighting corruption requires extensive resources: financial, technical and human. Forensic accountants should therefore be extensively engaged.
- (h) Finally, in the Caribbean nations, forensic accounting should be nationally and internationally integrated in governance

and the polity to enforce accountability, establish independent investigators, prosecutors, and adjudicators that ensure "equal" enforcement of the laws and regulations, strengthen capacity and integrity of the police as the frontline investigator agency for criminal infractions, strengthen and ensure independence and accountability of the judicial system, provide adequate powers of investigation and prosecution, consistent with international human rights norms, integrate transparent mechanisms, develop effective complaints mechanisms and procedures for appeals, develop mechanisms to protect whistleblowers: (encourage the development of institutions, laws and practices, which ensure that responsible citizens can report corrupt practices without fear of reprisals, and to ensure that the media is empowered to play its pivotal role in holding relevant individuals and institutions accountable), consider procedures for punishing those involved in corruption and crimes, and impose powerful disincentives for the would-be corrupt, such as civil penalties, blacklisting of corrupt/ criminal firms, extradition arrangements, and other legal provisions, which enable the profits of the corrupt to be seized and forfeited, inside or outside the country.

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## ICT and E-governance at the Grassroots: Devising an Enabling Law

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Abstract: The innovation of e-governance enhances good governance, strengthens the democratic process, facilitates access to information, improves citizen participation and the quality of life, using the instrument of Information and Communications Technology (ICT). There is growing concern that e-governance at the local government level can: improve the quality of services to its constituents, improve efficiency, effectiveness, transparency of government operations, build the capacity of civil society to participate in the government policy, reduce corruption and foster accountability. This paper discusses the concept, benefits, state and challenges of e-governance in developing countries, using the empirical analysis of a local government in Ogun State, Nigeria. Findings show that there is real need for harvesting the potential to streamline administrative systems and improve the delivery of government services. It concludes that although e-governance holds great prospects across Nigeria, vast majority of local governments in Nigeria are miles away from e-governance and recommends, amongst others, that local governments should be mandated under law to use electronic means in their operations.

Key words: E-governance, ICT, Local Government, Information, Developing Countries.



#### 1. Introduction

In Nigeria as in many other parts of the world, the public sector is at crossroads, facing challenging socio-economic conditions, institutional changes coupled with the profound impact of modern technologies. In order to cope with this numerous challenges, governments around the World, both in developing and developed nations are embracing electronic governance or what is simply abbreviated to be e-governance. E-governance is an innovative approach to addressing the traditional problems of governance. It utilizes Information and Communication Technology (ICT) to promote good governance, bringing in greater efficiency, effectiveness, accountability, responsiveness and transparency in government functioning. Information and Communication Technologies (ICT) when adopted, can improve the reach, enhance the base, minimize the processing costs, increase transparency, and reduce the cycle times (Bhatnagar, 2004).

The broad activities of e-governance include publishing, interaction and transaction processing. Many governments have made attempts to make available government information electronically to the public. At the moment, compared to the private sector most efforts are centered on publishing, there is relatively little in the way of interaction or transaction processing. According to Nath (2006), although various African governments such as Benin, Cote D'Ivoire, Cuba, Ghana, Nigeria, Uganda, and Zimbabwe, maintain official government websites on the Internet but they are not sufficiently valuable to the public. Governance information should be customized, timely and trusted to have value. Governments, particularly in developing countries face limited resources to move

fast in e-government, so a strong partnership between the public, government, business and the civil society is instrumental in determining the expected outcomes and the effectiveness of e-governance (Brito, 2006). Many developing country governments face problems of inefficiency, internal and external communication breakdowns, poor service delivery, and corruption.

While developing countries are still struggling to provide the basic necessities of life, which they lack like food, shelter, education and health care services, they are also confronted with the digital revolution. They are therefore placed in a dicey situation i.e. how to share the meager resources between the basic necessities of life and provision of ICT infrastructure (Obasanjo, 2003). In spite of the difficulties, Nigeria supports the goals and the shared vision of the Information Society as articulated by Resolution 56/183 of the United Nations General Assembly, which seeks to put at the disposal of common humanity, the benefits of ICT (Obasanjo, 2003). Nigeria has made some efforts to address the problems by adopting a national ICT Policy. This aims at creating the necessary enabling environment with emphasis on public-private partnership for information technology development. According to Momah (1999:2), in order for Nigeria to develop sustainably: 'Nigerians must think technology, talk technology, trust technology, try technology and tap technology. Some state governments in Nigeria have registered their presence on the internet through official websites. These websites are part of their efforts to promote e-governance and improve government service delivery. The sites provide a wide range of information about the states and their people, government and services and business

opportunities. Examples of such states include Ogun, Lagos, Ondo, Akwa Ibom, and Jigawa states.

To date little progress has been recorded on e-governance at the grassroots level in Nigeria. In the federal system, the Local Government (LG) is easily seen as the government at the grassroots (Osisioma, 2005). Local government, as defined by Odenigwe (1977), as cited in (Osisioma, 2005) is "A system of local administration under which local authorities and towns are organized to maintain law and order, provide some limited range of social services and public amenities, and encourage the cooperation and participation of the inhabitants in joint endeavours towards the improvement of their conditions of living". The Cabinet Office in U.K. (2006) identified L.G. as democratically elected by the constituents, proffer local leadership, endowed with power to foster community well being because they are connected to the community and local needs and aspirations. At the grassroots level in Nigeria, the effectiveness and efficiency in delivering government programs have been drastically reduced with time, public services are not easily assessable, information quality have decreased and they are unable to adequately demonstrate accountability and transparency. To overcome these challenges, it is imperative to implement e-governance at the grassroots by devising an enabling law.

In this light, this paper focuses on the need to use ICT to promote good governance at the grassroots in Nigeria. It highlights the challenges and prospects inherent in implementing e-governance and proffer ways of accomplishing e-local government in Nigeria. Empirical evidences were collected from a local government in Ogun State, namely Ado

Odo/ Otta. The paper is divided into five sections. After the introduction, which is section one, section two briefly reviews relevant and related literatures. Section three addresses the research methodology employed while section four presents the data and discussion. Section five concludes the paper and highlights the recommendations

#### 2. Review of Relevant Literature

#### 2.1 E-Governance

E-governance is an innovative approach to addressing the traditional problems of governance. It utilizes ICT to enhance the performance of government functions and services. Broadly defined, e-governance is the use of ICT to promote good governance, bringing in greater efficiency, effectiveness, accountability, responsiveness and transparency in government functioning. E-Governance is about change of mind set: doing things differently and effectively - and with results (Adeoye, 2006). E-governance fosters a citizen-centered administration; it allows the public to communicate with the government, to participate in decision-making process and to reflect their true needs. Backus (2001) defined e-governance as the application of ICT in:

(1) the interaction between government and citizens (2) the interaction between government and businesses, as well as (3) in internal government operations to simplify and improve democratic, government and business aspects of Governance. According to Coleman (n.d), the fourth African Development Forum (held in Addis in October 2004) produced a Consensus Statement declaring that:

E-governance... is an important innovation for enhancing good governance and

strengthening the democratic process and can also facilitate access to information, freedom of expression, greater equity, efficiency, productivity growth and social inclusion. Successful e-government initiatives can have demonstrable and tangible impact on improving citizen participation and quality of life as a result of effective multi-stakeholder partnerships. African governments need to develop appropriate policy frameworks, supported by legislation for e-governance that are linked to strategic developmentobjectives; enlist high-ranking political e-government champions; focus awareness, outreach and training efforts on the less privileged segment of targeted users, particularly women and neglected rural communities; and promote local content and supports local language development.

In other words, e-governance uses electronic means to support and stimulate good governance. In a similar vein, along the views of Adeoye (2006), Brito et al (2006) posited that e-government is not only about introducing or using technological tools. It is fundamentally about a change in mindset and work culture in order to integrate government processes and functions to serve the citizens better. Good governance refers to the quality of the relationship between the government and its citizens in the context of how government policies and administration have affected and transformed the lives of the citizens (Osisioma, 2005).

There is growing concern that e-governance at the local government level can: improve the quality of local government services to its constituents, support decentralization and democratic governance; improve efficiency, effectiveness, and transparency of government operations; build the capacity of civil society to participate in the government policy, reduce corruption and foster accountability. The result would be governance that is cheaper, quicker, better and innovative.

## 2.2Information and Communications Technology (ICT)

ICT includes technologies such as desktop and laptop computers, internet, telephone, wireless devices and other communication devices. ICT is an increasingly powerful tool for participating in global markets; promoting political accountability; improving the delivery of basic services; and enhancing local development opportunities. ICT have the potential to streamline administrative systems and improve the delivery of government services to its customers (electorate, businesses, and other interest groups). According to Brito (2006) 'Information and communication technologies can only enhance the transformation of work culture by serving a variety of ends: better delivery of government services to citizens, improved government interactions with business and industry, citizen empowerment through access to information and participation for decision-making, and more efficient government management"

ICT brings about contemporary opportunities for innovation in government, innovations in provision of information to the public, innovations in delivery of public service and innovation in managing democratic processes (Dutton, 1996). An illustration of this can be viewed in Table 1.

Table 1: Some types of public electronic service delivery arrangements.

ICT Task	Applications	Systems that can be used		
Transactions	Payment of services, Licences etc, welfare benefits	·		
	Voting; public opinion polling	Interactive TV; voice mail; screen phones; Internet		
	Electronic tax returns	Phone + voice check; PCs		
	Road charging systems	Automatic vehicle monitors		
Narrowcasting	Public meetings	Cable and Satellite networks		
	Up-to-date information	Internet; multimedia kiosks; CD-ROMs; bulletin boards; videotext		
Retrieval of Information	Gaining access to government information	Internet; on-line databases		
	Answering public queries	Voice response; electronic mail		
	Supporting government officials in delivering services	Executive information services; expert systems; electronic mail		
Remote Communication	Forums on public issues	Internet; Computer conferencing		
	Public complaint and requests	Internet; kiosks; voice mail		
	Intercommunity meetings and consultations	Video and audio conferencing; videophones and local cable networks		

Source: Dutton (1996)

ICT can be used essentially for delivering services online and changing working practices and processes using the new technologies.

Service delivery online includes:

- (i) publishing information Notifying and showing amendments online.
- (ii) exchanging information for example legislative information system can be used to improve the quality and quantity of

information used by Members of Parliament to formulate and debate legislation and policy.

(iii) making enquiries or consultation - Seeking comments online for particular applications or seeking views on planning briefs, development plan, etc. Remote video could improve discussion with applicants and objectors, and also help out planning committees making decisions (iv) making a transaction - such as making an application, ordering or buying a product or publication.

Changing Working Practices and Processes includes:

- (i) the process of information gathering electronically to meet management needs.
- (ii) remote communication with customers. (iii) the infrastructure needs to be in place both for allowing communication by staff and customers online. This can be in form of local access points, videoconferencing facilities, kiosks, etc as well as promoting web access from home, school and workplaces.
- (iv) significant training needs to take place to enable staff to work effectively, and for managers to manage effectively, using the new technologies.

#### 2.3 The State of e-governance in Africa

E-governance has become more and more prominent around the world. In 2001 most countries worldwide were in the early phase of e-governance (Backus, 2001). Since then, most Governments have been making rapid progress to promote citizen awareness about policies and programmes, approaches and strategies on their websites. In 2001, the UN E-government Survey listed 143 member states as using the Internet in some capacity (UNPAN, 2001); by 2004, 93 per cent or 178 out of 191 member states had a website presence This has increased to 179 in 2005 (UNPAN 2005). In 2005, majority of the UN Member States have fully embraced electronic service delivery. According to the global egovernment readiness rankings in 2005, the United States (0.9062) is the world leader, followed by Denmark (0.9058), Sweden (0.8983), and then United Kingdom (0.8777).

Africa is the continent with the lowest level of access to Information and Communication Technologies (ICTs). Africa has 13.4% of the world's population but just 2.0% of the world's fixed-lines and 2.5% of its mobile telephones. It has 1.7% of the world's personal computers and 1.4% of its Internet users (African Research for Information Social Emergence, 2003). The expansion of ICT opportunities is a central part of the New Partnership for African Development (NEPAD) and many African leaders agree with the priority of introducing these technologies in order to accelerate their development. African countries vary considerably in conceptualizing, developing and implementing e-governance programs. Countries such as Mauritius, Egypt, Morocco, Senegal, South Africa and Tunisia are leading the process to use e-governance to reflect the status of transparency, accountability and democracy within their country.

The global e-readiness revealed the regional leaders in Africa; these are Mauritius (0.5317), followed by South Africa (0.5075) and Seychelles (0.4884). The last three countries within the African region are Burkina Faso (0.1329), Mali (0.0925) and Niger (0.0661). Nigeria (0.2758) was at the 139th position out of 191 UN members. This reveals the weakness of e-governance within the country. Statuses of some countries in Africa are as expressed in Table 2 below:

Features	Mauritius	S o u t h Africa	Nigeria	Niger	Ghana	Senegal
E-government Index	0.5317	0.5075	0.2758	0.0661	0.2866	0.2238
E-government Position (191)	52	58	139	174	133	153

Table 2: E- Governance Readiness Ranking of Some Countries in Africa

Source: UNPAN, 2005

In 2001, Botswana's National Assembly took a first step in using information technology to promote good governance in Africa. With the assistance of UNDP, the legislature's Office of the Clerk has set up a computer information system to integrate document management to enhance public access to information from the National Assembly and the House of Chiefs. The project includes two elements: an intranet facility for the Office of the Clerk and a human resource management system for Members of Parliament and the House of Chiefs. As the Clerk of the National Assembly puts it "the project fulfills one of the Office's key priorities: -making information available- and provides a good foundation for the Office to transform itself into a more efficient service provider" (Dandjinou, n.d.)

In Nigeria, some state governments as part of their efforts to promote e-governance and improve government service delivery have already registered their presence on the internet. Examples of such states include Lagos, Ondo, Akwa Ibom, and Jigawa states. For instance, Turaki, the governor of Jigawa State, who spoke at Administrative Staff College of Nigeria (ASCON), Badagry, Lagos, at the end of a two-day seminar on "E-Governance: A Tool for Transparency and Accountability", said with the introduction

of e-governance policy in the state, he was able to record tremendous impact by resorting to decentralizing his government in order for the masses to participate in the act of governance. According to him, the state was able to break the monopoly of knowledge through the decentralization of power in order to liberate the common man from his current economic status and make governance more receptive to the people at the grassroots. The state accepted over 900 National Youth Service Corps (NYSC) members to help train some Civil Service personnel, who use e-Governance to carry out their day-to-day activities. (Ndubuisi Ugah, 2004).

Nigeria is currently making more efforts to embrace e-governance by integrating ICTs into various sectors of development including Education, Agriculture, Arts, Health, Law Enforcement, Culture and Tourism, Urban and Rural Development, Trade and Industry, Banking as well as Administration.

## 2.4 Challenges of e-governance in developing countries

While e-governance holds great promise across the developing nations, substantial challenges exist. The two most important issues the world must address in establishing the information society, according to Botswana's Vice-President, Seretse Khama

Ian Khama, are capacity building and infrastructure. Developing countries have a dearth of expertise, and lack ICT infrastructure, especially connecting rural areas (NGLS Roundup 125, 2005). Heeks, as cited in Coleman (2005), claims that 85% of e-government projects in developing/transitional countries are partial or total failures and Berman and Tettey assert that 'the success rate of introduced information technology systems in African state agencies has been distressingly low, and the capacity-building objectives remain largely unachieved.' It is difficult to tell what the main bottleneck is because a lot of basic aspects of good governance are not in place yet. Basic infrastructures are not in place and the cost of e-governance resources and technology seems too enormous to bear. Challenges of e-governance in developing nations according to Draper (2004) include insufficient security and privacy, inappropriate legal frameworks, impact of culture and passive attitudes and behaviors among public servants, lack of political will and inadequate technological infrastructure.

According to Berg and Winden (2002:2) governments find it hard to shift towards e-government due to the following reasons among others.

Internal Organization: E-government requires drastic organizational changes that will bring about smooth cooperation among the government agencies. For instance, if a citizen poses a complicated question by e-mail that requires the know-how of two or more government departments or organizations, the department or organizations must know how to answer it together on time.

Relation between Public and Private Sector: There is a need for cooperation between both sectors. Some public services could combine or deploy data that are colleted, stored and managed by public and private organizations. The public officers must be careful in revealing such sensitive information.

Access: Presently, not every citizen has access to internet and this can pose a problem to the development of e-government. The government might find it challenging to reach all the citizens via the internet or intranet for information production. This might conflict with the universal service provision of particularly the local government.

Identification, Security and Privacy: In order for the government to provide service to the citizens online, proper identification is required. This means that safe identification must be in place. This is quite complicated, particularly the on line payment. Even if in place, can the citizens trust the procedures?

Relations with ICT Technical Expertise: To develop, operate and maintain e-government, the technical expertise by the private sector-ICT consultants and service providers are needed. They take the lead in systems development. The risk is that the government becomes "locked in" to the chosen system, which puts them in a weak bargaining position vis-à-vis the technology supplier.

Backus (2001) investigated the challenges of e-governance for developing countries and presented a SWOT analyses, with a focus on the political, social, economic and technological aspects of e-governance. This is as demonstrated in Table 3 below.

Table 3: SWOT-Analyses e-governance

	Strength	Weaknesses	Opportunities	Threats
Political	Combination with democratisation Reforms Internet as pull factor Modern image	Budget Cyber laws not available No problem owner within government No expertise about technology Slow decision making process Hierarchy in organisations Short term ap- proach due to elections Integration and reform	Raise external funding Show competitive edge Transparency causes natural change of processes Reinvent government	Bureaucracy Piracy, misuse Corruption Maintaining disorder, no transparency Political instability Resistance
Social	People eager to learn IT skills Skilled people possible export product	Basic education poor: trainers needed No IT literacy Low literacy Different languages Public acceptance of self-service models Skill shortage: competition with private sector	Employment increases Education system improve People learn structural job Cheap man- power widely available Promotion of internet Better healthcare	Brain drain IT skilled people after training Resistance of people Digital divide Privacy
Technological	Negative legacy Leapfrogging possible Internet as driv- ing (pull) factor Lack of IT standards?	Shortage IT skilled people High cost of internet Heterogeneous data Lack of IT standards? Costs of software licenses	2nd hand hard- ware available Use one standard	Dependency of technology

Source, Bacus (2001)

#### 2.5 Benefits of E-governance

About a decade ago, most Western governments embraced the idea that ICT can be exploited to reinvent their own activities. It was perceived as the key to striking a more effective accommodation between efficiency, quality and democracy in governmental reform programmes (Bellamy and Taylor, 2003,5). In 1993, the Clinton / Gore administration took the initiative to develop the National Information infrastructure (NII) to enrich and exploit new electronic facilities to build a more open and participatory democracy at all levels of American government. Soon afterwards, similar initiatives came into being in other developed countries, for them not to be left behind in the information revolution (example of such countries are Europe, 1994; Japan, 1994; Canada, 1994; Australia, 1995, Singapore, 1995).

According to Cabinet Office (2006) a transformed local government system will enable services to be designed around the citizen or business, lead to a shared service culture, release efficiency through standardization and simplification as well as improve government's ability to plan and deliver ICT-enabled change. E-governance offers tremendous benefits to the citizenry, government, employees and business sector (Fernandez, 2002). Such benefits are summarized as follows (Fernandez, 2002, Coleman, 2005):

1. With e-governance, each citizen can then make contact with the government through a website where all forms, legislation, news, bulletin and other information will be available 24 by 7 (Backus, 2001), in the office, at home or on the move. With e-governance, every citizen home and abroad, potential and current investors nationally and internationally, can have access to pertinent government

information and services 24 hours a day by 7 days in a week, in the office, at home or on the move. People can apply for business permits, licenses and certificates and make payments through electronic means. Databases on businesses, marriages, births, deaths, e.t.c can be made available electronically. This will result to cheaper, faster, efficient, and more responsive systems and services compared to the traditional manual means.

- 2. It will simplify and speed up government transactions. More transactions such as online payments, receipts and procurement can be done via electronic means with minimal staff and amenities, thereby reducing the transaction costs and increasing the revenue base.
- 3. E-governance delivers cheaper, better services and speedy interaction between government, and its clients (constituents, business sectors and other government agencies). Providing access to relevant information and processes, which encompass education, culture, policy and regulation, infrastructure and public facilities. World Wide Web, e-mail, local area network, internets and intranets, can be used in dissemination of government information. Electronic newsletters, promulgations, announcements, bulletins can be sent online, on time, real time to all their clients.
- 4. Constituents will be in involved in the decision making process. This will open up the decision making process to public scrutiny which enhances accountability. Online forum will allow for discussion on topical issues related to local government development, including draft legislation. This procedure is to ensure transparency and accountability. Providing processes for communication and promotion of governance initiatives (working

with community public opinion leaders and national media representatives)

- 5. Electronic procurement system will enable the local government to do its purchases through the internet, thereby simplifying the procedure for procurement and office supplies. Bidding process done through this means is usually, competitive, transparent and convenient.
- 6. More professional administrators, supported by standardized, electronically embedded planning, control and decision-making systems will be in place. Budgets, strategies and performance information can be published, thereby increasing the extent of accountability and transparency. This will also give opportunities for citizens to participate more directly in policy development.
- 7. Building up Information Systems such as Customer Information Systems (CIS), Supplier Information Systems (SIS) and Geographical Information Systems (GIS) will allow citizens, communities and other local authorities to have assess to pertinent information such as available health services, procurement procedure identification of clusters and identification of crime spots. This will make information flow freely between departments, agencies and layers within government.
- 8. Sharing lessons learned and best practices among local governments by replicating the practices of good governance to other local governments through an information repository that is used to share best practices.

The Cabinet Office (2006) of the United Kingdom sees a message for the future, which is quite applicable in Nigeria. There is a need for engagement:

With citizens, communities and businesses so that we understand their needs and involve them in reshaping their local public services; With Members, so that we

can help them do their jobs better, as well as getting their support for change; With service departments and front line staff, so that they are actively searching out opportunities to exploit the possibilities of ICT-enablement; With our ICT and other professionals, so that they are clear about the support and infrastructure they need to provide; With local public service partners, so that we can develop a joint understanding and vision for our areas and reshape our services and infrastructures to meet local needs in the most effective and efficient ways possible; With national government and the national local government bodies, so that we can secure the national policy frameworks, infrastructure and resources that we need locally • With other local authorities, so that we can share approaches, good practice and expertise; With our suppliers, so that they can provide the goods and services we really require.

#### 3. Methodology

The study is an empirical one, using the case study of a local government in Ogun State, namely Ado Odo / Ota. The data employed in this study include primary and secondary data. The primary data were obtained from interview and the administration of questionnaires to personnel of the local governments. The secondary data were obtained from textbooks, journals and internet materials. The researchers administered the interview and questionnaires using a face-to-face approach. Majority of the questions were structured and the questionnaires administered were collected the same day.

#### 4. Presentation of Data and Discussion

The table below presents the data collected from the respondents.



Table 4: Responses	from	Ougetionnair	o fiold	C11771011	Iuna 2006
Tuvie 4. Kesponses	rom	Questionnuir	e, pena	survey	<i>June</i> 2006

	Ado Odo / Ota LG		
Number of computers in use in all departments	8		
Does your local government have a website?	No		
Does your local government have internet access/connectivity?	No		
Is there a Local Area Network connecting all departments?	No		
Is there a connection to State government via the intranet?	No		
Are there Digital Camera, Scanner and Fax in place?	No		
Are there telephone and Intercom facilities?	Yes		
Processing of tax / licenses/levies	Manual and computer processing		
Office administration	Manual and computer processing		
Financial Accounting	Manual and computer processing		
Procurement	Manual and computer processing		
Payroll	Manual and computer processing		
Budgeting/planning	Manual and computer processing		
Databases of marriages, birth, death e.t.c	Manual Processing		
Services such as health and education	Manual and computer processing		
Is there an Online forum where the local government interact with its constituency?	No		
Is there ICT training for Staff (Top, Middle, Low)?	No		

From Table 3 above, it can be inferred that the level of computerization in the local governments are generally average. The number of computers in use is 8 and there is a dearth of other ICT equipment. Equipment such as Scanners, Digital Cameras and Fax machines are unavailable except for telephones. For e-governance to commence, computers and other modern ICT equipment must be in place (software and hardware) in all departments. The incorporation of modern information technologies has the potential to streamline administrative systems and improve the delivery of government services.

The local government is not on the Web and there is no internet facility within

the LG. Web plays a great role in assessing e-governance. Web site of local government encourages online forums. Online forums will provide an avenue where constituents can publicly meet with their representatives and other government officials to address public concerns. It also allows for video conferencing. Internet and e-mails allow dissemination of information about current and pending laws and other governmental regulations. Applications for business permits and remittance of taxes can be done with ease via the internet.

The processing of supplies, finances, payroll and budgets are partially computerized at Ado Odo / Ota. Office administration,

Tax filing and data on marriages, birth and death should be processed and stored manually. A sound Management Information System (MIS) including a comprehensive database helps to capture information generated from areas such as education, finance, revenue generation, planning, health, marriage, and death registration.

There are neither network connections within the local government nor connections to the state governments. Transactions with other Local governments, authorities, state and federal government can be hastened with connections via LAN and WAN. There are no ICT training programs in place for all local government personnel. Adequate training for staff in computerized information collection, processing, dissemination and other IT functions should be in place to aid the staff with their day to day activities.

#### 5. Conclusion and Recommendations

#### 5.1 Conclusion

While e-governance holds great prospects across Nigeria, substantial challenges exist, and the vast majority of local governments in Nigeria are miles away from e-governance. In spite of these challenges, there is a need for concerted efforts by public officers at the national, state and local levels to embrace e-governance. This would build a people-centered, information society where modern technology will be used in facilitating speedy, transparent, accountable, efficient and effective processes for performing government operations, thus supporting poverty alleviation, sustainable development and increasing political sensibility.

#### 5.2 Recommendations

Based on the cases that were studied, we hereby suggest the following.

- 1. The Local Governments should be mandated under law to use electronic means in government operations within a specific period of time. The Members of Parliament should formulate and debate legislation and policy concerning e-governance. An enabling law should be put in place to essentially use electronic means for delivering services online and to change their working practices. This means being able to (i) create and retain documents in electronic form; (ii) publish and exchange information via electronic means (iii) require, accept payments and issue receipts using electronic means; (iv) issue licenses, permits and certificates by electronic means; (v) answer inquiries and processes using the new technologies; and (vi) interact and transact business with the constituent, other government agencies, suppliers and its other customers.
- 2. Local governments should be empowered financially by State and Federal Government to bring e-governance to fruition. Government, as a matter of urgency, should fully computerize all the operations of local governments in readiness for e-government.
- 3. Local governments should invest in highly qualified employees to manage e-governance projects initialization, implementation, evaluation and monitoring. Human skills and capacity should be developed to manage, integrate and sustain e-governance. E-governance should be evaluated regularly in terms of its contribution to more transparent, accountable, inclusive and efficient governance.
- 4. During the implementation stages, Information systems such as Financial Management Information System (FMIS), Customer Information System (CIS), and



Geographical Information System (GIS) should be in place for the clients of the local government. Databases should be built up to capture all data relating to health, marriages, births, deaths etc. The government should define and control the degree of access to information by the various users.

5. Since ICT is a fast moving and changing field, it is best for the government to engage in networks with private service providers and make use of their knowledge and resources. It should involve providing skill training and community capacity building for the personnel in the various local governments. Government officials must have a clear understanding as to what they want from the e-government system. This will prevent them from being 'locked in' to the wiles and caprices of the ICT service providers

- 6. In order to improve government's responsiveness to the needs of businesses, civil society organizations and citizens in general, the local governments should have websites and internet connection in all it offices to establish online forums to disseminate information about current and pending laws and other governmental regulations not readily available to the electorate.
- 7. Seminars, training and workshop should be organized for government officials to enlighten them with the relevant knowledge on e-government. Examples of institutions engaged in training policy makers and planners are Information Technology Centre for Africa (ITCA), African Training Research Centre in Administration and Development (CAFRAD) and Covenant University, Ota.

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## Situation Analysis of Trade Unions and Industrial Relations in Bangladesh: A Country Profile

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**Abstract:** Industrial Relations (IR) is an inter-disciplinary field that encompasses the study of all aspects of people at work. IR is a fascinating subject for the study understanding discussion and practice, as it covers the whole range of human relations within industry. IR is a combination of various social sciences, the cumulative effect of which is to grease the wheels of industry and society. Sound IR can only be based on human relations and good human relations dictate that human beings should be treated humanely, which includes respect for human dignity, fair sealing and concern for the human beings physical and social needs. The research is based on desk study. Moreover, the recommendation would be helpful to the practitioners, researchers, planners, policy makers and academicians, who are involved in the concerned area.

Key words: Situational Analysis; Trade Unions and Industrial Relations

#### 1. Introduction

Trade unionism is the core of industrial relations. Primarily it is also referred to as phenomenon of the capitalist society, where in trade unions seek to remove the power imbalance between the buyer (i.e., employer) and individual seller (i.e. worker) of the labour power.

Infact, trade unions are born of the necessity of working class people to protect their rights and privileges as well as to defend themselves against enrichments, injustices, and exploitation by their employers. Thus, trade unions provide a platform for workers' collection action and constitute an integral part of the relationship between employers and the employed.

Individually a worker is too weak to protect and advance interests in his own and he can do so only when he acts collectively in his trade union with his fellow workers. The solidarity of workers through trade unions is indispensable to collective action because a trade union gives an individual worker the support of an organization capable of representing and safeguarding his interest, which he himself in unable to do either for fear of dismissal or for lack of knowledge. The immediate object of trade union is not ensuring equilibrium in the interests of the profiteering employers but to realize the worker's interests. Trade unions in developing an under developed countries are however, beset with innumerable odds. As far as trade unions in post-colonial societies under autocratic regimes are concerned, there can be found very little area of trade unionism uninfringed by power. Moreover governments ruling parties in the post-colonial societies of Asia and Africa take direct part in trade unionism thus making the industrial environment more violent and explosive. In such societies employers are backed by the law and administration of the State.

A trade union or labor union is an organization of workers. The trade union, through its leadership, bargains with the employer on behalf of union members and negotiates labour contracts with employers. This may include the negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, benefits, workplace safety and policies. The agreements negotiated by the union leaders are binding on the rank and file members and the employer and in some cases on other non-member workers. According to Webb (1910), "A trade union is a continuous

association of wage-earners for the purpose of maintaing or improving the conditions of their working lives. Allen (1971) mentioned "trade unionism is an attempt by otherwise relatively powerless individual employees to rectify the power imbalance. It is substitute for individual action and is an integral part of the relationship between the buyers and the sellers of labour power. Flanders (1975) also regarded that trade unionism is an integral part of complicated yet on the whole trade union means "any combination of workmen or employers formed primarily for the purpose of regulating the relations between workmen and employers or workmen and workmen or employers and employers or for imposing restrictive conditions on the conduct of any trade or business and includes a federation of two or more trade unions.

According to Cole (1955) "A Trade Union means an association of workers in one or more professions carried on mainly for the purpose of protecting and advancing the members" economic interest in connection with their daily work. Cunnison (1930) viewed that trade Union is a monopolistic combination of wages-earners who as individual producers are complementary to one another but who stand to employers in relation to dependence for the sale of their labour and even for its production, and that the general purpose of the association is in view of that dependence to strengthen their power to bargain with the employers or bargaining collectively.

Most unions claim a right of exclusivity. The union has the authority to determine who may be a member of the union and who may not. Most unions assert a right to mandate that only its members, and no others, may be permitted to work at certain jobs.

Furthermore, the union contract is exclusive with regard to the employer, an employer is generally not permitted to seek out the services of another labor union or hire another competing labor union even if he or she is dissatisfied with the performance of the current labor union. These organizations may comprise individual workers, professionals, past workers, or the unemployed. The most common, but by no means only, purpose of these organizations is "maintaining or improving the conditions of their employment". Unions may organize a particular section of skilled workers (craft unionism), a cross-section of workers from various trades (general unionism), or attempt to organize all workers within a particular industry (industrial unionism). These unions are often divided into "locals", and united in national federations. These federations themselves will affiliate with Internationals, such as the International Trade Union Confederation (ITUC).

In many countries, a union may acquire the status of a "juristic person" (an artificial legal entity), with a mandate to negotiate with employers for the workers it represents. In such cases, unions have certain legal rights, most importantly the right to engage in collective bargaining with the employer (or employers) over wages, working hours, and other terms and conditions of employment. The inability of the parties to reach an agreement may lead to industrial action, culminating in either strike action or management lockout, or binding arbitration. In extreme cases, violent or illegal activities may develop around these events. In other circumstances, unions may not have the legal right to represent workers, or the right may be in question. This lack of status can range

from non-recognition of a union to political or criminal prosecution of union activists and members, with many cases of violence and deaths having been recorded both historically and contemporarily.

The concept of IRs has a wide meaning. The expression "industrial relation" by itself means relationship that emerges out of day-to-day working and association of labour and management. But when taken in its wider sense it includes "the relation between am employee and an employer in the course of running of an industry and may project itself to spheres which may transgress to the areas of quality control, marketing, price fixation and disposition of profits among others.

Industrial Relations is also concerned with determination of wages and conditions of employment. IR and human relations are distinctly two indispensable factors in industry, one depending on the other we can have good industrial relations in an industry, but bad human relations in the same establishment and vice versa. Good industrial relations provide the necessary background for human relations. In any undertaking, good relations between the management and workers depend upon the degree of mutual confidence, which can be established. This, in turn, depends upon the recognition by the employees of the goodwill and integrity of the management in the day to day handling of questions, which are of mutual concern. The first requisite for the development of good industrial relations is a good labour policy. The aim of such a policy should be to secure the best possible co-operation of the employees every employee should have the opportunity to contribute not only his services, but also his suggestions and ideas also towards the common effort.

The basic needs of an industrial worker are freedom from fear, security of employment and freedom from want. Adequate food, better health, clothing and housing are human requirements. The human heart harbours secret pride and invariably responds to courtesy and kindness just as it revolts to tyranny and fear. An environment, where he is contented with his job, assured of a bright future, and provided with his basic needs in life means an atmosphere of good industrial relation.

#### 2. Objectives

The study has the following objectives

- 1. To understand the philosophy and concept of IR and Trade Union;
- 2. To focus on present scenario of IR and Trade Union policy in Bangladesh; and
- 3. To suggest some possible solutions for developing and improving the IR to Bangladesh

#### 3. Methodology

Given the nature of the present study, it was required to collect data from the secondary sources. The authors were always careful of the objectives of the study and collected data accordingly to achieve those objectives. Secondary data were collected from research studies, books, journals, newspapers and ongoing academic working papers. The collected data may be processed and analyzed in order to make the present study useful to the practitioners, researchers, planners, policy makers and academicians of the concern area.

#### 4. Analyses and Findings

The analyses and findings have been discussed the following the sub-heads

## 4.1 Trade Union and IR in Bangladesh: An Overview

Democracy in the larger society is a prime and essential condition for the development of industrial relations. In Bangladesh, the extent of democracy is very poor. It is surprising to note that after independence, the frequent changes in government and emergence of military rule during 1975-1979 and 1982-1990 hampered the democratic environment for industrial relations in general and trade unionism in particular.

Since independence every Government has been found to participate in the trade union activities directly through the formation of labour front. Due to government interventions, the industrial peace and productivity were affected a number of times. For example Awami League government maintained close contact with the workers through "Jatiya Sramik League (JSL)" the BNP government did so through "Bangladesh Jatiyatabadi Sramik Dal (BJSD)", Ershad government did the same through "Jatiya Sramik Party (JSP)".

The level of industrialization Bangladesh is very poor. The level of employment is very poor too. Here the supply of labour is always much higher than that of the demand for labour. So the labour cost is low. Out of a total civilian labour force of 70 million about 2 millions are unemployed. Here the industrial workers are not at all class conscious. Due to very poor literacy level, workers of Bangladesh are completely in the dark about their rights and obligations. The labour force participation rate in trade unionism is only 12%. Due to improper physical fitness and lack of sufficient skill the productivity of our workers is very low. As a result, they cannot contribute towards the higher level of profitability to the employers, thereby causing their level of wages to remain low. Till now the Government of Bangladesh could not ensure a satisfactory level of minimum wage for the workers (Khan and Taher, 2009).

Multiplicity of trade unions is one of the great weaknesses of labour politics in Bangladesh. As a result of weak strength, trade unions in Bangladesh is facing a number of problems like increasing political influence, inter and intra-union rivalries, unhealthy competition in Collective Bargaining Agreement (CBA) election, employers, tendency to avoid CBA process, etc. The opportunistic nature of trade union leadership has been responsible for poor labour movements. Most of the time, the trade union leaders acted as agents of employers and of the political governments. Another major hindrance to good industrial relations is the politicization of labour unions by outside political leaders. This leads to multiple unions on the one hand and inter-union rivalry on the other. Inter-union rivalry depresses both a union's membership and its finance. The final result is that a union finds itself unable to carry out constructive activities or to play an effective role in collective bargaining. Its status is reduced to a mere strike-committee.

#### 4.2 Situation Analysis of Trade Unions and Industrial Relations: Discussion

Situation analysis discuss under the following heads

#### 4.2.1 State Intervention

The maintenance of a climate of good Industrial Relations in society depends largely on the role-played lay the State as an 'actor' in the industrial relations system. Because it is the duty of the State to formulate labour laws and policies, to administer them and also to uphold justice so that neither the worker nor the employers should suffer. Thus in any society the State acts both a planner and an administrator in the industrial relations systems. The Development of healthy labour - management - relations. Sate appears on the list of priorities of development planners, but in demographic societies with a vocal and well organized labour force such as omission may have costly and disastrous consequences. The State has had a major role to play, as a leading actor in industrial relation. It has played a dual role one as the initiator of policy y and the other as on employer, or owner, by setting an extremely large public sector. Having embarked on a path of rapid industrialization to take the nation out of poverty and into an era of progress and employment.

On the IR front, the concern, for the weaker partner in industrial progree, i.e., the employees promoted the government to enact a variety of labour laws, to set the hase of minimum wage standards and safety and protect the employees. These laws not only covered rights and privileges but also guaranteed certain levels of income and condition of working environment. The states also, as has been noted, setup machinery such as the Labour commissioners office to resolve industrial and set up labour courts and industrial tribunals as a district labour judiciary at the lower level of the judicial ladder.

The State in relation to trade unionism, as in all cases, is a repressive machine holding down, particularly the oppressed, exploited class. Thus the trade unions have to act in opposition to both the employers and

the State. The trait of the employers varies from the public to the private sector. Though the legal basis—for organizing union activities is the same in both sectors, trade unionism has been more active and flourishing in the public sector, Since management in the public enterprise, has unlike that of the private enterprise, been much more tolerant about trade unionism. Trade unions are to be affiliated with national and international bodies in order to draw—strength at times of their crises. ILO is the major international organization to take unions members state from government interference.

#### 4.2.2 Multiplicity of Unions

In multi – union situation at the plant level, the problem of inter- union rivalry frequently poses a managerial problem. Disagreement among unions to technological change, rationalization, automation or terms and conditions of employment causes work stoppage. Sometimes one union agrees while the other doesn't, for a variety of reasons. These shifts are also due to the rivarily among leaders or to differences in strategy to be adopted or to differences in ideology. A clash of personalities and egos also plays its part. Multiple unionisms also to multiple enrolments in unions and non-subscribing members, causing delay or failure to get recognition. This restrains a union's bargaining power during a period of prolonged strike while the unions are squabbling among themselves for dominance, the workers are deprived of their wages and the plant suffers a loss of production. The primary role of a union is to protect the workers and to channelise their efforts into more rational directions so that the viability of the plant is also enhanced. The effect of having multiple trade unions both at the macro- and micro levels serves only to weaken the workers' power base while at the same time negatively affecting the viability of the plant. However, it must be noted that in spite of the foregoing there are many organization where multiple unions exist and the management does effectively negotiate, and conclude agreements. In many plants, workers are unionsed – on a craft – basis their special skills or training bonding them together. Multi-unionism is more problem where general unions exist, for whom all categories can be organized in one general union.

#### 4.2.3 Political affiliation

Political links of trade union have been almost universal although the nature and extent of the relationship between trade unions and political parties differ from country to country. While in may others, trade unions are tied up with to many political parties through multiple federation of the Trade union. In this case, all the trade unions with in the country assemble together under one umbrella and for that matter the country's working class remains united. It is very difficult to distinguish between trade unions and political parties and also between trade union leaders and politicians. In most case, a trade union leader and a politician was one and the same person. Many of the prominent politicians were veteran trade union leaders and vice -versa. As Post-colonial society in the third world, Bangladesh has made little departure from this experience. The workers and most of their prominent leaders were closely involved in the nationalist, movement against both British and Pakistan domination and finally the liberation was draw trade Unions and major politics parties into such

a deep intimacy that their existence become in separate.

Unions through their collective action are organization concerned with the interest of a particular class. Hence, they are also concerned with the distribution of power. Since distribution of power and decision making is linked with the political process, the interrelationship between politics and unionism is part of this process which its perpetual. Both political parties and unions have a vested interest in each other as the effect of their actions and strength is of interest to each other. Unions have a vital state in the political process and the decision that will change or restructure the balance of power within their society. The growth of the major political parties, which have different ideologies and approaches, top the distribution of power and the role of labour in society.

#### 4.2.4 Leadership of Trade Unions

Leadership role in a trade union has a variety of demand placed on it. Not only does it require a certain amount of technical knowledge of the nature of business of the particular organization, but also a sympathetic understanding of the workers, their attitudes and their problems. A certain amount of commitment and empathy for a cause, even in uncertain conditions, is necessary. Till now the attraction for persons entering this occupation has been the possibility of a political career in the future. However, there have been some plants unions, which have been run, vary professionally and have at the same time been concerned with the viability of the firm or the enterprise as well as the good of the workers.

A trade union is not only operated but is also known by the people who provide

leadership through thick and thin. Sometimes the strength of a trade union is synonymous with the strength of its leadership. Trade union leadership is thus the core of the country's trade union structure, specially in a society where large-scale unemployment on the one hand.

The question of the right type of leadership is relevant here. A leader who remains loyal to his organization and also to the rank –and- file members can be designated the right type. Because his primary duty is to serve his organization and its members against any encroachment from either management or government. This is no doubt a difficult task for him in a backward society like Bangladesh where they are left with only two alternatives

- 1. To remain loyal to workers and to suffer innumerable oppression, even to the point of imprisonment and dismissal, and
- 2. To playing into hands of management and government and thereby becoming in rich overnight.

It is an acid test for them when it comes to choosing between these two alternatives, and most of them most often tail. During field work most of the trade union leaders, especially at plat level, were found to have failed in the acid test and were called traitors by the workers. Only an insignificant portion of the trade union leader, who were mostly outsiders, were found to have survived the test of time either because they had strong political motivation due to ideological commitment. Because they had more a craving for popularity among the workers then for money or anything else.

Another phenomenon has been the role of the 'outside' leaders in the union. This is partly due to the low level of education of the workers, their lack of opportunities to gain experience and therefore their dependence on a small elite of educated and influential people. All these factors have led to the domination of the trade union positions by 'outside' leaders. The technical demands in terms of understanding the voluminous and all embracing legislation are formidable and a legalistic approach seems to be all - pervading. Therefore, familiarity with the various pieces of legislation does play a part in getting things done. The social distance between the manager and the worker has also played its part. In a, tradition bound society which gives due difference to authority, the distance between the mangers the worker has been substantial

Trade union leader are also formed to maintain direct or indirect relationship with political parties. In Bangladesh, legal frame work of political parties requires such direct link, for under the rules, each political party needs to have its 'workers' and 'students wing. Hence, it is formed that majority of the national and industrial federation and almost all the plant level trade unions have direct link with political parities.

It is needless, to say that Bangladesh, the repressive measures rampantly used by the employers (management) ultimately led to the inadequate supply of able, competent and dedicated 'insiders' for trade union leadership. As a result 'outsiders' participation is vital for healthy trade union leadership as well as labour movement of Bangladesh.

#### 4.2.5 Industrial disputes

An industrial dispute, as defined by section 2(k) of the industrial Disputes Act, means any dispute or difference between

employees and employers between employers and workmen or between workmen and workmen, which is connected with the employment or non- employment or the terms of employment or with the conditions of Labour or of any person. Industrial dispute doesn't mean a dispute between on individual workman and the management, but if other workmen or majority of workers of the establishment, or takes up an individual dispute by their union, then it becomes an industrial dispute.

Conflict, as one of the features of industrial relations, is general concept. When it acquires a concrete and specific manifestation, it becomes an industrial dispute, that is industrial conflict is general, where as industrial dispute is specific. Industrial disputes may be said to be disagreement or controversy between management and labour with respect to wages, working conditions, other employment matters or union recognition. Such a dispute may include controversies between rival unions regarding jurisdiction also. There can be as many industrial disputes as there are points of contract between management and labour or one industrial dispute may cover many issues of conflict. When issues of conflict are submitted to the management for negotiation, they take the form of industrial disputes. Therefore, the specific causes of industrial conflict many be treated as causes of industrial disputes also.

Disputes between management and workman can be caused sometimes, by very minor matters in a place where industrial relations are poor. Normally immediate causes for disputes are wages or bonus or Leave or poor-working conditions or non-compliance with provisions of law and changes made in the conditions of service. Trade disputes arise

in the employment or non – employment of any person; the terms of employment of any person and the conditions of Labour of any person.

Industrial disputes are a common phenomenon of the industrial way of life in all countries. What ever may be either accepted economic systems or levels of economic development? It is a hard fact that industrial disputes can never be absolutely eliminated, they can only be minimized and resolved as and when they occur.

They inability of the government and courts to settle disputes peacefully to the reasonable satisfaction of the parties concerned generates resentment and frustration which might cause irrespirable damage to the credibility of national or trade union leadership. The economy's growth prospects are imperiled as social tensions mount and the investment climate deteriorates. Role of the State in industrial relations as well as dispute settlement increases substantially, if the state is the single largest employer of labour.

Industrial disputes in Bangladesh are quite high. As relatively low percentage are resolved through employer- employee bargaining. There is a long chain of settlement of industrial disputes in Bangladesh. The process in short is charter of demand placed by trade union or CBA - collective bargaining - settlement or failing at this stage follows requisite for conciliation settlement or certificate - settlement or appeal to labour court appellate tribunal -settlement not writ petition to high court. Disputes are mostly settled in any stage of midlevel in chain. In Bangladesh, disputes in the public sector are largely resolved either at the corporation or at the national level, where as the disputes in the private sector are normally resolved

through collective bargaining. If such settlement is not possible through collective bargaining the concerned parties may resort to the use of next course of action like conciliation, adjudication and the like. In Bangladesh, two methods and the procedure under each are now in order. International methods and external methods. Internal methods refer to settlement of industrial conflict by the parties themselves without any intervention from outside. The generally used internal methods are informal discussions, grievances procedure and collective bargaining. External methods involve third party intervention in the resolution of conflict between workers and management. The parties are conciliator, mediator and committee of inquiry and arbitrator.

#### 4.2.6 Trade Union Structure

Since trade unions are organizations of workers for the protection of their common interests, it is this community of interest that constitutes the base for the formation of trade unions. But there are many possible interpretations of the term "Common interests". It is one thing to say that interests of all workers are common but in really, the consciousness about the community of interest may not be deep enough to be widely perceived. Workers, being in different stages of group and class-consciousness, may have divergent interests and objectives, as they perceive them to be. Due to this divergence, a variety of structural types of unions have emerged.

Workers pursuing a particular craft may appreciate their common interests as being different from those of others and form a union of their own. Similarly, workers employed in a particular industry may realize that irrespective of their craft affiliations, their interests are common and may establish a union covering all the workers employed in that industry. On the other hand, workers working under a particular employer at a particular place may form union a union of their own irrespective of the interests of other workers working in the same industry. Likewise, workers working and residing in particular locality, irrespective of the craft, occupation or the industry in which they are employed, may develop common sentiments and form a general union that there is a variety of bases for the formation of trade unions. Each of these bases gives rise to a particular type of union, for instance, craft union, an industrial union, a general union and so forth.

#### **Craft Unions**

A craft union is thus an organization of wage –earners engaged in a single occupation or craft. Such a craft union may cover all workers engaged in that craft, irrespective of the industries in which they are employed.

#### **Industrial Unions**

An Industrial union is organized on the basis of an industry rather than a craft. The industrial union attempts to organize into one homogenous organic group, all the workers-skilled, semi-skilled, unskilled –engaged in a particular industry or industrial establishment. Such unions may be formed at the plant, region or industry level.

#### **General Unions**

A general union is one whose membership may cover workers employed in many industries employments and crafts. It requires a very high degree of consciousness among the workers merging their separate industrial and occupational status to form such unions.

However, ever Bangladesh won its independence in 1971 and became a member of the commonwealth in 1972 with republican states. It is essentially an agricultural economy, with a high density of population a very low percapita gross national product. Trade union activities in Bangladesh have along and at times blood history doing back to revolt by tea plantation workers in 1920 and the formation in that year of the All India Trade Union congress. In broader trade unions may be compared to a body politic with a complex of individual organs. The following diagram may represent the trade union body politic from the structural viewpoint.



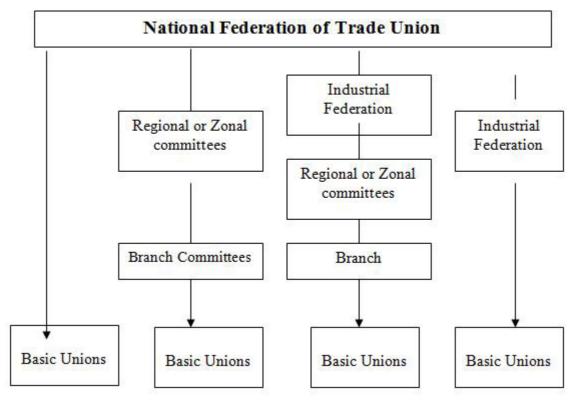


Figure 01: Structure of Trade Unions in Bangladesh

The above representation of the body politic clearly shows that in general it has four broader types of hierarchical organs. There are shown in the following:

Type 01: Basic union/ National union -------- National Federations.

Type 02: Basic union ----- Branch committees ----- Zonal or Regional committees ----- National Federations.

Type 03: Basic Union ----- Branch Committees----- Zonal or Regional

Type 04: Basic Unions ----- Industrial Federations ----- National Federations.

It is thus observed that type-01 has no middle tier, type-02 has two middle tiers, type -03 has four middle tiers, and type -04 has one middle tier.

#### **Basic Union**

Trade union at the plant or enterprise level is usually referred to as basic unions. They are formed at the unit or enterprise level with the membership of worker or employees of the particular unit or enterprise. Such a body being at the grass root level has the advantage to be closet to the rank – and – file members giving scope to know directly at first hand the day to day problems of the workers and deal with the same within the capacity of the union and if necessary to take their appropriate measures of appropriate time to mitigate these problems.

### **Industrial Federations of Trade Unions**

A federation of trade union that works within the jurisdiction of a particular industry is referred to as an industrial federation. Such as federation, consisting of some unions (two or more) belonging to a particular industry provides a common platforms and a joint endeavor of workers employed in different enterprise or units of the industry.

In general an industrial federation formulates charter of demands, convey workers' grievances to the authority or to the Employees' Association negotiates with the authorities concerned, and takes necessary step contingent on the result of their negotiations.

#### **National Federation of Trade Union**

A National federation is as apex organization of trade unions within the country. So far as all types of trdeunion organizations, including national unions and industrial federations can be affiliated with any such federation of their choice. The federations units may take guidance from it for formulating characters of demands, organizing strikes and conducting negotiations with the management.

#### **Regional Committee**

This committee is alternatively known as zonal committee and is formed in different regions at the initiative of the central executive committee of the federation. The central committee may also determine its composition. It is constituted to ensure effective communication between central committee and basic union. We on the basis of filed

information inform the central committee and this is very much essential at times of crisis.

#### **Branch Committee**

Branch Committee is an organ of the central committees. This committee helps collection of subscription from units, which otherwise becomes a difficult risk.

The laws and policies of a government for industrial relations in fact, reflect the attitude of the government towards labour. Bangladesh has inherited most of her labour laws from the colonial period. At present there are as may as forty or above labour and industrial laws in operation concerning the issues and problems of industrial relation. Some of these laws have been designed in the light of the ILO convention ratified by the Bangladesh.

#### 4.2.7 Corruption practices

Corruption and labour racketeering have long been present in trade unions of different countries in different forms and degrees. Economic power, political power and an unholyglliance between might and trade union leaders provide opportunities for the corruption of trade union leaders It also observed that corruption and racketing have long been present in trade union leadership in Bangladesh. It is rightly asserted that the strength of trade union and its leadership is synonymous. Corruption and labour racketing have long been present in trade unions of different countries in different forms and degrees. Economic power or political power and an unholy alliance between management and trade union leaders provide opportunities for the corruption of trade union leaders.



In general a corrupt union leader can get private payments from employers or management in return for a substandard contract – a so called sweet heart agreement – or in turns for settling or averting a strike would impose loss on the firm. Also employees sometimes assist in organizing such a union to forestall organiosation by a legitimate union.

## 4.2.8 Trade Union Leadership Character

Now a day, all trade unions have various weaknesses different countries. However, the followings are the weaknesses of Trade union leadership in Bangladesh.

#### 1. Influence of Political Parties

Close relationship of political parties with trade union also leads union leaders to be bribed by political parties to serve their interest.

#### 2. Corruption practices

Corruption and labour racketeering have long been present in trade unions of different countries in different forms and degrees. Economic power, political power and an unholyqlliance between might and trade union leaders provide opportunities for the corruption of trade union leaders.

#### 3. Interference by the Government

Consequent upon the centralization of management at the national level, there has also been an attempt by the state to preempt industrial conflict by removing it force its place of generation to the remoter area of government dominated administrative and judicial procedures which are concentrated around government operated conciliation and adjudication of industrial disputes.

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# Real estate capitalization of Public Administration Institutions - a chance to stimulate investment and increase economic competitiveness

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Abstract: The divide in the development of the different European space regions, is exemplified by the different ability to attract investments between rural and urban areas. Urban areas usually assure to investors a broad availability of structures and services that rural areas cannot offer. Another limiting factor for rural areas is the difficulty the enterprises which want to localize their structures outside the urban area meet when they try to find information about the quantity and the quality of the available structures. This penalization affects also the unused real estates of the public administration institutions; these real estates could represent for the investors an important opportunity to improve area's resources, meeting some forms of converging collaboration with the public administration institutions. POLYINVEST project aims at improving conditions for investment in the rural areas, directly tackling the development gap between the regions of the South East Europe and to develop an information system useful for those public administration institutions.

*Key words:* Polycentric development, Public-Private Partnership, investment opportunities, economic competitiveness

#### Introduction:

In a period marked by reduced investment at national and European scale, we need to find solutions to attract investors, increasing competitiveness and reducing development gaps between national regions and between European Union member countries. Real estate capitalization of Public Administration Institutions could be a solution for these problems by identifying and valuing the unexploited real estates favoring the entry of a large public property offers unused by local public institutions that can bring profit and develop these areas by offering them (by renting, selling or Public-Private Partnership (PPP)) to potential investors.

In order to do this it is need to develop an active approach by the government to identify the main characteristics of the real estates to be surveyed and to centralize them in some themes of interested referred to each territory and define packages linked with the chosen themes, which can attract potential investors. Favoring implementation of territorial complete packages, these packages will include information on buildings or terrains differentiated following the classification of the themes of interest and assets' geo-reference which can be embezzled and information on conditions that could foster investments by private investors. Such an idea was explored in the Polyinvest project.

Polyinvest project aimed to improve conditions for investment in the rural areas, directly tackling the development gap between the regions of the SEE space. Through the development of an innovative information service about the availability and characteristics of marketable real estates, the project responds to: the needs of those public administrations interested in enhancing and gaining an income from a part of their real estates, converting them to productive uses, fostering the development of polycentrism; the needs of those investors who, having the tools to know the investment opportunities in the various territories, can benefit from infrastructural efforts made by the Public administration institutions and be helped in the administrative and bureaucratic course.

Polyinvest contributes to fill the gap between urban and rural areas in the SEE space through the start of pragmatic initiatives favoring the growth and economic competitiveness of marginal areas. It also contributes to the development of polycentrism in the SEE space using an innovative and sustainable approach which levers on commercial potential (and on the capacity to create development in the involved areas) derivable from alienation of unused or dismissed public real estates in rural areas. Polyinvest contributes to increase rural areas' attractiveness creating a real estate offer (now difficult to find and not attractive), with turn key solutions for EU and non-EU investors to realize sustainable productive and commercial activities. Finally Polyinvest contributes to the integration process between institutions and between countries, and to the birth of a stable network between public and private actors, able to standardize procedures and methods of new real estate businesses

The first innovation of Polyinvest resides in the will expressed by the involved Public administration institutions of transforming the problem of managing unused real estates in a development chance; this point is made stronger by the will to supply investors with a project related to the transformation of the assets and which can enter in a sustainable development of the area, exploiting the area's strong spots and potentials thanks to preliminary market analysis and subsequent sale. So Public administration institutions will be able to lead the process of sustainable development, activating a priori sustainable economic processes then managed by private entrepreneurs. For no similar experiences have been enacted also the adopted turn-key method requires an innovative approach in management. Also the public-private co-operation established to

achieve the common objectives is absolutely new because it is the the public sector which keeps on defining and leading the development of its own territory exploiting for this the support of private actors

University of Bucharest was a partner in this project, having the main role to coordinate market analysis, defining topics of interest and property census. In the Market Analysis package, the team from the University of Bucharest developed a methodology for identifying the development needs of local governments and on the other the needs of potential investors (this methodology included a guide to conduct interviews and focus groups with potential investors representatives of local government and regional development experts). In this activity were conducted 14 focus groups with 132 participants and 16 interviews, the results are presented below.

#### 1. Methodological approach

The Romanian partner received reports from Austria, Bulgaria, Greece, Italy-Venice, Italy-Molise, Slovenia and Hungary. In the following section, we offer a brief analysis of the field situation.

	Number	Total duration (minutes / hours)	Average duration (minutes / hours)	Participants
Focus groups	14*	1340** / 22	96 / 1h 36min	132*
Interviews	16	960*** / 16	87 / 1h 27min	16

<sup>\*</sup> No data for Hungary

#### 2. Local economic and business issues

Data suggest that before every investment project the stakeholders should survey the population structure by means of labor force characteristics. A frequent mentioned problem seems to be migration of the core of labor force: young or middle aged people. This is a double faced situation: a) on the one side, especially in Western Europe, is a trend toward immigration of students who studied abroad and b) on the other side, especially in Eastern Europe is a trend toward emigration of unemployed people. The investor should regard each Eastern Europe country in a

global perspective: there are rather regional problems than local problems. With few exceptions, the economies here are slow and the labor market have little efficiency in covering the need for employment. Because of this situation it is expected that a large number of Eastern Europe citizens to migrate toward Western Europe.

There is also a rural problem, especially in Eastern Europe. Here, and in small towns also, large enterprises are rare. There is a tendency toward small business with little as possible expenses. This is, by no means, a driver toward an increased quality of life.

<sup>\*\*</sup> No data for Austria and Hungary

<sup>\*\*\*</sup> No data for Austria

This can be an opportunity for external investors because the local inhabitants can be retained with medium and long term employment projects than can satisfy basic criteria for a decent standard of living.

One key point that investors should consider in Eastern Europe especially, is the low price for selling land. This is mainly suitable for agriculture. A problem can be that the land is segmented in small sections and it can be difficult to convince different proprietors to sell at a reasonable price. Another key point is that there is a basic infrastructure on national and local paved roads that can be adapted function of the investor needs.

The deficiencies of local economy show institutional problems, especially in countries like Bulgaria, Greece or Romania. The investor should put this aspect in front of there to do list. The support of the inhabitants is easy obtainable but the implementation of different projects can be delayed or even stopped by local administration inefficiency or corruption. The investor should hire a competent juridical specialist who can interpret complicated and incomplete laws or government decisions.

Another problem can be the resistance to change. It seems that there is strong inertia regarding reconversion from public administration institutionst activity domains. For example, if the local economy was based on an industrial factory and this is no longer functional, the trend is toward migration (the core of labor force) or subsistence agriculture (the old ones).

Aging is regarded like a serious problem in several regions. Old people seem to be considered unproductive. The local government should change their perspective and seek to encourage enterprises that use different abilities of this age segment. This is rather a mentality problem that can take time to change.

In several countries seems to be significant differences between regions regarding the orientation toward work and possibilities to invest. The investors should survey the differences of economic potential between development regions and counties.

Due to local specific we highly encourage to consult the country specific reports!

## 3. Resources for economic development: positive and negative inputs

Please bear in mind that the information collected is perceptual and not a representative survey for the regions studied. In addition, you should consider that the participants at focus groups and interviews are experts in their field and good connoisseurs of the business, policies and the functioning of the central and local administration and this can give us a certain degree of the accuracy of the data analyzed here and in the country specific reports.

There are several aspects frequently mentioned:

- The public administration should encourage investors relaxing the bureaucratic system, giving tax incentives to them, investing in the infrastructure (especially transportation), facilitating credit etc.
- Tourism seems to be, at least at perceptual level, a panacea for local development.
- Before starting a project for land/ buildings reconfiguration, the investors should be aware about the juridical statute of

them: who is the owner? Can he/she be convinced to rent or to sell on long term?

- There is a vast amount of properties available especially in the ex-industrial zones that today are on collapse. Here, also, is a big rate of unemployment meaning a qualified workforce available for reconfiguration.
- There are some opportunities in the agriculture domains.
- The investors should consider in their plans the attitudes of the citizens favoring local or regional development.
- There is a growing acceptance and orientation toward friendly environment projects: renewable energy, bio-foods etc.
- The collaboration between countries is necessary especially on the transport infrastructure: public administration should focus on building commercial routes (motorways etc.) that connects them.

Here are some country specific situations organized on positive versus negative outcomes.

#### Austria:

- Positive input:
- o Overall the bureaucratic environment is stated to be low when setting up businesses;
- o The sector of tourism is regarded as a substantial driver of investments by experts;
- o The regions are attractive for the some industries and agricultural investments;
- o The city centers are wished to be preserved and restructured and it is said that parking facilities might reduce the dying of individual shops as the parking area in shopping malls is abundant and usually free of costs;

- o There is potential for development of the organic farming initiatives and the production of crops for renewable energy;
- o Marketable estates can be made out in all regions under review, being perceived as not costly and offering a high level of assistance upon purchase for the investor. Depending on the region, some municipalities offer trained personnel that support and guide the process of purchase in administrative and technical terms;
- o The call for a multi-level approach is raised, starting at the very top of the regional planning at federal state level, and gradually moving downwards to the regional and local level. At this level it is thought to have the best outcome when the actors involved offer tailor made and customized solutions for the investors;
- o Special focus has to be given to alternative energy sources as they are thought to have a great positive impact on the regions' environment.

#### Bulgaria:

- Positive input:
- o The region it is amenable for tourism development.
- o There are opportunities for development of food industry (food processing and raw materials).
- o The land owned by local administration can be bought or rented relatively easily.
- o The available building stock is offered to investors
  - Negative input:
- o Small number of projects for development and gaining profits from tourism
- o The programs in process are rather more cosmetic

- o The infrastructure (i.e. transportation) is in a work-and-progress state
- o A part of the lands are still with unsettled documents and outstanding possession.
- o Local people will rather agree to rent the land than to sell it. This it is explainable by the fact that land price is too low.

#### Greece:

- Positive input:
- o **Agriculture** in the coastal area of Western Greece region is well developed due to the good fertility of the territories but mainly because of the climatic conditions. This situation give the possibility for production of an important number of agricultural products with possibilities of export e.g. oil production, the viniculture, the citrus fruits, the horticultural, the spring potato.
- o The sector of manufacturing-industry is developed particularly in the Western Greece region especially in the prefecture of Achaia in the area of Patras and the wider region with a focus on the sectors of food and beverages, textile, clothing, non-metal minerals and in the sector of machinery and equipment. Therefore, the majority of the manufacturing industries of the Prefecture of Achaia do belong in sectors with current growth potential.
- o In line with the economy of Western Greece, **international sea transportation** and **commerce** are important elements of economic development. Patras is the country's main gateway to Western Europe and a critical transport hub. As a result, there has been intense development of international sea transport and trade to and from its port.
- o The prospects for developing **tourism** are also favorable. Although these

- have not yet been adequately exploited, the Region processes significant natural, cultural and tourist resources. More specifically in the Prefecture of Etoloacarnania there are landscapes with mountains, rivers, lakes, hot springs and protected regions presenting many serious occasions of alternative tourism development (naturalist tourism, agrotourism, athletic activities in the nature). In addition, the Archaeological area of Ancient Olympia in the Prefecture of Ilia remains unexploited although there is good potential for touristic development.
- o The Prefecture of Achaia has a good potential for the further development of **research** and **technology services** and the provision of innovative services to the local SMEs in particular linked to the University of Patras, the Technological Educational Institute of Patras and Patras Science Park.
- o Another sector that offers important prospects of development is the growth of **renewable resources of energy** and mainly the photovoltaic parks, as there is large extents of ground that remain unexploited.
- o In parallel with these sectors, Patras shows a great development also in **other sectors** such as health services and education, as well as in the productive services.

### Italy – Venice:

- Negative input:
- o For companies operating in construction there is a need to classify the operators by introducing specific legislative requirements for access of technical-professional nature and of organization, such as to ensure the quality of products and services.
- o The fiscal policy should be reviewed and modified:
- In order for the redevelopment to be activated incentives are needed that are

convenient to citizens, including tax wise, to support the higher cost of redevelopment of existing buildings.

- To encourage the involvement of private investors, it would be appropriate to use incentive mechanisms such as the transfer of land intended for public housing and volumetric incentive mechanisms
- o There is a highly bureaucratic administrative system:
- The strategic objective to encourage the development, is the simplification of the procedures together with the reduction in the number of rules and their stability
- An easier procedure for accessing credits for investment in construction and the purchase of homes by families

### **Italy-Molice**

- Positive input:
- o There is land in public ownership available for the establishment of industrial and commercial activities.
- o Many of the available public and private property are concentrated in the historic centers of small towns in the region. In recent years has created strong interest from local government aimed at recovering the vitality of their historic centers
- o Widespread accommodation is an initiative aimed at local development and social and cultural enhancement, an economic opportunity and a business program
- o The prices of land and buildings that are fairly low compared to other Italian regions
  - Negative input:
- o The greatest difficulty is found always in the bureaucracy and complexity of administrative processes and the fragmentation and dispersion of skills in public offices

### Romania

- Positive input:
- o Openness for innovative business sites using the latest technology, with high value added (Celestica, Connectronics, Hanil Electronics, Plexus, etc.);
- o Tax incentives offered by local public authorities;
- o The unused land owned by the Local Public Administrations, with high potential to attract investors on the following areas:
  - tourism (geothermal);
  - agriculture (viticulture, fruit growing);
  - zootechnics;
  - renewable energy (photovoltaic panels);
  - industrial (industrial parks).

### Slovenia

- Negative input:
- o In public administration institutionst two years, local municipalities have prepared the investment project proposals, which are 10 times exceeding available funds;
- o Global financial crisis has also caused lack of favorable bank loans

### Hungary

- Positive input:
- o The proximity of the Slovakian border allows for international projects and for the continuous flow of labour force and trade
- o The transportation routes between Budapest and East and North cross the county
- o Almost any part of Nógráds is within the critical one hour ride by car
- o Although traditional mining, heavy industry and glass production were all closed up during the time of the political changes

of the early 1990's, people of the region still have a strong respect for these sectors. The knowledge, traditions and acceptance still lives on within the county. There is a chance to re-ignite these industrial activities, there are plenty of labour available, the only limiting factor is vocational training in these fields which was totally abandoned in the public administration institutionst 20 years.

- o Since these activities are no longer pursued, the **labour capacity** of the region is high and relatively cheap. This calls for **labour intensive jobs**
- o All suitable for brownfield investments, there are large numbers of abandoned industrial premises in the county
- o The county is exceptionally rich in clean and original natural sites. Some special touristical targets of Nógrád are: hunting, fishing, bicycle routes, and villages. There are various cultural attractions, (the archaic village of Hollókő, the Simonyi castle and the Fossils Park at Ipolytarnóc) are among the most important strengths of the county and have a high potential for having an intensive tourism built around them. One of the most important endemic 'product' of the county is the Palóc culture (Palócs are a Hungarian ethnic group). In a recent survey of 1000, 70% of the responders connected the Palócs to Nógrád. Elements of the Palóc traditions include the 'lovely clothing', a village wedding, gastronomy - and looking from the marketing angle: a whole set of new and natural experience. Developing tourism around the Palóc culture may involve developing local procession and selling traditional foods, regional gastronomy, combining cultural values with historical and natural ones into a complex touristic destination.

- o Due to the stagnant economy, **prices of real estates are low**, which is a definite advantage for any investor. The same applies to residential properties, and for potential industrial premises as well.
- o Certain small regions of the county were ranked 'underdeveloped', so the **chances of receiving a support** for a development project are **increased**
- o **The proximity of Slovakia** is important not only for marketing. It also means lots of available labour. The new Ipoly Bridge opens up new possibilities
- o There is an excellent **vocational training** in the county. There is one college of finance and accountancy. Technical education however, needs more training (engineering and foreign languages). The county is well equipped with a suitable system of infrastructure and teachers.
  - Negative input:
- o One of the striking problems of the county that most potential empty premises are privately owned. The owner is unable to invest and develop his or her property, but is unwilling to sell it. Most owners are underinformed about the possibilities and are not interested in developments
- o Since the inhabitants of this region are **patriotic** and true to their homeland, it is advisable to promote and support the establishment of **local enterprises**

### 4. Support for the LPA project, community leaders and investors

The stakeholders are open toward the project. The interviewed experts consider that this project should be continuous: data should be updated frequently and stakeholders announced about the changes.

Here are some country specific aspects.

#### Austria.

- Just alone the mapping of the areas would help abolishing the mental frontiers, which are still present in many of our minds;
- When it comes to selling building lots and real estate objects the selling party should keep in mind the long-term strategy for the regional development in order to satisfy the multiple stakeholders in the region.

### Bulgaria:

- It is a question of doubt that administration and business will join the project with concrete actions and assistance for the project implementation, for they have not the resource for it;
- The other problem is the existence of regions with vague ownership and it would be complicated to define them.

#### Greece:

- The University of Patras has made serious efforts in industrial liaison activity and its capacity and capability is established with reference to models of knowledge based enterprise support and entrepreneurial development.
- The Patras Science Park and the Business Innovation Centre play a significant role in supporting the development of economic strategy and leading the implementation of significant activities with the Chamber of Commerce and the University and Technological Institute around industrial modernization and industry creation.
- The creation of a suitable institutional and legislative framework that will facilitate more the investment efforts and will be based inter alia on concrete and evident

- strategy of reduction of bureaucratic procedures (new investment law 2011)
- The public Authorities of the Region of Western Greece and more precisely the general secretary lays accent on the acceleration of approval processes of investment projects that already has been submitted for integration and subsidy by the existing developmental law.
- In the Region of Western Greece are already developing some of the biggest works of infrastructures such as the Ionian road, the Olympia road and the new port of Patras that will give big impulse and will facilitate the investment activity in the region.

### **Italy-Venice:**

• The role and contribution of regional policy is particularly relevant to counter the structural weakness of the Italian economy to the main industrialized countries and in a counter-cyclical use the opportunities offered by the programs.

#### Romania:

- The main recommendations refer to development of the infrastructure utilities, access roads, telecommunications;
- Support from University of Oradea (vocational and technical schools) in improving work force qualifications in accordance with investors' requirements;
- Improved promotion of Oradea Metropolitan Area;
  - Permanent preparation of work force;
- Greater degree of involvement of local authorities;
- Action to amend the legislative framework;
- Organizing meetings between stakeholders in the area;



 Solving the problem with the Oradea Airport.

#### Slovenia:

- All local municipalities have expressed their interest to participate at the project;
- They are also prepared to participate after the conclusion of the project and to offer minimal required resources;
- Municipalities are interested in online data base in Slovene language, providing sustainable costs-free information on available business premises and sites;
- For foreign investors an English version should be provided.

### Hungary:

- Unless refreshed frequently, datapools quickly became outdated. Data pools can successfully operate only if supported by an agency that continuously tracks down all new and relevant information, and examines the real estate in question on the spot if that is needed, answers any questions stemming during the process and manage any business that may take place with regard to a property. Local authorities, being incompenent and not effective enough are unable to deal with the issues raised by a potential investor. This is why an agency is needed. A data-pool itself will never boost the economy of a region, it can only supplement ongoing activities
- When supplemented by an alternative real estate marketing agency, the
  Polyinvest project might operate fully to its
  potential. An investor is looking for possibilities (premises, real estates) and since
  most large companies do not have a specialized department (department of real estates
  development) these tasks are often done by

agencies. The agency seeks local connections, persons with a suitable knowledge of special local relations. This is where leaders of local authorities and smaller regions take part: they can be one of the key persons with that special knowledge. They also operate investment promotion agencies that are in connection with real estate agencies.

### 5. Conclusions and recommendations

The project proved that real estate capitalization of Public Administration Institutions could be a solution for fostering polycentric development of the regions less attractive for the investors and had positive premises:

- Public administration shows positive feelings about the mapping of land and buildings.
- The project should have an interregional and inter-country orientation: this perspective will foster the development of at least neighboring countries.
- The project should have a strong component of public relations and communication: it should be devised a way of real-time informing of all stakeholders.
- The project should make the connection between the land / building mapping and the legislative component of business opportunities. This is seen as an important condition for the success of a possible investition: knowing the place geographically and juridical.
- The project should consider delivering a database of experts in public space reconfiguration: gentrification, industrial reconversion etc. This, besides the map and the legal counseling will be the third level of information that will help fostering a sustainable development and a self-sustained investment.

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# Peculiarities of a communication strategy in the public sector

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**Abstract:** Public communication through all its registers – information, formation, service advertisement, campaigns – has an impact on citizens wanting to persuade them and sometimes wanting to change their opinions, behaviour. When such communication activities are organized – observing certain rules to be followed – the effects are positive. Therefore, in the present paper we describe the development stages of a communication strategy for public institution, pointing out the moment of detailed planning-target groups, objectives, conceiving the message, choosing the communication tools. We want to point out that among all these it should be as much coherence as possible, reciprocal adaptability; the higher the coherence, the more efficient the communication process.

*Key words:* public communication, communication strategy, target groups, objectives, message, tools.

### 1. Introduction

For a considerable number of times, public institutions have taken measures which are not consistent with the objectives set (objectives which have been too ambitious related to the available resources), or the communication tools are not rightly adapted to

the messages conveyed; or the target group does not manage to come into contact using the respective means of communication and in many cases they produce messages without knowing the basic features of the targeted group. As a consequence, it is of utmost importance to have a communication plan, follow several stages in the process and most importantly be aware about their coherence. In this respect, in the present paper we want to point out the development stages of a communication strategy for a public institution and analyze thoroughly the objectives, messages and communication tools – as basic moments.

We shall start by defining public communication principles as they have to be observed by all administrative institutions (irrespective of their activities, content and supports used) and emphasize on the characterictics of the objectives, message, tools at the moment we develop a communication plan.

### 2. Public communication – definitions, functions, general principles

Communication, in general, (from Latin communicare meaning "to share things irrespective of their nature" - Mihai Dinu, 2007, page 14) and public communication, in particular, mean more than inform and being informed, they actually mean "act upon the citizen" (Haineş, 2008, page 169), the scope being of persuading and obtaining a conscientious adhesion related to public decisions adopted and institutional policies.

We consider that the peculiarity of public communication lies in its cooperative character, the citizen does not have to be a passive receiver but on the contrary, should act as a co-builder of the message, then of the decisions and institutional agenda. This comes from the most definitions given in the field of communication and which we want to emphasize here.

Martial Pasquier gives the definition of public communication as: "the whole

activities of public institutions and organizations aimed at conveying and exchanging information having the main scope of presenting and explaining their decisions and public actions, promoting legality, defend recognized values and help maintain social bond" (2011, page 43). Pierre Zémor: "Public communication is a formal communication that tends towards exchanging and sharing information of public use and maintaining social bond for which public institutions are reponsible for" (2003, page 27), and Dominique Mégard: "Public communication, issued by the state and local communities mostly consist of non-commercial communication. Besides ensuring the necessary information required for the good functioning of public services, communication is also responsible for public policies and indicates the behaviour to follow." (2012, page 25)

Central functions of public communication, in principle, come from the obligation of observing the law (principle of legality) given to a public institution or organization. We consider laws which are enforced by public administration to develop its activity, that is Law no 544/October 12, 2001 regarding free access to information of public interest and Law no 52/January 21, 2003 regarding decisional transparency in public administration. According to Martial Pasquier we can detect four main functions: information of the public, decisions giving and explanation, defending values and promoting responsible behaviour and ensuring a dialogue between institutions and citizens.

Complementary functions, according to Pasquier, are distinct from central ones, not because they are less important for public communication but because they are not achieved on explicit legal basis. They come



from a modern outlook about public institution and we speak about: receiving, listening, publicity of public organizations and actions, contributing to keeping up social bond.

**General principles** (specific difference of public communication) are as follows:

- clearly identify the sender;
- neutrality in relation with electoral games and voters;
- continuity in communication;
- transparency in financing;
- absence of recipients' discrimination;
- objective contents, complete and adapted to target groups;
- proportional communication consistent with the objectives and target groups;
- communication that facilitates dialogue.

It is about principles which all institutions and administrative entities must observe irrespective of their activities, content and supports used.

### 3. Stages of a communication plan for a public institution

Taking into account the specific difference of public communication against political or business communication, in the present paper we will develop the stages of a communication plan, emphasizing the objectives, formulation of message and criteria according to which they are selected, then planning of communication tools.

Communication plan is an iterative process consisting of taking decisions and achieving diverse actions that allow the ensurance of a strong coherence between the initial objectives and concrete measures to be taken. Many times it happens that the measures taken are not adequate against the objectives which are too ambitious related to the available resources, on other occasions the tools chosen are not rightly adapted to the messages which we want to circulate, etc. In consequence, it is very important to pass through a series of stages and systematically watch over the coherence of a moment against another one.

According to Martial Pasquier (2011, pages 125 – 139), Thierry Libaert (2009, pages141 – 167), as well as Marie-Helene Westphalen, Thierry Libaert (2009, pages 49-60) the main **stages of developing a communication strategy** for the public institution are:

- -preparatory stage (political, legal and financial basis; analysis of needs and background conditions, establishing the budget);
- -detailed planning (target groups, objectives of communication, drawing out the message, choosing and planning communication tools, mass media plan, budget setting, detailed evaluation of concept and select agencies);
- -producing and achieving the concept (producing the material and delivering communication, followed by its achievement);
  - -control of its efficiency;
  - -integrated communication.

### 3.1 Preparatory stage

### Legal, political and financial bases

Firstly, the legal framework in which public administration develops its activity should be taken into account. Also the Ministry authority and budget framework should be considered. The budget voted by the Parliament and being constrained on administration reflects in the fact that the amounts not spent until the end of the year cannot be carried into the next year. Political authority, in principle, must give a boost to communication activities. Less important activities or activities delegated to autonomous entities, should not be validated in a systemic manner. Measures that have a high cost and those with a more important political impact have to obtain the approval of the executive authority.

Analysis of needs – it is mandatory at the beginning of such a process because communication decisions are sometimes taken without knowing the level of education, characteristics of subjects from the target group, their predisposition to listening, seeing a message and level of credibility of organization. In many cases, the interest of an organization does not automatically intermingle with the public's horizon of expectation. In consequence, from the very beginning we should answer the following questions:

- Who are the people to whom the organization wants its communication activities to get to?
- What do they know about the organization and its activities?
- What do we actually want to "touch" with these people?

Framework conditions – after stating the needs of target groups, we shall do a brief analysis of the background and general context of communication. Firstly, we do an inventory of organizations that develop communication on the same topic, as well as the objectives and concrete measures taken by the organizations.

**Reference budget** – communication costs are quite high and generally they depend on the tools chosen. If the reference

budget is too detailed, chances are that it hinders creativity in developing the message and choosing the support. If the allocated budget is too general, the impression is that of a too loose freedom in the elaboration of the concept.

### Communication briefing

When communication activities are repetitive year after year, they are relatively simple (for instance, updating an Internet site), the same is when the organization has specialized resources available internally and it is not necessary to call for external agencies assigned with conceiving, producing and measuring communication. On the contrary, if the problem is new and costs estimated are important, if there are no communication department within the institution, they generally, appeal to communication agencies and a contest is organized to select the best. In such a situation they do a communication briefing - a synthesis document (4 to 5 pages onward to 10 pages) providing necessary information related to the organization, communication environment, its objectives, resources and expectations from the agency to be selected. We emphasize that in the situation in which no external partner will involve itsepf in the planned communication activities, establishing a synthesis document is very useful. Firstly, it will be a support for political authorities to validate the concept and authorize the first spending, then it will be a guide for all collaborators involved in achieving concrete activities.

## Setting communication competences for each administrative level and their coordination

Public sector cannot circulate – within physical time – coordinated informational contents because substantial and institutional public policies are extremely different one from the other, information needs vary from one group to another and administrative entities are subject to various restrictions. As a result, coherence in public communication is not given by contents (non-homogeneous), but by a correct determination of the level which is assigned with communication and observing the rules, principles by all entities.

Simplifying the hierarchy of the administrative system, we have: government, ministers and local administrative structures and organizations. Coordination of these levels in order to establish responsibilities is of utmost importance and constitute a true strategic stake for public institutions.

To determine the responsibilities level for all communication activities is very important. The government should state - taking into account the peculiarity of topics - what competences has regarding communication. When topics are about public services, responsibility falls on local administration. On the contrary, when it is about governmental policies, internal or crisis communication, responsibility can be different in time according to the political or media importance of the topic. If they do not establish responsibilities for communication activities, "we can face with the phenomenon of cacophony" (Lemaire and Zémor, 2008, page 19), of dissonance (different data, different political and time perspectives, etc.). Also, lack of communication brings about problems, each level leaving this task on the other's part. Under situation of crisis, lack of coordination can generate problems related to institutional credibility and in such cases it can take a long time to solve the problems.

**Formal aspects** – generally, it is difficult to coordinate the communication contents of

all public institutions, but it is possible to coordinate formal aspects of the message (its graphic representation or visual identity of institutions). It is needed to coordinate formal aspects for two reasons. Firstly, in public communication the sender should be easily recognized and identified. Secondly, financial reasons should be taken into account as creation, development and making of a visual identity of its own are costly and the state has to supervise the rational use of resources provided. Thus, visual identity consists of: "name of the organization, its logo, colour system of the logo, letters character identity, basic information rendered by all these (address, institutional affiliation, etc), format and graphic design of all these elements (their layout and combination shown in the graphic map of the institution)" (Morell, 2012, page 79).

The visual identity must appear on all visual supports used by the organization, such as: paper sheets with header, letters, business cards, envelopes, information brochures, press releases, Internet web sites, different types of billboards, annual reports, publicity posters, facade of head office premises, official cars, wrapping, other means of calling the attention. We have to consider what type of organization is and in this respect the visual identity can have rules regarding the architecture of the building and its interior endowment (furniture, distribution of spaces, colour, etc.). All rules are included in the graphic map and they must be accessible to all people who have responsibilities and are in charge of communication.

### 3.2 Detailed planning

Detailed planning is the most complex stage and technique of the communication strategy. Within this planning we establish the target groups, objectives to be achieved; the message should be worked out and explained, the specific tools chosen. Based on all these, a media plan should be drawn up and a detailed budget.

### A. Target groups

In the public sector, determining the target groups is mostly problematic as we have to take into account that all citizens of a territory are part of the communication public. We shall not forget that "aiming at a very large group of population is the best way to get to no-one" (Jézéquel and Gérard, 2012, page 59). Therefore, more and more public communication activities are aimed at well defined target groups (professional groups, parents, elderly etc.). We often succeed in describing people who we want to address our message, but concrete difficulty lies in choosing the suitable supports and tools which enable us to get to them. In consequence, it is important to define target groups according to their basic characteristics but also related to their attitude and behaviour towards all communication tools and media.

### B. Objectives of public communication

When establishing the objectives of communication we can use the model developed by Lewis in 1898, summarized by AIDA: attention – interest – desire – action. According to this model, to be efficient a communication must firstly draw attention upon itself (become visible), then arouse an iterest for its contents (before arousing a desire), and the final objective has to be action and behaviour aspect. There are numerous models of structuring the effectiveness of a communication, for instance Colley (1961, page 128) finds four phases: knowledge – comprehension – persuasion – action.

We consider that the Lewis model fits better to the public sector, for two reasons: on one hand, the ultimate objective of public communication is not to cause the purchase of some products as this scope is mainly in commercial communication; on the other hand, most models have been made as a succession of stages needed to be passed, while public communication can be satisfied only with achieving the first level (simply the transmission of public data with no other objective).

Knowledge or **basic information** constitute the first objective which we have to take into consideration. At all levels – organising, projects, collaborators, the most important thing is that institutions should provide basic information related to their activities and events. At services level, the same type of objective will aim at providing information about the services content, accessibility etc.

The second type of objectives wants to be more than a simple dissemination of information, but the scope is to legitimize public action. It is about **explaining and justifying the reasons of a decision**, presenting the advantages and disadvantages of a project or the main characteristics of a new service.

The third type of communication objectives is more difficult to achieve because it aims at contributing to the **creation and modification of an attitude**, therefore the organization must ensure a trustworthy climate. At collaborators level (internal communication) these communication objectives consist in the creation of a feeling of belonging to the organization, developing typical organizational culture values.

The last type of communication objectives refers to a **behaviour change** or at least, establishing the stated preferences. It is about

the main objective of commercial companies. For the public organizations it is especially designed for prevention campaigns that aim to modify people's behaviour (giving up smoking, fastening safety belt, persuade people to vote etc.). Thus it is about defending values and attitudes proposed by the organization, active support of a project.

As far as internal collaborators are concerned, mainly they want to make them defenders of the organization, of its activities and values. The insiders must contribute to explaining the activities happening within the organization, thus they become the organization promoters. Therefore they must be correctly informed (in advance) and convinced about the organization's activities and values.

The scope of the most communication campaigns is to develop people's attitude towards a project and organization and adapt their behaviour to it. However, such modification are not too often possible because the people in question do not have a "bunch" of basic information in order to effectively enter such a process, or they are not willing to do it (different political views, reject the project, personal choice, etc.). In a communication campaign the four objectives are combined.

### C. Conceiving the message

It is a matter of creativity whenever we conceive a message and especially accuracy (if it is a complex one) and it must be circulated through many publicity supports.

A message must answer three main questions:

- What will the advantages of the recipients of communication be after they receive the message (benefit)?
- For what reasons the same recipients will want, in a way or another, to modify their perception, view or behaviour (why)?

- What is the tone or general impression of communication (tonality)? It is mainly about a very official communication, austere in wording and visual, or, on the contrary, a playful one with drawings, pictograms and a very easy and pleasant message to read?

The basic message we want to convey must be very clear. It is not recommended to convey several different messages at the same time, but "we have to concentrate on one or two main messages" (Mucchielli, 2008, page 95). Then, communication will be structured, more precisely we have to organize the transmission of the message indicating the connection between the main elements and arguments used. Communication should be conceived like a story with a script that is made up of an introduction, phases and an end. At the end, we choose what type of marks are the most suitable to be used: should texts be given a privilege being the first, images or other symbols? How do we combine different types of marks? What forms and graphics aspects should we give a privilege?

Another element that helps to conceive the message is the potential attitude of recipients when receiving the message. According to Rossiter and Percy (1997, page 69) we have to look at two criteria: level of involvement of people and type of motivation related to the organization and its services provided. If the level of involvement or interest is poor, then communication should be very simple, aim to the essential and should avoid rhetorical figures. On the contrary, if the level of involvement is high and the people are interested in the information, then that organization can develop it, bring all the necessary information including the technical ones. Related to motivation, we can distinguish a positive motivation and a negative one. In the public sector the situations that are quite often encountered are related to negative motivations (request of an authorization, tax payment, etc.) but there are also situations with positive motivations (such as, setting up a business). In the case of negative motivations we recommend communication to be approached in a rational manner and emphasize on the advantages. If the motivation is positive we can consider an emotional communication that appeals to rhetorical figures.

Besides the basic idea, the form and graphic of the message text should develop **creativity**. According to the support it uses (publicity in mass-media, a new Internet website, etc.) it is recommended to make use of the services of a specialized agency which has the necessary competences and can come with creative proposals.

### D. Choosing and planning of communication tools

Communication tools are means or supports that enable "transmission" of message from sender to receiver. Generally, we can have the following tools:

- Personal communication: discussions, individual letter, etc.;
- -Publicity communication: ads in newspapers, TV, radio, posters, etc.;
- Multimedia communication multimedia: Internet, cell phones, social networks, etc.;
- -Direct marketing: sent by post and via Internet;
- -Public realtions: relation with media, participation to conferences, etc.;
- -Organizing events and participation to fairs and exhibitions;
- -sponsorship: sponsor an organization, a project or event.

Taking into account the limited use of sponsorship we can notice that there is no major difference – at tools level – between public organizations and private ones. Cobut and Lambotte (2011, page 69) specify two criteria after which we can structure the communication tools: communication forms (difference between direct and indirect tools) and target groups (internal and external people of an organization). In public communication we can differentiate three target groups: members of an organization (internal communication), decision makers/people in charge, people and organizations that have a direct impact upon public policies and, eventually, the general public (citizens).

Out of the combination of the first two criteria results the main communication tools used in public sector.

Personal communication addressed to the members of the organization normally consists of individual or group talks, meetings and speeches. These classical tools allow transmitting accurate, detailed and interactive information. Under time pressure, numerous people in charge neglect messages that are sent to their collaborators compared with the external messages and key information is not repeated. When certain information is complex and difficult to communicate, seminars should be organized with the participation of external and/or internal people. Communication addressed to collaborators is completed with other tools based on electronic support or hard copy. We can mention here correspondence/letters (classical or electronic), notes, internal diary, posters and the Intranet. We can add to this list documents that are addressed to new collaborators: brochures about the organization, summary of the rules in force, etc.

Communication addressed to decision makers and important partners for the organization is one of the peculiarities of public sector. Making decisions and enforcing them is very different from the private sector due to the time it takes until reaching an agreement, necessity of consensus, legal procedures, number and diversity of partners, mix between political rationality and economic one, etc.

Thus, organizations that develop public action must identify important partners for their actions and supervise the targets in their communication activity. Talks on a regular basis with the partners, personal relationship in a formal or informal framework are important. Indirect tools are in their turn very much used because they allow the delivery of a great deal of technical nature information, structured and constantly. Information letters are a very efficient support (classical or electronic).

Regarding **communication addressed to the general public** we can notice an increase in number of the people who deal with communication activities and an increase in their costs. The activities addressed to citizens are: relation with media, publicity and Internet – as basis of public communication. Social networks have become more and more important, they allow a rapid delivery of information to all people interested in them.

The choice of tools is closely connected to message, audience, frequency, support credibility, budget. Thus: "a very complex message requires - basically - the use of tools for a longer period of time (information meeting, a brochures that can be read many times, etc.), while the basic messages can be conveyed on supports or contacts limited in time, such as displaying" (Giuily, 2010, page

- 68). In principle, choosing one communication tool or more tools and supports depend on several criteria, as follows:
- a. The most important criterion refers to the **adequacy that must exist between message and support**. The support should be able to circulate (from a technical point of view) the messages which the organization wants to give.
- b. Control of content: organizations have the possibility to choose between developing their own support or paying for it, purchase available space in a support (paid publicity) or organizing communication in such a manner so that the support itself take over the information in their edited parts (articles in mass-media followed by press releases). In the case of an article, the organization can control the information but it cannot control the way it is presented in the media.
- c. Audience or capacity of reaching target groups: it is about the percentage of people from the target group who have at least one chance to have contact with the respective support for a definite period of time. When we have the lists and addresses of all people from the group that has to be contacted, it is easy to send a brochure and have a 100% audience. On the contrary, when we do not have such a list for the target group we try to reduce as much as possible the loss of information delivery.
- d. **Frequency:** frequency corresponds to an average number of contacts that a person will have with a support during a determined period of time. Certain messages are very easy to understand and one single reading or watching is enough. Most messages have to be repeated frequently in order to be understood and assimilated. Thus, it is

necessary that the people in question should see the same messages several times, on the same support or different supports (for instance, more media combined: watch the spot on TV, a poster in the street).

- e. **Period and duration:** the moment when the message is broadcast, as well as the continuity in broadcasting is important.
- f. **Credibility of support:** in communication, media or transmitting channel matters as much as the meaning or the content of the message. The importance of support and its credibility for the target groups play a fundamental role in receiving the message.
- g. **Budget:** financial resources available, as well as human resources put constraint on how to choose the communication tools. Certain communication supports such as publicity in media need a very high budget because of the costs needed to produce advertisement, announcements, posters and mostly the price of publicity space.

After choosing the communication supports we can organize in details everything that is part of media (choosing the means, moments, periodicity) and we can make an exact budget.

After a detailed planning at the level of the objectives, message and tools, budget the next step is to produce and make the concept – producing the material followed by its effective making – and efficiency control.

#### 4. Conclusion

Public communication means acting upon another party (with the aim of changing opinions, behaviour, attitudes). It certainly is an art and at the same time a science – it supposes respect to a series of rules to be followed during a process.

In the present paper we started from the principles of public communication and according to them we pointed out the main moments of a communication strategy - emphasizing on objectives, message, tools. After the preparatory stage (within this stage we have to consider the legal, political, financial background and the needs of people to whom we want to convey our message; we have to determine communication competences for each administrative level taken separately) comes the detailed planning the most complex moment of the strategy. We underlined who the target groups are for public communication (internal and external collaborators, decision makers, general public), the objectives (basic information, explanation and justification of a decision, creation and modification of an attitude, behaviour changing), how we have to write out the message so that to have the desired impact and on which criteria we choose the communication tools. The message and the support are closely linked and tied in a second time.

Through the present lines we want to emphasize the fact that efficiency in the activity of a public institution is directly dependent to the coherence that exists between different moments of the communication plan. Communication strategy is a whole whose efficiency gives a result when each component part takes account of the other one, otherwise it continually adapts one to another.

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### New Ways of Developing Public Institutions Web Sites in Context of Using Social Plugins and Mobile Devices

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**Abstract:** The main purpose of the paper is to illustrate how we can improve a public institution web site by using social plugins and mobile devices optimization. The general idea is to increase the number of visitors by viral message and users to access a special template web site from their devices. I will present in this paper how you can increase the visitors in your sites by using Facebook and provide mobile layouts to users. Google analytics is one tool to show what common devices are used.

Key words: Web sites, social plugin, web analytics.

#### 1. Introduction

The main purpose of the paper is to illustrate how we can improve a public institution web site by using social plugins and mobile devices optimization.

A web site should provide different design templates for every device that connects to your site.

The general idea is to increase the number of visitors by viral message and users to access a special template web site from their devices.

### 2. Literature review

Social media is already a "must have" in the context of web 2.0 technologies. Social



networking sites gather online people and allow them to interact (Trusov 2009).

"Based on social networking, mass collaboration may provide an easier method of co-operation within an online community where people tend to influence each other and to contribute for better results."

"Openbook – Connect and share whether you want to or not" ( Youropenbook.org. May 12, 2010) is the online path to success. "The Age Of Facebook" (Arrington Michael, 2012, TechCrunch) shows us that we have to follow our users and stay close to them if we want to be online tomorrow.

Joomla and social plugins (www. joomla.org) shows us a way for success.

### 3. Paper Content

Today is obvious that online users tend to gather online and share common information.

There are several online social networks but I think that Facebook is the most important one. If you want to get more visitors on your site you should get advantage of using such a network.

For the start presume you have a web site (Joomla based) that only show your activity and useful information. For this I will present some statistics for http://www.faa.ro (web site of Faculty of Business and Administration) from February 2011 until December 2011 when social media is not involved at all.

Month	Visitors	Rate of unique visitors	
12, 2011	5.009	-37,25%	
11, 2011	7.983	-51,54%	
10, 2011	16.475	-35,92%	
9, 2011	25.711	+198,55%	
8, 2011	8.612	-76,75%	
7, 2011	37.042	+199,94%	
6, 2011	12.350	+28,81%	
5, 2011	9.588	+66,14%	
4, 2011	5.771	-18,80%	
3, 2011	7.107	-18,96%	
2, 2011	8.770	+4,06%	

<sup>&</sup>lt;sup>1</sup> Suciu Marta-Christina- "Empowering people cooperation. Social innovation & social networks", ICEEA 2012, p. 573

After social media (Facebook) plugin (Fig.1) was installed the traffic was clearly higher.

Month	Visitors	Rate of unique visitors
12, 2012	9.775	-32,53%
11, 2012	14.487	-34,73%
10, 2012	22.194	-22,85%
9, 2012	28.769	+143,74%
8, 2012	11.803	-73,88%
7, 2012	45.185	+116,31%
6, 2012	20.889	+15,40%
5, 2012	18.101	+60,93%
4, 2012	11.248	-7,54%
3, 2012	12.165	-37,08%
2, 2012	19.333	+20,42%
1, 2012	16.054	+220,50%



Fig. 1 web site of Faculty of Business and Administration with facebook plugin



In order to do this you have to follow some steps.

- 1. Develop a Joomla web site.
- 2. Make a company facebook page (fig 2)
- 3. Install facebook joomla plugin and allow to run(fig. 3)



Fig 2 Company Facebook page



Fig. 3 Facebook plugin

- 4. Allow users to like your company page to provide feedback to your posts and to make the messages viral
  - 5. Present useful information on your site shared to your facebook page (fig 4 and 5).



Fig. 4 Useful information

It is clear that such a plugin on a web site linked to a facebook company page can increase the number of visitors. For example in November 2011, when we didn't have a facebook plugin, the site had 7.983 visitors and in November 2012, when we have such a plugin, the site had 14.487.

Also you can see that people receive on the spot the info you provide on their Facebook account. More some messages are going to be viral ("mouth to mouth" online system) – Fig. 5.

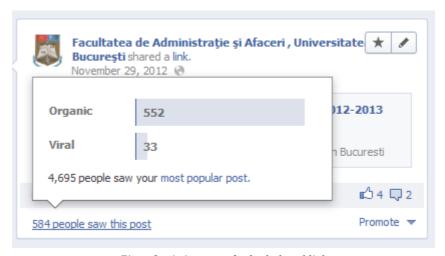


Fig 5. Statistics over a facebook shared link



As you know there are some problems with facebook users accessing a shared information.

Statistic speaking, more users are using their mobile devices for reading news, mail and keep close with their friends on social networks. With a Google analytics plugin you can see your traffic on your web site devided by devices, os systems etc. – Fig 6.

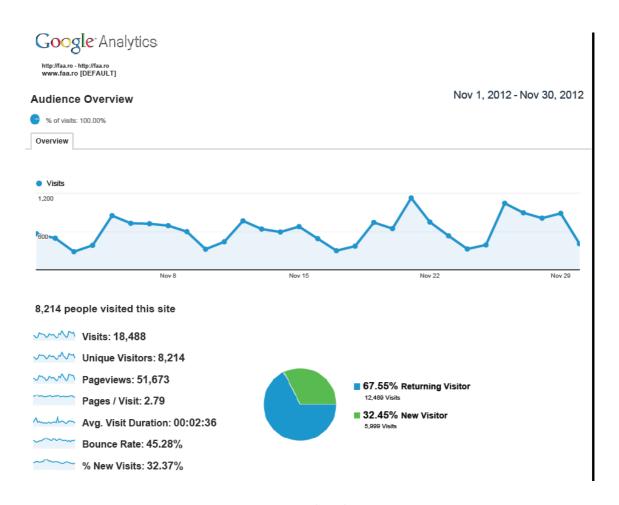


Fig. 6. Google analytics

Such statistics can help you develop special templates for your web site. This is useful to provide information designed for the device user is using in that moment Fig 7 and 8. The tip is to provide specific templates/layouts for them.

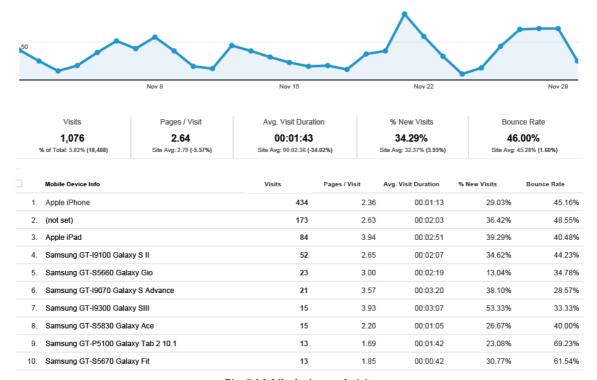


Fig. 7 Mobile devices and visits



Fig. 8 Site vs mobile browsing



### 4. Conclusions and implications

Mobile devices are the handiest device that users own. We have to take advantages and develop systems to provide update info to them. Users are always happy to get info on their device and not to sit at a PC and run for info to see what is there and what is here.

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# The housing development process: green homes in Malaysia

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Abstract: Green building has been adopted and became an accepted norm in the developed countries like USA, UK, Canada and Australia. Despite the good efforts shown by the developed countries on how to build green building, the developing and less developed countries inclusive Malaysia seem lag behind in this aspect. The issue of sustainable approach in building industry in Malaysia is still new and there are a little of housing projects are meeting the criteria of green buildings. The housing developers are exposed to the risk of uncertainty demand from the house buyers if they are interested to develop green homes. This paper discuss the development of concept and design of green homes by using product development process model in the manufacturing and building industry in order to assist the housing developers to reduce the risk associated with this new product such this green homes.

Key words: Sustainable, Green Homes, Product Development, Building Industry

### 1. Introduction

Green building has been adopted and became an accepted norm in the developed countries like United States of America, United Kingdom (UK), Canada and Australia. Historically, green building was established more than a decade ago and UK became a pioneer country established the green building and then followed by USA in 1990 and 1998 respectively. It is not surprising that the both countries become a benchmark for other countries in implementing this approach. Therefore, the governments from other developed countries have taken a lot of efforts in transforming the building industry from traditional approach to the green approach. As a result, the building industry in the developed countries has embarked on a new era with the increasing number of buildings which classified and certified as a green building from year to year. Despite the good efforts shown by the developed countries on how to build green building, the developing and less developed countries seem lag behind in this aspect. Malaysia also is no exception. There is no denying the fact that; Malaysia is capable in several aspects such as economic, technology advancement and the numbers of construction professionals to embark on green building. In addition, the increasing of awareness level among the public towards sustainability become an extra advantage to the Malaysian building industry to develop green building. Therefore, these aspects should be harness by the Malaysian developers and construction professional to build a building which defined as a green building. There are a little of numbers of green building were built in Malaysia and is still in exploration stage in looking the best way towards practicing the sustainable building.

According to Zainul Abidin (2010a), the green movement in Malaysia is still at its infancy and sustainable projects are mostly at the pioneer stage. This statement is supported by Abu Bakar, Abd Razak, Abdullah & Awang (2009) which stated that the issue of sustainable housing are still new and not that familiar in Malaysia and with referring back the house being built in the past decade, those houses were not meeting the essential criteria of sustainability and unfortunately, there are little to none; in depth studies for this matter. Nevertheless, there are also situations where some of the building owners or developers claimed that their development projects are qualified as a green building status. The both situations could be presumed that the green building approach is a new phenomenon and considered as a new product in Malaysia. Furthermore, nobody can tell with certainty that there would be effective demand from house buyers for this kind of homes. Because of this scenario, the marketing research needs to be carried out in order to assist the Malaysian developers to reduce the uncertainty associated with new product such as this green building. The marketing research is part of the product development process (PDP). Thus, this paper will discuss on the PDP model in order to understand the process involved in developing the new product concept such this green homes. The discussion will begin with discussion on the sustainable approach in the building industry, consequently followed by discussion about the model of PDP and lastly discussion on market segmentation. This study embarks on the following objectives:

- 1. To discuss the relevance of sustainable development and green homes;
- 2. To review the current literature in the development of green homes;

3. To purpose a model for concept and design of green homes development in Malaysia.

This study is still at infancy stage. At present, a comprehensive literature is being considered are the topics of sustainable development, and concept and design development of green homes development. At a later stage of this study, it is envisaged that a theoretical framework will be completed. Then, a survey involving property house buyers will be conducted in three locations; Kuala Lumpur, Pulau Pinang and Johor.

### 2. Sustainable approach in the building industry

The building industry has been recognized as one of the industries contributes to the major source of environmental problems, high energy consumption and harmful to human health (Pitt, Tucker, Riley & Longden, 2009; Spence & Mulligan, 1995; UNEP, 1992; Vadera et al., 2008). For an example, the report of "Building and Climate Change" from the United Nations Environment Programme (UNEP) indicated that the building industry contributed as much as one third (30%) of total global greenhouse gas emissions and consumes up to 40% of all energy, both in developed and developing countries (UNEP SBCI, 2009). These figures have proved that the current practice in the building industry has contributed to the negative impacts which need a new approach in order to fulfill the needs of current needs without compromising the needs of future generations. In the opinion of Addis (2001), Wines (2000), and (Cofaigh et al., 1999; Wines, 2000), the building industry is widely accepted as the best place to influence the sustainable

development because its 'end product', the built environment, is the context for the majority of human activity (Mills & Glass, 2009). Meanwhile, (Williams & Dair, 2007) stated that the building industry has the potential to shape how we live our lives and to encourage or enable us to live them in a sustainable manner; by using fewer finite resources, contributing to the development of social capital and supporting the local economy. Thus, the introduction of green concept in the building industry seems a significant approach in order to mitigate those problems.

"Green" has become the shorthand term for the concept of sustainable development as applied to the building industry which intended to be environmentally responsible, economically profitable, and healthy places to live and work (USGBC (U.S. Green Building Council), 2006). The green concept applied in the building industry also associated with energy efficiency, resources and water conservation, solid waste management, and indoor air quality improvements (ACWMA (Alameda County Waste Management Authority and Recycling Board, 2003; John, Derek, & Jeronimidis, 2005; Roper & Beard, 2006). However, this "green" term has been used interchangeably with other terms such as "sustainable building" (Deal, 2010; Klunder, 2004; Roper & Beard, 2006), "ecological building", "energy efficient building", "healthy building" (Zhu & Lin, 2004), "high-performance buildings" (USGBC (U.S. Green Building Council), 2006), and "sustainable architecture" (du Plessis, 2005). Despite the different terms exist to describe the sustainable approach in the building industry, the definition of it has been proposed during the First International Conference on Sustainable Construction in Tampa, Florida,

1994 by the conference convener, Charles Kibert as '...the creation and responsible maintenance of a healthy built environment based on resource efficient and ecological principles...' (Bakhtiar, Li & Misnan, 2008; Bourdeau, 1999; du Plessis, 2005; Sjostrom & Bakens, 1999). There are seven principles of sustainable construction as suggested by (Kibert, 1994). The principles of it are as followed (Guy & Kibert, 1998):

- 1. Principle 1 Minimize resource consumption (conserve);
- 2. Principle 2 Maximize resource reuse (reuse);
- 3. Principle 3 Use renewable or recyclable resources (renew/recycle);
- 4. Principle 4 Protect the natural environment (protect nature);
- 5. Principle 5 Create a healthy, non-toxic environment (non-toxics);
- 6. Principle 6 Apply life cycle cost analysis and true cost (economics); and
- 7. Principle 7 Pursue quality in creating the built environment (quality).

#### 2.1 Green Homes

New houses are being designed and constructed with sustainability issues and dimensions in mind. Apart from being known as sustainable homes, these houses are also called 'green homes' or 'green buildings'. For the purpose of clarity of terms, this paper will use the word 'green homes' to describe 'sustainable homes' or 'green buildings' in the residential sector. Green homes was defined as a whole systems approach to the design, construction and operation of buildings which begin from the early stages of development and end up with final finishes in the home. Meanwhile, the principles of it

are as follows (ACWMA (Alameda County Waste Management Authority and Recycling Board, 2003):

- 1. Build for the long term build a home that is durable and long lasting;
- 2. Build for our children make their environment safe; and
- 3. Build for the planet make the materials from sustainable sources.

The green homes could be the best way of building industry to reduce the negative impact to the end user and environmental impacts caused by the buildings (CIB Report Publication 225, 1998). To put it into a nutshell, the concept of green home is the convergence of three fundamental objectives. These are (ACWMA (Alameda County Waste Management Authority and Recycling Board, 2003):

- 1. Conserve natural resources lessening the conventional building practices that consume large quantities of wood, plastic, cardboard, paper, water and other natural resources that lead, unnecessarily, to their depletion;
- 2. Increase energy efficiency this is a cornerstone of any green building project. Generation and use of energy are major contributors to air pollution and global climate change. Improving energy efficiency and using renewable energy sources are effective ways to reduce the potential of energy supply interruptions, improve air quality, and reduce the impacts of global warming. In addition, improving energy efficiency is also an economically effective choice for consumers because it can lower down their utility expenses, year after year; and
- 3. Improve indoor air quality Poor indoor air quality is caused by the off gassing of chemicals found in many building materials

and polluted air in poorly designed and maintained air-conditioning and ventilation systems. The United States Environmental Protection Agency (EPA) reports that the air in new homes can be ten times more polluted than outdoor air. The building products industry has responded to these indoor pollution problems by developing alternative paint, finish, and adhesive products, and better air-conditioning and ventilating system. According to (Zainul Abidin, 2010b), these principles of sustainable construction were set out aims to produce structures that enhance the quality of life and protect the environment efficiently and profitably. However, the process of changing to the sustainable approach in the construction industry requires actions from all parties engaged in the construction industry including those providing design, consulting, and construction services. The construction industry cannot declare environmental targets without dramatically reducing the environmental impact of buildings and infrastructure construction except changing the way of design and build (Vadera et al., 2008).

### 3. Product development model

The traditional approach in the building industry more concern on three equilibrium of objective, namely; cost, time and quality (Vanegas, DuBose & Pearce, 1996; Vanegas & Pearce, 1997) compared to green buildings approach which add additional criteria such as minimization of resource depletion and environmental degradation, and creating a healthy built environment (Kibert, 1994) within the context of human needs and inspirations (Vanegas & Pearce, 1997). In order to achieve these targets, the buildings should be

designed and developed based on principles of green buildings. However, the design and development process involved many activities. To describe the process and activities of design and development of products, the model of product development was designed by various industries in order to describe the development process and design process.

## 3.1 Model of Product Development (PD) and New Product Development (NPD)

There are various product development (PD) model has been designed and used by numerous industries. But, this paper will only review PD model in manufacturing and construction industry because the both industries are similar in production process and always become discussion topic between researchers. Despite there are several numbers of PDP model exist in numerous industries, (May-Plumlee & Little, 1998) suggested that those model can be group into similar types such as sequential models, parallel and concurrent, multiple convergent and other product development models and methods. However, these models have different function. (Formoso, Tzortzopoulos, & Liedtke, 2002) cited that, several models simply try to describe the process, some of them focusing on the product development process as a whole (for instance Yazdani & Holmes, 1999; (Prasad, Fuju & Deng, 1998; Yazdani & Holmes, 1999), while others depict the design process itself (for examples(Frankenberger & Badke-Schaub, 1998; Mazijoglou & Scrivener, There are numerous definitions 1998). given to describe the term of 'product development'. In addition, the terms of product development (PD) and new product development (NPD) have been used simultaneously in the literatures and both terms seem to represent the same definition. Despite the differences usage and ways among researchers to define the product development, but generally it is the process that covers product design, production system design and product introduction processes and start of production (Johansen, 2005). In general view, the both of PD and NPD is all about a process of converting needs into a technical and commercial solution (Whitney, 1990). Ulrich & Eppinger (2008) defined the product development as a process in which a product is conceived, designed and launched in the market and also includes the feedback from both production and product use. It begins with the perception of a market opportunity and typically involves the identification of customer requirements, concept development, product design, product validation, market launching, and collection and dissemination of feedback data (Cooper, 1998; Yazdani & Holmes, 1999). This statement is in line with (Ulrich & Eppinger, 2008) which stated that the development of any products or new products which it begins with perception on the market opportunity until launch phase. Meanwhile, the Product Development & Management Association (PDMA) defined the NPD process as a disciplined and defined set of tasks and steps that describe the normal means by which a company repetitively converts embryonic ideas into saleable products or services (Griffin & Somermeyer, 2007). On the journey from the idea to finished product, many questions will be raised and answered, relating to the market, the technologies and the commercial skills that may be required to sell the new product effectively (Hart, 2007). From this point of views, it can

be summarized that the PD and NPD process is about activities associated with marketing issues, design and concept generation and getting feedback from the marketing after the launch of the developed products. The generic PD process consists of six phases, namely; planning, concept development, system level design, detail design, testing and refinement, and production ramp-up (Ulrich & Eppinger, 2008). The authors expand the concept development phase into 'front-end process' which consist eight stages; identifying customer needs, establishing target specification, concept generation, concept selection, concept testing, setting final specification, project planning, economic analysis, benchmarking of competitive products, and modeling and prototyping. In other hand, as suggested by (Booz, Allen & Hamilton, 1982), the NPD process consist eight phases; new product strategy, idea generation, idea screening, concept development and testing, business analysis, product development and testing, test marketing, and launch (cited in (Hart, 2007; Hart & Baker, 1994). Despite different ideas was suggested by the researcher, the both model of PD and NPD process however, can be described as interdisciplinary activities that need to go through by the product developers before launching any product or new products into market place.

### 3.2 Product Development Model in Building Industry

In fact, much effort has been spent in devising models for the product development and design processes, most of them for the manufacturing industry (Formoso et al., 2002). The successful implementation of product development process model in the

manufacturing industry has become a reference point and benchmark for other industries such as construction (Kagioglou, Cooper, Aouad, & Sexton, 2000; Tzortzopoulos, 2004), and apparel industry (May-Plumlee & Little, 1998) in order to design and adapt in their own product development process model. Several PD models (process maps or design model) already exist in the building industry. The most known and widely used model of PD is the RIBA Plan of Work which published over 40 years ago by the Royal Institute of British Architects (Austin, Baldwin, Li, & Waskett, 2000; Austin, Steele, Macmillan, Kirby & Spence, 2001; Macmillan, Steele, Austin, Spence, & Kirby, 1999). The RIBA Plan of Work (original edition in 1969 and amendment plan in 2009) consists eleven phase of development, known as; appraisal (inception), design brief (feasibility), concept (outline proposal), design development (scheme design), technical design (detail design), production information, tender document, tender action, mobilization, construction, completion (RIBA (Royal Institute of British Architecture), 1969, 2009). This model sets out the details of work to be carried out by each profession during each stage of the design process, but differs from most other models in that it does not show 'links' of information between activities to indicate how particular tasks are related (Austin, Baldwin, Li & Waskett, 1999). However, recently the construction industry is constantly challenged to improve the design and construction process performance (Tzortzopoulos & Sexton, 2007). Thus, the advances in PD in manufacturing have prompted the construction industry to initiate a number of initiatives aiming at designing and implementing process models as means to achieve process improvement

(Tzortzopoulos, 2004). Therefore, University of Salford has conducted a research on the adoption of product development model in manufacturing industry into the construction industry. The development of new model was based upon existing model of design and construction process such as RIBA, British Property Federation (1983) and IDEF-0 (1995) (Cooper, 1998; Kagioglou et al., 2000). As a result, the research has developed a new model for construction industry which known as Process Protocol (Cooper, 1998). The 'stagegate' approach found in the manufacturing processes has been translated in the development of phase gate, either soft or hard of the Process Protocol model. Essentially, the Process Protocol is consist ten distinct phases with soft or hard gate approach in between of each phases. The processes are demonstrating the needs, conception of needs, outline feasibility, substantive feasibility study, outline conceptual design, full conceptual design, coordinated design, production information, construction, and operation and maintenance (Cooper, 1998; Kagioglou et al., 2000). Table 3.1 show the summary PD process model for the both construction and manufacturing industry.

### 3.3 Product Development Process Factors

In the product development process, there are two identified crucial factors in influencing the product success. One of the factors that well acknowledge in the literatures is customer needs and requirements. From the previous studies on assessing the factor of product success and failure shown that the factor of customer needs and requirements become a key factor to the success of

product development (e.g. Hsieh & Chen, 2005; Karrkkainen et al., 2001; Lagrosen, 2001; and Cooper, 1994). Meanwhile Rafinejad (2007), Cooper (1994) and Urban & Hauser (1993) stated that the design factor also have a significant role in the product development because the product design must be reflected to the customer needs and requirements. The unfilled needs and requirements will cause failure to the product producer. Despite this factor was recognized as most powerful in

influencing the product success, it also was acknowledge that this factor is a difficult activities in developing products (Wheelwright & Clark, 1994). Thus, during the development of products, the product developers need to put good efforts in dealing with this factor because it is proved that the degree of customer acceptance towards any products is depend on how good the product developers can transform the customer needs and requirements into end product.

Table 3.1: The product development process in the construction and manufacturing industry

INDUSTRY	CONSTRUCTION				MANUFACTURING	
MODEL	RIBA Plan of Work		Process Protocol		Product Development Process	New Product Development Process
	Inception	PREPARATION	Demonstrate The needs	PRE PROJECT	Planning	New Product Strategy
			Conception Of need		Concept Development	ldea Generation
	Feasibility		Outline Feasibility			idea Screening
			Full Feasibility			Concept Development & testing
PROCESSES	Outline Proposal	DESIGN	Outline Conceptual Design	PRE CONSTRUCTION	System Level Design	Business Analysis
	Scheme Design		Full Conceptual Design			Product Development & Testing
	Detail Design		Coordination Design		Detall Design	
	Production Information	PRE CONSTRUCTION	Production Information			
	Tender Document					
	Tender Action					
	Mobilasation					
		CONSTRUCTION	Construction	COSNTRUCTION	Testing &	
	Construction	Ñ			Refinement	Test Marketing
		-	2		Production	Launch
	Post Completion	USE	Operation	POST	Ramp-Up	#W#!!#!!

### 3.3.1 Factor of Customer in Product Development

The current competition in the market becomes more vigorous. To counter this threat, the developers must focus on searching for sustainable advantages. The survival of a company is heavily dependent on its capacity to identify new customer requirements and to develop market improved products; goods or services (Shen et al., 2000). This idea is in line with Ulrich & Eppinger (2008) which insist that the company's economic success is heavily depend on the company's capability on identifying customer's needs and requirements, and quickly design a product which meet those needs and requirements. The construction industry is adept at delivering highly complex products. It differs from much of engineering in that its products are often and respond to the specific needs of individual customers (Austin et al., 2007). Meanwhile, DTI (2002) and Egan (1998) insisted that the construction industry has been challenge to be able to deliver projects through an understanding of customer requirements (cited in Tzortzopoulos et al., 2005). This situation has increased the burden on the construction industry to provide a quality and better service to meet the customer's requirements and expectations (Dulaimi, 2005). Therefore, it is important to the developers to design products that can meet the customer needs and requirement because it will determine the customer satisfaction which led to buying preferences. According to Yang & Peng (2008), the product success is depend on the quality of product which factors of meet the customer needs and requirements and customer satisfaction are taken into account in determine the quality of products. In terms of terminology, customer's satisfaction can be

reviewed as an expectancy disconfirmation process which the satisfaction is highly depend on the company's capability to meet the customer's expectation or needs and requirements (Maloney & ASCE, 2002). In essence, Drucker (1989) and Levitt (1975) suggested that the value of a product can be determined only in reference to the customer, and the goal of production is satisfying customer needs. Therefore, it can be summarized that customer needs and requirements is compulsory to be identify by the developers because the next phase of product development, the concept and design development phase is highly depend on this factor. As indicated by Karlsson et al. (1998), the needs of a customer are condensed into a specification of the product, and Koskela (2000) insisted that the specification controls the design function.

### 3.3.2 Summary

The sustainable construction projects are still new and at pioneer stage in Malaysia. Despite the developed countries have long ago shown good examples in implementing sustainable construction, Malaysia are relatively behind so far in this aspect. Thus, the construction players such as architects, engineers, developers and contractors was urged to take a holistic approach (Hussein et al., 2009/2010) and proactive actions to promote the sustainability concept in delivering the construction projects (Zainul Abidin, 2009). There is no denying the fact that, the technology to build sustainable houses is there for the Malaysian developers and construction professionals to harness. Nevertheless, nobody can tell with certainty that there would be effective demand from house buyers for this kind of homes because it is still a

relatively new product concept and will need more time to succeed. Because of this scenario, a marketing research focusing on reducing the uncertainty associated with any new product such as these green homes, need to be carried out before any property developer will want to build these houses, and consequently, for these houses to be accepted by the house buyers

### 4. Proposed model

Although the development of Process Protocol model taken similar approach from manufacturing process, this review found that, the both model of RIBA and Process Protocol are more emphasis on client factor. This is totally different with manufacturing approach which more concern on the customer factor. Despite several literatures used the term of customer in their literatures, it can be assumed that it refers to the client (for examples, (Kagioglou et al., 2000; Lee, Song, Cooper, & Aouad, 2000; Tzortzopoulos & Sexton, 2007). This is slightly different with manufacturing process which taken the customer (consumer) factor into consideration during the development of products. Thus, in the case of development for the concept and design for green homes in Malaysia, the RIBA Plan of Work and Process Protocol are still can be used but the both models need to put the consumer needs factors into account while proposing the concept and design of green homes. The consumer needs is acknowledge as a significant factor in determine the success of organizations. As indicated by (Shen, Tan, & Xie, 2000), the survival of a company is heavily dependent on its capacity to identify new customer requirements and to develop market improved products;

goods or services. This idea is in line with (Ulrich & Eppinger, 2008) which insisted that the company's economic success is heavily depend on the company's capability on identifying customer's needs and requirements, and quickly design a product which meet those needs and requirements. Furthermore, (Yang & Peng, 2008) indicated that the product success is depend on the quality of product which factors of meet the customer needs and requirements and customer satisfaction are taken into account in determine the quality of products. In terms of terminology, customer's satisfaction can be reviewed as an expectancy disconfirmation process which the satisfaction is highly depend on the company's capability to meet the customer's expectation or needs and requirements (Maloney & William, 2002). The construction industry is adept at delivering highly complex products. It differs from much of engineering in that its products are often and respond to the specific needs of customers (Austin & Thorpe, 2007). Thus, the construction industry has been challenge to be able to deliver projects through an understanding of customer requirements (Tzortzopoulos, Sexton, & Cooper, 2005). This situation has increased the burden on the construction industry to provide a quality and better service to meet the customer's requirements and expectations (Dulaimi, 2005).

### 4.1 Justification of RIBA Plan of Work and Plan of Work and Process Protocol in the Green Home Development in Malaysia

The RIBA Plan of Work has been partially or fully used in the management and administration of all conventional property development projects in Malaysia. Despite its tried and tested reputation, there is no guarantee that the RIBA Plan of Work can be seamlessly applied in the development of green homes. A number of salient factors unique to the green homes development must be considered first. This are the green homes - specific characteristics, namely, house buyers needs and requirements, and the requirements of green homes concept and objectives.

### 5. Conclusion

Therefore, in the case of the development for the concept and design for the green homes in Malaysia, the housing developers should be noted that the green homes that are going to be developed in the future should considered the needs of house buyers. By taking the needs of house buyers into account, it will reduce the uncertainty associated with any new product such as these green homes.

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# The marketing and economic implications of the manipulation of share prices: Nigeria stock exchange experience

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Abstract: This paper examined the marketing and economic effects of the manipulation of share prices in the Nigerian Stock Exchange. The survey research design was adopted. Data collected was analyzed using the regression analysis. Student t- test was used to test the two hypotheses formulated at 0.05 level of significance. The findings of the study revealed that capital market infractions such as fraudulent disposal of investor assets, illegal fund management and the wonder bank syndrome, others are insider dealings, corporate accounting fraud and share price manipulations affects the capital market and the economy .The study concluded that share prices manipulation actually influences the marketing and economic values of the shares being manipulated. It was recommended that the Nigerian government must put in place strong regulatory measures and punish the entire offender that has been found guilty. It was also recommended that for the market to rebound, stockbrokers that accessed margin facility from banks should be provided with certain percentage of their contributions to the loan as cushion to help them move on with their business.

Key words: Share-prices, Capital Market, Manipulation, Marketing & Economic Impact.

### Introduction

Nigeria has no formal and active capital market in the 1950s, almost all formal saving and deposits went through the banking system while the then colonial masters invested major capital balances for the country on the London stock exchange. However, following the establishment of the Central Bank of Nigeria (CBN) in 1959, it was logical to have a stock exchange, and this led to its establishment in 1960, and which commenced operations in 1961. Thus, the foundation was laid for the operation of the Nigerian capital market.( Aliele & Anono 1986).

The Nigerian stock market support business and the federal government through the CBN, but owned by about 300 members. The membership includes financial institutions, stockbrokers and individual Nigerian of high integrity who have contributed to the development of the stock market and the Nigerian economy.

The exchange is self-regulatory organization (SRO), making and enforcing rules for its members; the exchange has two tiers, first tier securities and second tiers securities. The Nigerian capital market, like elsewhere, is a regulated market. Apart from the regulatory actions of the exchange as an SRO, government oversight on the capital market in Nigerian is achieved through the operations of the Securities and Exchange Commission (SEC) as it maintains surveillance over the securities market to ensure orderly, fair and equitable dealing in securities and protecting the integrity of the securities market against abuses arising from the insider trading. Alite (1984)

However there have been reports of financial misappropriation leading to the bankruptcy of the exchange and management crisis as a result of allegation of insider trading and manipulations in prices of shares. The interest of this paper is therefore to assess the impact this crises has on the Nigerian capital market.

According to Oteh (2010) Share price manipulation is not a new trend in Nigerian capital market. Almost every company does it, especially when they are about to float a public offer. In most cases, the companies create artificial demand for the stock and move prices up to a pre-determined point before applying for the public offer. In Nigerian stock exchange (NSE), both buyer and sellers are almost the same people, as a result this give the market a manipulative opportunity. This led to a situation where within five years (2004-2008) market capitalization rose from N1.96 trillion to N15 trillion and collapsed to about N6 trillion in 2008 as a result of the well known deficiency. The corruption that permeated the system at that period were pricefixing, over-valuation of shares and other capital market infractions during most of the Initial and Public Offers (IPOs).

The universal banking, which brought the banks into stock broking business, did not help matters either. The banks saw the loopholes in the universal banking market and went ahead with market infractions, there by destroying themselves and the market. Therefore the melt down that led to the market crash strongly suggests that there are serious reasons to believe that structural defects in the regulatory and perhaps, corruption of institutions and officials charged with overseeing the capital markets may have contributed significantly to the implosion of the Nigeria Stock market. (CBN 2009)

### Literature review

### The concept of a stock exchange

There are many views of what a stock exchange is, to Ogubunka (2001), a stock exchange is defined as "citadel of capital, the temple of values. It is the axe of which the whole financial Structure of capitalist system turns. Literally a stock exchange can be described as a place where securities (Bonds, stock and shares) of varying types are traded openly, and where one can purchase or sell any of such securities relatively easily.

According to Alies and Anono (1986) securities are documentary evidences of ownership entitlement to claim upon the assets of the issuing organization, which may be a business firm of the issuing organization or governments. This documentary evidence usually has no fixed or absolute value but is traded on the stock exchange at value which is subjectively determined by those buying or selling them. Oladejo (2003) describes a stock exchange as an organized secondary market since a stock exchange is really strictly a market for exiting rather than new securities.

The stock exchange provides an avenue for the movement of long-term capital funds from those with saving to invest in those areas of industries, commerce and government where funds are lacking for expansion and other developmental purposes. The stock exchange is also an institution which sees to the efficient allocation of available capital funds to the diverse uses in the economy, and through its sensitive pricing mechanism ensure that so much of the total available capital resource are allocated to each firm within industry as that industry deserves to have regards to their relative contribution to total societal wealth or satisfaction vis-à-vis other firms industry. Peter (1994)

Alile and Anono (1986), further stated that the stock exchange can also be a mechanism, that is a barometer which can measure and detect the symptoms of an impending economic boom or decline long before the predicted prosperity or decline actually occurs. The stock exchange has the ability to change the economic condition and it trends which are a reflection of the total psychology or judgments of person using the stock exchange, among which the professional, investors, economist or analyst exerts the greatest influence.

### The nigerian capital market

The Nigeria capital Market, according to Ndi Okereke Onyiuke (2010), is made up of markets and institution, which facilitate the issuance and secondary trading of long-term financial instruments. She argued that the capital market, unlike the money market which functions basically to provide short-term funds, while the capital market provides to industries and government to meet their long term capital requirements, such as financing of infrastructural investments and other capital intensive project.

The strategic roles of the capital market in the allocation of scare financial resources to cater for economic growth and development of any nations is well documented. Oladejo,(2003) enumerates the gains of the Nigerian capital market as follows:

- Helps the economy to increase capital formation;
- Provides funds to government and companies at more attractive terms;
- Provides best sources of funding for small and medium enterprises growth;
- Subject firms to market discipline thus enhancing chances of success;

- Provides the necessary elements to manage financial risk and
- Ensures continuity of the enterprises long after the founders.

The Nigerian stock exchange is therefore a self- regulatory organization (SRO). It regulates its members (brokerage firms). It also regulates it listed companies to ensure compliance with listing rules. Directors of companies stand in a fiduciary relationship with their companies and are expected to run their companies with utmost faith, competence and integrity. Audit committees of publicly quoted companies are also vital organs of integrity in corporate governance. External auditors also play a pivotal role in ensuring the integrity of information emanating from companies quoted on the exchange, as they are statutorily required to attest to the financial statements published by such companies. Others important elements include issuing houses, reporting accountants, lawyers and investment analysts.

However, the crisis of integrity dominated the operations Nigerian capital market scene for reasons that include:

- i. Absence of strong well funded regulators;
- ii. A socio-economic that extols wealth no matter how it was made;
- iii. An investor group that is largely illiterate and highly fragmented;
- iv. Suffocating competition that encourage unorthodox practices as firms try on stay afloat and ahead of competition;
  - v. Weak legal framework;
- vi. Weak internal control environment as a result of employment policies that place less emphasis on merit and integrity;
- vii. A company class that is greedy and self serving;

- viii. Weak audit committees as a result of membership that is largely financially illiterate and ill-motivated because of absence of remuneration for services rendered;
- ix. Weak external audit function partially as a result of few bad eggs in the profession and partly as a result of fetters placed on independence of the auditors in actual practice.

## Causes of manipulation of share prices in Nigeria capital market

The act of artificially inflating or deflating the price of a security in stock market is known as manipulation, other capital market infractions that constitute manipulation include fraudulent disposal of investor assets, illegal fund management and the wonder bank syndrome, others are insider dealings, corporate accounting fraud etc. In the wake of recent disclosures of unwholesome dealings by some quoted companies on the Nigerian stock exchange the following factor were some the reasons that led to the problems.

## Bank short-term orientation imposed on long-term capital market

At a time, banks were financing about 65% of the Nigerian capital market through margin facilities granted to investors and stock broking firms. Many banks abandoned or sidelined their core operation of providing credit to the real sector in favour of playing the capital market for short-terms speculative activities. It was estimated that the total exposure of banks to the capital market in terms of trapped funds was in excess of N1 trillion. Thus, the capital market place became overheated with so much speculative activities of banks.

### Cbn banks capitalization policy

Following the forced capitalization of banks to a minimum of N25 billon in 2005 almost all banks utilized and accessed the capital market to raise funds. Within two years plus, many of the banks besieged the capital market more than once, falling over one another in raising funds through mega offers and at the same time some of the banks were involved different capital market infractions Sanusi (2009). The banks competed to the extent that every available liquidity was sucked from the Nigerian financial system. A total of N2.2 trillion was raised through various manipulative public offers dominated by the banks in 2008.

### Avalanche of private placement offer

A number of private companies did private placement of their shares at lower prices while they sought or intended to seek quotation for their shares at higher values on the Nigerian Stock Exchange, thus making such private placement very attractive. This lured investors to dispose their shares in the secondary market, purchases the private placement and equally got the same rid of immediately after their listing on the Stock Exchange at higher prices (Udeme & Onuba2009). The Nigerian capital market thus became a battleground as private companies were falling on each other through avalanche of offers, the regulating bodies were impotent as the Investment and Securities Act, and 2007 does not place private companies under their control. Thus so much liquidity was sucked from the Nigerian capital market in favour of private placement of private companies, many of which remain unquoted till date.

## Structural deficiencies of the nigerian stock market

There appear to be some inadequacies in the Nigerian capital market, especially the absence of market makers. The Nigerian securities and Exchange Commission (SEC) experience avoidable administration bottlenecks. As a result there are no functional market makers that can provide exit windows for investors whom wish to check out.

### Pull-out of various foreign investors

This was also one of the major factors believed to have contributed to the continuous fall of the Nigerian stock market. Many foreign investors that already had troubles in their home economics have pulled out of the Nigerian stock market leading to dumping of shares beyond the ability of domestic investors to contain. Supply of equities has in consequence overwhelmed demand, leading to price fall and other insider's abuse.

## **Economics effects of manipulating share prices**

Wealth Effect: The first impact is that people with shares experience a fall in their wealth. Again if the fall is significant, it will affect their financial outlook and if investors' are loosing money on shares they will be more hesitant to spend money; this can contribute to a fall in consumer spending. However the effect should not be given too much importance. Often people who buy shares are prepared to lose money; their spending patterns are usually independent of share prices, especially for short term losses.

**Effect on Pensions:** Anybody with a private pension or investment trust will be



affected by the stock market, at least indirectly. Pension funds invest a significant part of their funds on the stock market. Therefore, if there is a serious fall in share prices, it reduces the value of pension funds. This means that future pension payouts will be lower. If share price fall for a long time, then it will definitely affect pension funds and future payouts.

Confidence: Often share price movements are reflections of what is happening in the economy, recent falls are based on fears of a United States recession and global slowdown. However, the stock market its can affect consumer confidence. Bad headlines of falling share prices are another factor which discourages people from spending.

Investment: Falling share prices can hamper firm's ability to raise finance on the stock market. Firms who are expanding and wish to borrow often do so by issuing more shares because it provides a low cost way of borrowing more money, however with falling shares prices it becomes much more difficult.

### Methodology

This research work relies on primary data, the research instrument elicited information on perception of investors on implications of shares manipulation. The instruments were administered to 200 randomly selected investors and stake-holder in

Ibadan and Lagos metropolis out of which 150 respondents returned their instruments Data analysis were both descriptive and inferential. The research technique adopted in this research work involved regression analysis, also t-test, and ANOVA (Analysis of Variance) were used to establish the relationship and variability of the variables.

### Testing of hypotheses

In this section the paper shall be concerned with the testing of the two hypotheses and these hypotheses formulated were tested using regression analysis and analysis of variance and the result are as shown below:

### Hypothesis 1

- H0 There is no significant relationship between share price manipulation and marketability of the shares.
- H1 There is significant relationship between share price manipulation and marketability of the shares
  - A. Share price manipulation (SPM) as the independent variable
  - B. Marketability of Manipulated share as the dependent variable

### Regression result

The Model Summary and Coefficients data of the hypothesis tested were presented below

Table 1: Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.222	.049	.268	.507	.264

a. Predictors: (Constant), Share price manipulations

b. Dependent Variable: Marketability

From the simple linear regression table, the regression value is 0.222, the coefficient of determination (R2) is 0.049 which is the same as 4.9%, the adjusted coefficient of determination is 0.268, the standard error of the estimate is .507, while the Durbin Watson value is .264. Given the coefficient of determination

means that the marketability of shares and share price manipulations accounts for 4.9% while the remaining 95.1% are due to other factors or variables. The result above revealed that there is significant relationship between share price manipulation and it marketability

Table 2: Coefficients<sup>a</sup>

Model			Standardized Coefficients		
	B.	Std. Error	Beta	t	Sig.
1 (Constant) Share price Manipulations	7425 2237.5	61077.865 5670.937	.222	.122 .395	.911 .720

a.Dependent variable: Marketability

Test of hypothesis at 5% level of significant.

The result revealed that the calculated t-statistic for the parameter estimate is (t = .395), P< 0.05 is greater than tabulated t statistic (.156) at 0.05 level of significance. Therefore the Null hypothesis is rejected and Alternative hypothesis stating that there is significant relationship between share price manipulation and marketability of the shares. This means that when the price of a share is manipulated downwards, it results to poor market for those shares and vice-versa.

### Hypothesis 2

H0- The crisis in the Nigerian stock Exchange has not affected the Nigeria economy

H1- The crisis in the Nigeria stock exchange has affected the Nigeria economy.

A. The crises in the Nigeria Stock Exchange as independent and

B. The Nigerian Economy as dependent variable.

### Regression result

The Model Summary, and Coefficients data of the hypothesis tested were presented below

Table 3: Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	.669a	.447	.263	.722	.250

a. Predictors: (Constant)

b. Dependent Variable: Nigerian Economy

From the simple linear regression table, the regression value is 0.669, the coefficients of determination (R2) is 0.447 which is the same as 44.7%, the adjusted coefficients of determination is 0.263, the standard error of the estimate is .722, while the Durbin

Watson Value is .250 .Given that the coefficients of determination, it means that the crisis in the Nigerian Stock exchange accounts for 44.7% in the economy of Nigerian while the remaining 55.3% are due to other factors or variables.

Table 4: Coefficients<sup>a</sup>

Model			Standardized Coefficients		
	B.	Std. Error	Beta	t	Sig.
1 (Constant) Share price Manipulations	1.386 .890	.917 .577	.669	2.111 4.557	.000 .000

a. Dependent variable: Nigerian Economy

Test of hypothesis at 5% level of significant

The result revealed that the calculated t- statistics for the parameter estimates is (t =4.557), P< 0.05 is greater than tabulated t statistics (2.425) at 0.05 level of significance Therefore, the alternative hypothesis stating that the crisis in the exchange has affected the Nigerian economy is accepted while the null hypothesis stating that the crisis in the exchange has not affected the Nigerian economy in any way is rejected.

### Discussion of finding and conclusion

The paper established that capital market infractions such as fraudulent disposal of investor assets, illegal fund management and the wonder bank syndrome, insider dealings, corporate accounting fraud and share price manipulations affects the capital market and the economy this is because the investors will be deceived into investing their hard earned money into the organizations whose share prices are not what it has claimed to be.

The share price manipulations which expose the capital market and the Nigerian economy to serious negative consequences was majorly as a result of massive insider abuses in some Nigerian banks and this included the concealment of insider loans and unbridled use of investors funds to acquire the banks' own shares in the capital market which was part of the reasons the stock market kept on enjoying boom and eventually went down. Pulling out of various foreign investors from the capital market equally has it own effects. Financial System Stability (FSS) of CBN, also revealed that regulatory lapses in the banking sector by CBN in the period leading up to stock market crash and the overheating the capital market by some of the Nigerian commercial banks for their minimum 25 billion naira capitalization and avalanche of private placement offers by private companies at lower prices and at the same time seeking quotation of their shares at higher values. Also attributed to the capital market crash were various infractions by banks using short term orientation imposed

on long term capital market at the expenses of real banking for selfish financial gain and lastly the structural deficiencies of the Nigerian stock exchange market and security exchange commission couple with poor regulatory policy.

### Recommendations

There should be new era of strict regulatory approach at the capital market, and that the operators should be made to be on their toes at all times to ensure strict compliance of all the rules in the market. All those implicated in the large scale manipulation of share prices and infractions should be prosecuted and if found guilty, should go to jail and specifically all the chief executives of the banks and stock broking firms used to perpetrate the financial crimes to serve as deterrent in the future. Government should stop encouraging those that killed the market with national awards because that on its own does not encourage share holders and other prospective investors to continue to patronize the secondary market.

However, Investors who lost their hard-earned wealth during the market crash should be compensated by government and its regulatory agencies to serve as an encouragement to investors to return to the market, and for the market to rebound, stockbrokers that accessed margin facility from banks should be provided with certain percentage of their contributions to the loan as cushion to help them move on with their business. Also there should be new era of strict regulatory approach at the capital market, and that the operators should be made to be on their toes at all times to ensure strict compliance of all the rules in the market. Market reforms centered on structural reorganization of the Nigerian Stock Exchange (NSE), extension of trading period and introduction of new rules for stockbrokers are also measures to lift the market and reposition the exchange.

There is also the need for the regulators to brainstorm with the government on how to improve on electricity supply to quoted companies, because such would impact directly on company earnings and dividend yield. In conclusion the Securities and Exchange Commission (SEC) should enter into a strategic partnership agreement with the Nigerian police to address issues of criminal nature in the capital market to ensure investors protection, enhance efficiency and support private sector participation of investors in the capital market.

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## Entrepreneurship in a Finnish public institution

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Abstract: During the last decades the idea of entrepreneurship in public institutions has been the subject of intense debates, activities and academic research. The scopes of our article are to briefly underline the importance of developing an entrepreneurial spirit by presenting a case study from a Finnish local public administration and making aware the proactive aspect in the process of managing public institutions in Romania. Our hypotheses have been mainly of an interrogative nature. Hypothesis testing was achieved through the analysis of statistical data and conducting a set of sociological interviews with key people from Finnish institutions which were used in the survey. The results of the research emphasize that where there is an entrepreneurial behaviour with the local administration management, the community undergoes a process of conservation and development. The way in which they relate to community partners (such as entrepreneurs, non-profit organizations, citizens) is essential to the entrepreneurial spirit within the local public institution.

*Key words:* entrepreunership, local public institution *JEL Classification:* H83, H32, H72, J11, J18, J21, R58

### 1.Introduction

The twenty-first century has brought rapid changes in technology, increasing global competition and corporate downsizing. By providing greater threats and larger opportunities, these factors have created the conditions for all types of organizations to become more entrepreneurial in order to face numerous challenges and to survive.

In the public sector, entrepreneur-ship might be seen as "business orientation, managerial competition and strict cost effectiveness" (Heinonen, 2001, p. 10). In essence, public entrepreneurs are "individuals and groups who identify opportunities for achieving social or political objectives, assemble and invest resource to achieve these objectives, and (possibly) direct the newly created public or private enterprise" (Klein et al., 2009, p. 17).

However, entrepreneurship in public sector is not only enabled, but also constrained by the political system and institutional context (Henisz, Zelner, 2005; Maguire, Hardy, Lawrence, 2004). In the past, governments designed and implemented policies that make entrepreneurship dynamic, created sound environment that allow entrepreneurs to turn their ideas into businesses or launched programs that stimulate the entrepreneurial spirit. Today, governments search for new forms of collaboration between government, businesses and citizens in order to ensure economic growth and job creation. That is why mobilizing the entrepreneurial spirit of government, businesses (as partners) and citizens (as co-creators) has become a key issue of the public agenda in many European countries (Government of the Future Centre & Oxford Economics, 2011).

The objective under which this mobilization is developed is that of regional development. Regional development is a major concern for policy makers interested in development of the region and the area where they live. By EU support, programmes carried out after the accession of the member state, generated a better knowledge of problems and implementation of a much larger scale regional development projects. Cooperation and transparency that accompany EU programmes have led to the creation of effective mechanisms for regional development.

Choosing Finland as a country is justified by the good results of the regional development. EU member 12 years earlier than Romania, Finland has a rich experience and many good practice cases. Finland is the only state of the Euro zone which has got the best rating given by the three big international rating agencies, as well a top position as far as economic competitiveness is concerned. According to The Global Competitiveness Report 2012–2013, Finland ranks the third place (5.55) in the global competitiveness, after Singapore and Switzerland (http://www3.weforum.org/docs/WEF\_GlobalCompetitivenessReport\_2012-13.pdf.).

Rankings have been established on 12 important indicators – institutions, infrastructure, macroeconomics, health and primary education, goods and market efficiency, university education and education level, labour market efficiency, technology development, financial market development, market sizes, business environment complexity and

innovation. Finland has the best educational system in the world and ranks the third place at institutions and innovation. In 2010 Finland was on the 7th place in the WEF top and now it is on the 3rd!

Choosing the Kainuu region was performed starting from the focus of the researcher, to choose a specific rural region with low population and demographic problems and with a specific experience in Finland regional governance. It is a pilot region for regional development in Finland. In this region were successfully carried out many development projects.

Approach applied internships included a case study of a rural town that has managed to achieve a particular development. Awards for most innovative and efficient municipal and national recognition enjoyed were as many reasons for choosing Sotkamo as a case study. If in most cases are supported rural development / existence of a strong centre in the Kainuu region, Kajaani was not a significant engine for development of Sotkamo town.

In the first chapter, the methodology of the study is shown, with its explicit methods, techniques and tools used and a summary of the researched elements: State of Finland, Kainuu region, Sotkamo municipality, governmental role in regional development. The second chapter analyses the research data focusing on the role of institutions and actors interested in developing the region, interinstitutional collaboration and the entrepreneurs – as a factor driving this process. The conclusions will present ways and measures to boost regional development in rural areas of Romania.

### 2. Methodology and the analysis of research

## 2.1. Purpose, objectives, assumptions, research tools

The goal is to understand how research conducted for collaboration between local institutions and entrepreneurship in the local and regional development projects. The analysis will aim at finding ways in which Romanian villages can better fulfil its role in regional development.

Objectives of the study concentrated on:

- (O1) document the actors interested in developing Kainuu region;
- (O2) analysis of regional cooperation mechanism in Kainuu region;
- (O3) identify cases of good practice in regional development; Sotkamo is the case study area.

Assumptions used are interrogative, prospective approach:

- I1. Who are those involved in the development of Kainuu region?
- I2. What is the mechanism of regional cooperation in Kainuu?
- I3. As entrepreneurs are more involved in making decisions is the development of the region greater?

### Working methods and technique

In this study several research methods have been used. In the first stage, a documents analysis related to the research topic was performed. Such documents consulted were materials and sites involved in regional development processes in Kainuu. In the second stage, 12 interviews were conducted, with stakeholders relevant for rural and regional development of Kainuu region and Sotkamo municipality. Therefore, interviewed persons

are: representatives of regional authorities (Department of Regional Development, Joint authority of Kainuu region), local authorities (municipal manager of Sotkamo) town, executive director of one of Kainuu region, government bodies with a role in entrepreneurial development (ELY-centres, meaning Centres for Economic Development, Transport and the Environment, territorial representatives of Ministry of the Employment and the Economy, Ministry of Transport and Communications, Ministry of the Environment, Ministry of Agriculture and Forestry, Ministry of Education and Culture and Ministry of the Interior; and Employment and economic development offices), representatives of the University of Oulu, of civic and youth associations as well as entrepreneurs from Sotkamo area. This range of interviews provided the necessary data collection survey.

Stakeholders' Guide covered the following topics:

- The role of each institution in regional development;
- Development projects carried out within Kainuu regional cooperation;
- How entrepreneurs were supported by various institutions involved in regional development;
- Possible ways to develop cooperation between the actors involved in regional development
  - 3. Main results framework in which to achieve the entrepreunerial spirit in local administration

### 3.1. Republic of Finland

Geographical description and presentation of key economic indicators

Finland (in Finnish Suomi, Finland Swedish) is a country in Northern Europe, an EU member since 1995, the United Nations and the Euro area. Finland has direct access to the Baltic Sea through the Gulf of Bothnia. Finland has Russia to the east, with Sweden and Norway to the north west. Estonia lies to the south, separated from Finland by the Gulf of Finland.

Finland in late 2010 had a population of 5.4 million inhabitants. Surface state is 390.920 sq. kilometres, of Which 9% is fresh water. Density is 13 by 8. People / sq. kilometres. In terms of GDP per capita is one of the most developed countries of Europe with € 34,000 per capita in 2010. Nominal GDP in 2010 was € 183 billion. Human Development Index in 2004 was 0.947 which is ranked 11th in the world.

Administrative division of Finland – provinces, regions and municipalities

Finland is formed, after the current odd made in 1997, of 6 provinces (Finnish Lääni, pl.läänit, Swedish län). Provincial authority is a constituent part of the executive in the territory and therefore has elected personnel. In the provincial capital is functioning province administration (Lääninhallitus, Länsstyrelse) headed by a prefect (Maaherra, Landshövding). The role of province administration has been strongly decreasing over time. The six provinces are:

- Southern Finland (Finnish Etelä-Suomen lääni, Swedish Södra Finlands län)
- Western Finland (Finnish Länsi-Suomen lääni, Swedish Västra Finlands län)
- Eastern Finland (Finnish Itä-Suomen lääni, Swedish Osträ Finlands län)
- Oulu (Finnish Oulun lääni, Swedish Uleåborgs län)
- Lapland (Finnish Lapin lääni, Swedish Lapplands län)

### Åland (Swedish Åland; Finnish Ahvenanmaa)

The six provinces are subdivided into regions. Regions are governed by regional councils and municipalities to coordinate components. Regions represent better than the provinces, variations in language, culture and economy of Finland. The 6 provinces provinces are divided into 20 regions (Finnish: maakunta, Swedish: landskap); the regions are divided into 74 sub-regions (seutukunta in Finnish, in Swedish ekonomisk

region); the sub-regions are divided into municipalities (Finnish kunta, Swedish kommun). Regions are governed by regional councils have the main role cooperation between municipalities components. Only in one place ,Kainuu, there are held region council's elections, in other cases board members are appointed by municipalities. Unlike provinces that are pure administrative divisions, regions are better preserving the economic changes, cultural and dialect of Finland.

Table 1: Regions of Finland, with residence, population, area and provinces Memberships

Idx	Region	residence	Population	surface province (sq. Kilometres)	Province
	Finlanda	Helsinki	5,276,955	390920	
1	Lapland	Rovaniemi	184,935	98946	Lapland
2	North Ostrobotnia	Oulu	380,668	57000	Northern
3	Kainuu	Kajaani	84,350		Finland
4	North Karelia	Joensuu	167,519	48726	Eastern
5	North Savonia	Kuopio	249,498		Finland
6	South Savonia	Mikkeli	159,492	]	
7	South Ostrobotnia	Seinäjoki	193,585		Western
8	Ostrobotnia	Vaasa	174,211	]	Finland
9	Pirkanmaa	Tampere	472,181	1	
10	Satakunta	Pori	229,360		
11	Central Ostrobotnia	Kokkola	70,672	]	
12	Central Finland	Jyväskylä	269,636		
13	Finland Proper	Turku	457,789		
14	South Karelia	Lappeenranta	135,255	34378	Southern
15	Päijänne Tavastia	Lahti	199,235		Finland
16	Kanta-Häme	Hameenlinna	169,952	]	
17	Uusimaa	Helsinki	1,467,453		
18	Uusimaa de Est	Porvoo			
19	Kymenlaakso	Kotka	184,241		
20	Ahvenanmaa	Maarianhamina	26,923	13517	Åland

[6] [2006 – Statistics Finland, http://pxweb2.stat.fi/sahkoiset\_julkaisut/vuosikirja2007/html/engl0018.htm]

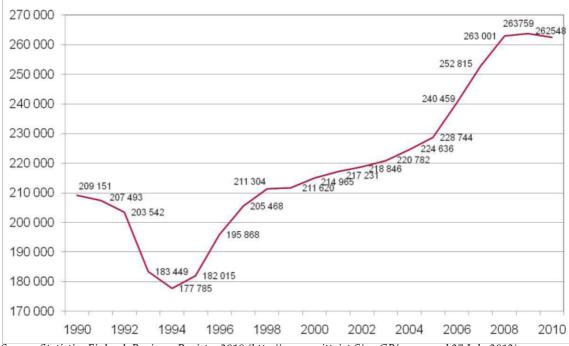


### **Economic environment in Finland**

Latest economic data are from 2010. The evolution of enterprises in Finland during 1990-2010 shows that after the economic

crisis of the years 1992-1996 when there was a significant decrease in the number of companies, the number of enterprises increased reaching in 2010a level 23% higher than in 1990 (see Figure 1)

Fig. 1. Dynamics of enterprise by years and number



Source: Statistics Finland, Business Register 2010 (http://www.yrittajat.fi/en-GB/ - accessed 27 July 2012)

Interesting is the importance which each type of the enterprise has in the Finnish economy. Micro-enterprises indicate entrepreneurial behaviour manifestation of population, occupying over a quarter of employees and produces 18% of national turnover. Increased productivity and efficiency is seen in large companies that produce nearly half (48%) of turnover of Finland (see table 2)

Table 2: Economic environment in Finland in 2010

Size of enterprises		% Employees in Enterprises	% turnover in enterprises (euro)
micro-enterprises (1-9 employees)	93.3	26	18
small enterprises (10-49 employees)	5.5	20	18
medium size enterprises (50-249 employees)	0.9	17	16
large enterprises (250 - employees)	0.2	37	48
Total, percentage	99.9	100	100
Total	262 548	1 376 628	350 000 000 000

Source: Statistics Finland, Business Register 2010 (http://www.yrittajat.fi/en-GB/ - accessed 27 jul 2012)

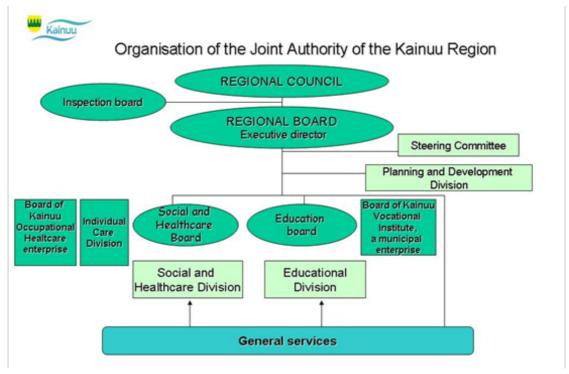
In Finland in 2010 had 318 951 enterprise (262 548 withoutAgriculture, Forestry and Fishing) with 1444031 employees (1 376 628 without Agriculture, Forestry and Fishing) with turnover 357 billion euros (350 billion without Agriculture, Forestry and Fishing). Agriculture, Forestry and Fishing represented 17.68% of no enterprises, 4,66% of no employees and 1,96% of turnover in enterprises in Finland in 2010.

### 3.2. Kainuu region

The Kainuu Region is a special region which has undergone an experimental regional administration in a critical period, commenced in Kainuu in 2005, and it will end at the end of 2012 (http://www.kainuu.fi/index.php?mid=2\_150&la=en). The highest decision-making of the region has been centralised into one organisation, the Joint authority of Kainuu Region. The distribution

of tasks between region and municipality has been reorganised. The arrangement of practically all social and health care services, for example, together with upper secondary and vocational education, are now the responsibility of the Joint authority of Kainuu Region. Within the Joint Authority, the highest decision-making body is the Regional Council, elected by the citizens of Kainuu.

The future of the administration of the region is currently under consideration. The experiment ends in 2012 and new decisions are expected from the national authorities. In Kainuu, there is a strong consensus about the benefits that the administrative experiment has brought along, and consequently, there are also wishes of continuing on the path of centralised administration for the whole region. Joint Authority of Kainuu Region will inform the public about the issue as soon as the decisions about the future of the administrative structures in the region are made.



Source: www.kainuu.fi



Kainuu region is a small region in terms of population, Kajaani is concentrating almost 45% of the population - but with an

area comparable to a country as Belgium. It is among the most sparsely populated regions in Europe (see table 3).

Table 3: Distribution of the localities Kainuu region of the main indicators of social-demo in 2008

		Popul	ation		Ar	ea	Population Density	Population with school / academic diploma
	31.12. 2008	14 years and under (%) 2008	15-64 years (%) 2008	65 years and over (%) 2008	Total km2	Water area (lakes etc.) (%) of total	Inhabitants/ land km²	(%) 2007
Hyrynsalmi	2877	12,3	61,3	26,4	1522	6,6	2,0	50,7
Kajaani	38132	16,7	66,4	16,9	2264	18,9	20,8	66,6
Kuhmo	9798	13,1	63,5	23,5	5457	11,9	2,0	58,1
Paltamo	3998	15,0	63,3	21,7	1139	19,3	4,4	56,3
Puolanka	3183	12,7	62,1	25,2	2599	5,3	1,3	51,4
Ristijärvi	1548	10,6	59,9	29,5	898	6,9	1,9	53,0
Sotkamo	10719	16,1	64,0	19,9	2952	10,3	4,1	53,9
Suomussalmi	9435	12,7	63,0	24,3	5858	10,0	1,8	61,5
Vaala	3470	15,5	59,3	25,2	1764	26,2	2,7	57,6
Kainuu	83160	15,2	64,4	20,4	24453	12,1	3,9	61,4

Source: Statistics Finland. National Land Survey of Finland. (http://www.kainuu.fi/UserFiles/File/Kainuu/Tilastoja/Taskutilasto\_2009/KM\_Taskutilasto2009\_EN\_screen.pdf)

Economic environment in Kainuu

Data on the economy regions is relatively old (2007). Of the nine localities, four do not have any export activities; the main export

activity is concentrated in Kajaani - almost 80% of the region- (see table 4). Obviously the caution should be used as data may be changed due to the last years dynamics.

Table 4: Industry in Kainuu in 2007

	Firms	Personnel	% value added during processing	Exports 1 000 €
Hyrynsalmi	21	59	54,3	2
Kajaani	135	2603	32,6	428222
Kuhmo	59	347	28,3	35772
Paltamo	21	73	36,4	1587
Puolanka	14	35	15,0	2
Ristijärvi	9	10	79,9	
Sotkamo	69	574	22,3	43639
Suomussalmi	43	548	38,6	30270
Vaala	16	85	78,3	
Kainuu	387	4334	32,7	542482
Whole country	29210	426801	29,8	77230477

Source: Joint Authority of Kainuu Region (www. Kainuu.fi – accessed 27 July 2012)

Value added outside the region is quite low as a share of national (0.2%) and is given mainly by agriculture and forestry sector (see table 6)

Table 6: Gross value added 2007\* billion euro

	Outer Kainuu Region	Kainuu Region	Kajaani	Whole country
At current prices				
Agriculture and forestry	114	101	215	5 095
Manufacturing	56	296	352	41134
Construction	21	108	129	10 028
Trade, transport, communications	90	202	292	33 858
Other services	73	224	297	33 294
Public services	73	416	489	33 503
All lines of business total	427	1 347	1 774	156 912

Source: Joint Authority of Kainuu Region ( www.Kainuu.fi – accessed 27 July 2012)

### 3.3. Sotkamo

Sotkamo's prizes for being Finland's most creative municipality, for developing a successful image and for municipal development all testify the open-minded, lively and bold activities of Sotkamo Municipality. The Vuokatti area ranks as one of the world's most versatile tourism centres offering activities all the year round while Sotkamo as a whole boasts high quality municipal and private services (www.sotkamo.fi, accessed 25 July 2012)

According to City Manager, the awards received are related to the working model of Sotkamo, and its decision-making capacity, which produces good results for the community: "... but the essential condition is that municipality is able to make decisions as necessary and that it has a culture in decision making. These are things that make a strong municipality ". Success in this direction made possible the granting of such awards <the most productive creative place or local-</p> ity> awards are not important, but that the municipality functions well." In Finland the organization of municipalities is dual: on the one hand are those who are employed in various capacities and on the other hand are the elected. These two bodies are kept separate and there is a clear division of labour between them. The mayor is not elected by people, but it is employed as an expert, based on a competitive basis to perform necessary functions. So my position is to make sure that the municipality works, financial situation is good and good decisions are made. In Finland, decisions are made by Mayor's suggestion, based on his previous discussions and documentation on the matter in question. (Municipal Manager)

How does a municipality in Finland function? How does the municipality Sotkamo function?

Municipal revenues come from three different sources: first source is given by the taxes collected; the taxes in Finland may be collected from three levels: at local, national and also at the parish. Main source of the tax is the income tax. The second source is given by the state support. And the third source of income for the municipality is given by people paid for contracted services, for example kindergartens. There are three different types of taxes: are individual income taxes of employees, tax collected from associations or companies, and the third is the property tax (such as tax for owning the various buildings or land). "For Sotkamo to survive, it needs 65 million to cover the costs; from the state Sotkamo receives only 20 million. So 45 million is collected as taxes or from sale of services (e.g. kindergarten services to families)." (interview city manager Sotkamo).

Sotkamo's economy is based on tourism then mining (a traditional industry). And from the total labour force, about half is employed in services (municipal manager Sotkamo). Since years' 90, without the municipality to fall into debts, in Sotkamo have been invested 1.7 billion euros. The most obvious investment in Talvivaara mine and in tourism have been invested around 600 million euros. And if the made plans are followed, it will be invested another 120 million in tourism and in mining 500, 600 million euros. Invested money does not come from the municipality, but the municipality by the decisions made and the the environment created make this investment possible. We are one of the communes whose population is about the same size, increasing a bit, and

the jobs are increasing. (municipal manager, Sotkamo).

### 4. Conclusions

Regional development is a complex and continuous process. It involves a multitude of players with specific roles and tasks. Paraphrasing statements of interviewees', regional cooperation in research "isn't a theatre club" but a sustainable action made possible by programmes and projects planned on the long term. Concern for rural taxpayer leads paradoxically, to the prosperity of the business. It is a lesson on the importance of

institutional separation, the distinct roles played by municipalities, civic associations and other associations and entrepreneurs. Successful fulfilment of obligations assumed by each actor involved in regional development creates the framework in which all are living.

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## E-Mail Server and Traffic Control Management in 2012

~ Ph. D. Cosmin Catalin Olteanu (University of Bucharest, Faculty of Business and Administration, Romania)

Abstract: Emails represents one of the most used communication system in world wide web for more than 15 years and "spam" messages are one of the most annoying and disturbing phenomena. All of us are aware that online marketers are trying to transmit their advertising messages to as many addresses they can. For such "unwanted" messages, adaptive systems must be assembled to review and mark what is wright and what is bad. Always these systems must adapt to consumers preferences to mark only that messages that are not in his white list. Surveys for more than 3000000 messages showed me that some criteria can be defined by start.

*Key words:* Email server services, spam adaptive systems, sender policy framework, antispam and antivirus email systems.

### 1. Introduction

The main purpose of the paper is to illustrate that emails represents one of the most used communication system in world wide web for more than 15 years and "spam" messages are one of the most annoying and disturbing phenomena. All of us are aware that online marketers are trying to transmit their advertising messages to as many addresses they can. For such "unwanted" messages, adaptive systems must be assembled to review and mark what is wright and what is bad. Always these systems must adapt to consumers preferences to mark only that messages that are not in his white list. Surveys for more than 300 students showed me that some criteria can be defined by start.

We can improve a public institution email servers services to adapt and fight to spam messages.

A web site should provide different design templates for every device that connects to your site.

The general idea is to decrease unwanted messages.

### 2. Email System Server Services.

Today is obvious that "spam" phenomena are one of most disturbing system of online marketers to send messages to consumers. For a few years, maybe 10 years ago, was one of the best online selling methods but todays is one that disturbs and annoys people.

For an email server administrator "spam" is always a battle that is running continuously. You should always find other ways for marking unwanted messages and fighting "bad" guys.

For start I have found that a colection of

systems that are well running toghether can figth quite well. These systems are: Postfix, Spamassasin, Clam Assasin, Clam AV, Procmail, Dovecot and Roundcube.

Nowadays mail servers check a meesage on arival if is signed by domain keys or by sender policy framework (SPF). A SPF mark will check DNS settings if SPF is the designated one in name server.

For example:

faa.ro.IN TXT"v=spf1ip4:92.87.204.140 a mx ptr include:faa.ro a:faa.ro mx:faa.ro ~all"

If we look at a survey for one day on a server running these services we can see how may messages were marked as spam or with virus signatures and on what hours were delivered:

### **Grand Totals**

-----

messages

1529 received

1761 delivered

121 forwarded

28 deferred (69 deferrals)

231 bounced

1379 rejected (43%)

0 reject warnings

0 held

0 discarded (0%)

63570k bytes received

78152k bytes delivered

1064 senders

209 sending hosts/domains

175 recipients

25 recipient hosts/domains

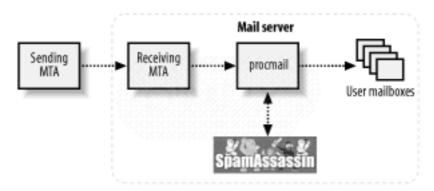


### Per-Hour Traffic Summary

time o	ma sairra d	4.1

time	received	delivered	de	ferred	bounced	rejected
0000-0100	 0 60	 69	3	8	84	-
0100-020	0 66	72	4	11	73	
0200-030	0 82	91	3	14	84	
0300-0400	0 50	60	4	12	65	
0400-0500	73	90	0	9	85	
0500-0600	0 55	63	6	0	54	
0600-070	0 46	51	4	6	29	
0700-0800	52	59	4	11	48	
0800-0900	0 61	68	5	11	36	
0900-1000	53	59	0	4	48	
1000-110	0 66	73	0	9	55	
1100-120	0 81	93	5	13	57	
1200-130	0 67	73	8	16	75	
1300-140	92	104	7	7	62	
1400-1500	92	111	2	8	69	
1500-1600	91	106	3	13	69	
1600-170	0 89	103	1	13	93	
1700-180	71	74	0	9	48	
1800-1900	0 48	61	0	3	43	
1900-2000	0 49	63	0	8	35	
2000-2100	59	76	1	17	67	
2100-220	0 46	47	0	14	43	
2200-230	0 37	37	8	2	0	
2300-2400	0 43	58	1	13	57	

Fig 1 Mail sever (source http://commons.oreilly.com/wiki/images/b/bf/SpamAssassin\_I\_2\_tt8.png)



For start we can set as a MTA service Postfix that is configured for authenticate on sending messages with SSL and not to be an open relay.

Than we can define in Postfix master.cf to open PROCMAIL to check the status of message.

mailbox\_command = /usr/bin/procmail -f- -a "\$USER"

This starst Procmail to look for config procmailre:

```
PPRIVS=yes
LOGFILE=/var/log/procmail
VERBOSE=ON
:0fw
/usr/local/bin/clamassassin
:0:
* ^X-Virus-Status: Yes
/home/$LOGNAME/mail/Trash
:0fw: spamassassin.lock
* < 300000
spamassassin
# Mails with a score of 15 or higher are almost certainly spam (with 0.05%
# false positives according to rules/STATISTICS.txt). Let's put them in a
# different mbox. (This one is optional.)
:0:
* ^X-Spam-Level: \*\*\*\*\*\*\*\*\*\*\*\*\*
/home/$LOGNAME/mail/Trash
# All mail tagged as spam (eg. with a score higher than the set threshold)
# is moved to "probably-spam".
:0:
* ^X-Spam-Status: Yes
/home/$LOGNAME/mail/Trash
# Work around procmail bug: any output on stderr will cause the "F" in "From"
# to be dropped. This will re-add it.
:0
* ^^rom[ ]
LOG="*** Dropped F off From_header! Fixing up. "
:0 fhw
| sed -e '1s/^/F/'
```



That file is looking for Spamassasin and Clamassasin config to check for spam and virus signatures and if found send it to Trash/SPAM folder of web mail.

Spam assassin config file should look like:

```
required_hits 4.8
report_safe 1
rewrite_header Subject *****SPAM**** SCORE(00)_ ***
#autolearn 1
use_bayes 1
bayes auto learn 1
skip_rbl_checks 0
use_razor2 1
#use_dcc 1
use_pyzor 0
#ok_languages en fr ro
#ok_locales ro
whitelist_from logwatch@faa.ro
## Optional Score Increases
score DCC_CHECK 4.000
score SPF_FAIL 10.000
score SPF HELO FAIL 10.000
score RAZOR2 CHECK 2.500
score BAYES_99 4.300
score BAYES_95 3.500
score BAYES_80 3.000
Clamassassin config file should look like:
```

```
bail()
{
    ${RM} -f ${MSGTMP} ${LOGTMP}
    exit ${1}
}

# Routine to bail if error code is passed bailiferr()
{
    if [ ${1} != 0 ]
    then
       bail ${1}
    fi
}
```

# Make a temporary file, or bailout if it fails

```
mktmp()
MKTMPFILE=`${MKTEMP} -q ${TMPPATH}/${1}.XXXXXXXXXX
 # The usual method of bailing out when mktemp fails would cause mail to
 # bounce, so instead we add extra logic to have it pass the message
 # unfiltered intead
if [ $? != 0 ]
 then
  ${FORMAIL} -f -I "X-Virus-Status: Failed" -I \
    "X-Virus-Report: Internal error mktemp ${2} failed" \
    -I "X-Virus-Checker-Version: ${VERSION}"
 bail $?
 fi
# make temporary file for message
mktmp clamassassinmsg MSGTMP
MSGTMP=${MKTMPFILE}
# make temporary file for log
mktmp clamassassinlog LOGTMP
LOGTMP=${MKTMPFILE}
# Store the message in the message tempfile for later processing
{CAT} > {MSGTMP}
bailiferr $?
# Set version header string
CLAMVERS=`${CLAMSCAN} -V --stdout`
if [ ${ADDSCANNERFLAG} != 0 ]
then
SHORTCLAMSCAN=`${ECHO} ${CLAMSCAN} | ${SED} -e "s/.*\///"
 CLAMVERS="${SHORTCLAMSCAN} / ${CLAMVERS}"
fi
if [ ${SIGVERSFLAG} != 0 ]
then
MAJOR=`${SIGTOOL} --stdout -i ${SIGLOC}/main.cvd \
  | ${SED} -e "/^Version: /!d" -e "s/.* //"`
MINOR=`${SIGTOOL} --stdout -i ${SIGLOC}/daily.cvd \
  | ${SED} -e "/^Version: /!d" -e "s/.* //"`
 SIGVERS="${MAJOR}.${MINOR}"
 VERSION="clamassassin 1.2.4 with ${CLAMVERS} signatures ${SIGVERS}"
else
 VERSION="clamassassin 1.2.4 with ${CLAMVERS}"
fi
```



```
# Have ClamAV check the message and save the simple results in the log
# temp file
${CLAMSCAN} ${CLAMSCANOPT} - < ${MSGTMP} > ${LOGTMP} \
 2>/dev/null
RESULT=$?
# If the message is clean, clamscan exits with status 0
if [\$\{RESULT\} = 0]
then
 # Spit out the message with a header indicating it is clean
 ${FORMAIL} -f -I "X-Virus-Status: No" -I "X-Virus-Report:" \
   -I "X-Virus-Checker-Version: ${VERSION}" < ${MSGTMP}
 bailiferr $?
else
 # If the result is 1, then a virus was detected
 if [ ${RESULT} = 1 ]
 then
  # Chop off the tempfile name off the virus message
  # This is a bit complex because there may be multiple status lines
  REASON=`${SED} -e 's/[^:]*: //' -e '/ FOUND$/!d' \
   -e's/FOUND\$/Gasit/' < \$\{LOGTMP\} \mid \$\{SED\} - n - e'H; \$\{x;s/\n//g;p;\}'
  # Extract the subject so it can be modified if SUBJECTHEAD is set
  # Note that some versions of formail will add a leading space to the
  # subject line, so we strip off one leading space if present.
  SUBJECT=`\{FORMAIL\} -c -x "Subject:" < \{MSGTMP\} \mid \{SED\} -e "s/^ //"`
  # Spit out the message with the headers showing it is infected and how
  ${FORMAIL} -f -I "Subject: ${SUBJECTHEAD}${REASON}*****${SUBJECT}" \
   -I "X-Virus-Status: Yes" -I "X-Virus-Report: ${REASON}" \
   -I "X-Virus-Checker-Version: ${VERSION}" < ${MSGTMP}
  bailiferr $?
 else
  # If the result was not 0 or 1 then some sort of error occured
  ${FORMAIL} -f -I "X-Virus-Status: Failed" -I \
   "X-Virus-Report: ${CLAMSCAN} error ${RESULT}" \
   -I "X-Virus-Checker-Version: ${VERSION}" < ${MSGTMP}
  bailiferr $?
 fi
fi
# Clean up the temp files
bail 0
```

An end user always see an webmail interface where all the mail are in inbox and unwanted messages on TRASH/Spam folder. For example Roundcube or Squirrelmail.

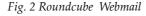




Fig. 3 Spam messages with points analysis on SPAM

emailsecretariataa@faa.ro	******SPAM***** 027.3 *** Employment opportunity	Today 22:13	7 KB
Armand@yahoo.nl	******SPAM***** U23.4 *** Career opportunity inside	Today 21:03	7 KB
emailsecretariataa@faa.ro,	******SPAM***** 025.1 *** Job ad - see details! Sent through Search engine	Today 20:11	7 KB
emailsecretariataa@faa.ro,	******SPAM***** 024.9 *** Career opportunity inside	Today 19:37	7 KE
William Valentine	******SPAM***** 033.5 *** Shortly, ur gf will be in awe of u	Today 19:24	6 KE
Lonnie Minor	******SPAM***** 031.1 *** I'm online now at the site	Today 18:39	6 KE
Patrick@yahoo.nl	******SPAM***** 018.0 *** Job opportunity - hurry to apply!	Today 17:54	7 KE
emailsecretariataa@faa.ro,	*****SPAM***** 026.4 *** Career opportunity inside	Today 16:56	7 KE
Charles Kone	******SPAM***** 031.0 *** Please Reply Urgent	Today 16:19	10 KE
emailsecretariataa@faa.ro,	*****SPAM***** 019.0 *** Employment you've been searching!	Today 15:12	6 KE
ProfIso	******SPAM***** 015.6 *** Certificare ISO - Ieftin, Rapid, Garantat!	Today 13:01	160 KE
Gilberto Houston	******SPAM***** 025.2 *** This is amazing!	Today 12:46	5 KE
Carmen Gates	******SPAM***** 032.1 *** This is work! This is amazing!	Today 12:08	5 KE
Licitatii Publice	******SPAM***** 011.0 *** Licitatii Publice, Executari silite, Licitatii banci	Today 11:40	15 KE
Mrs Felicia Wade	******SPAM***** 049.7 *** FROM THE DESK OF MRS. FELICIA WADE.	Today 11:15	17 KE
You have won E-mail Lotter.	*****SPAM***** 040.5 *** E-mail Lottery 2013 Yahoo Clicks Award:	Today 11:09	213 KE

A detailed analysis on a SPAM messgae can be seen bellow.

Content analysis details: (27.3 points, 4.8 required)

[URIs: europswork.com]

pts rule name description
0.6 URIBL_PH_SURBL Contains an URL listed in the PH SURBL blocklist
[URIs: europswork.com]
1.6 URIBL_WS_SURBL Contains an URL listed in the WS SURBL blocklist
[URIs: europswork.com]
1.2 URIBL_JP_SURBL Contains an URL listed in the JP SURBL blocklist
[URIs: europswork.com]
0.0 URIBL_BLOCKED ADMINISTRATOR NOTICE: The query to URIBL was blocked.
See
http://wiki.apache.org/spamassassin/DnsBlocklists#dnsbl-block
for more information.
[URIs: europswork.com]
1.7 URIBL DBL SPAM Contains an URL listed in the DBL blocklist



BODY: Bayes spam probability is 99 to 100% 4.3 BAYES\_99 [score: 1.0000] 2.2 FSL HELO BARE IP 2 FSL HELO BARE IP 2 3.5 HELO\_DYNAMIC\_SPLIT\_IP Relay HELO'd using suspicious hostname (Split IP) 0.0 TVD\_RCVD\_IP TVD RCVD IP 0.4 RCVD IN XBL RBL: Received via a relay in Spamhaus XBL [190.186.31.73 listed in zen.spamhaus.org] 3.3 RCVD IN PBL RBL: Received via a relay in Spamhaus PBL 0.0 FREEMAIL FROM Sender email is commonly abused enduser mail provider (cutletscd2[at]yahoo.nl) 1.4 RCVD IN BRBL LASTEXT RBL: RCVD IN BRBL LASTEXT [190.186.31.73 listed in bb.barracudacentral.org] 0.0 RCVD IN SORBS DUL RBL: SORBS: sent directly from dynamic IP address [190.186.31.73 listed in dnsbl.sorbs.net] 0.2 FREEMAIL\_ENVFROM\_END\_DIGIT Envelope-from freemail username ends in digit (cutletscd2[at]yahoo.nl) 0.5 TAB IN FROM From starts with a tab 2.8 KB DATE CONTAINS TAB KB DATE CONTAINS TAB 0.8 RDNS NONE Delivered to internal network by a host with no rDNS 2.7 KB FAKED THE BAT KB FAKED THE BAT

As a conclusion, I can say that such a system managed on a public email server is a plus for confort of end users and safety of computers.

### **REFERENCES:**

- 1. http://en.wikipedia.org/wiki/Spam\_(electronic)
- 2. http://spamassassin.apache.org/
- 3. http://jameslick.com/clamassassin/
- 4. http://roundcube.net/