

Institutional Isomorphism in the Ukrainian Public Administration Reform

MA Student Kristina KHAMBEKOVA

kristina.khambekova@gmail.com

Prof. Dr. Oleksandr DEMIANCHUK

demyanchuk@ukma.edu.ua

National University of Kyiv-Mohyla Academy, Ukraine

Abstract: The reform of the public service in Ukraine is discussed from the theory of institutional isomorphism perspective. European integration intentions have conditioned the efforts on increasing the efficiency of Ukrainian public administration system as a whole and the public services in particular. It is shown that the coercive isomorphism has two components – implementation of new progressive models by the Western standards and keeping the old administrative system and functions inherited from the Soviet times. Since 2014 (after signing the Association Agreement with the European Union and the worsening of relations with the Russian Federation) the progressive transformations become dominating and we may talk about the third step of institutional isomorphism, the normative one. Together with the new laws and regulations, which fix the transformation achievements, it takes place a professionalization of the cadres in the public administration system according to the EU standards, norms and practices.

Keywords: neo-institutionalism, institutional isomorphism, European integration, public administration reform in Ukraine.

1. Introduction

Ukrainian foreign policy for many years held the European integration as its main goal. One of the strict requirements (or expectations, saying more softly) was to make institutional reforms and modernization of its public services as well as to adapt related legislation to the European norms. The process of public administration reform had been launched twenty years ago in 1997 by officially adopted Concept of Public Administration Reform in Ukraine¹. During these years at least four attempts were undertaken to reach a success in this reform. Numerous

¹ Kontsepsiya administrativnoyi reformy v Ukrayini (Concept of Public Administration Reform in Ukraine), <http://zakon2.rada.gov.ua/laws/show/810/98/ed19980722>

studies of its practical implementation by Ukrainian and international scholars focused mainly on the desirable models and transformation procedures paying less attention to the explanation of ups and downs in the reformation process.

Here we would like to fill out the gap of explanation suggesting the model based on the institutional isomorphism theory within the neo-institutional approach. This theory is quite convenient for understanding the driving forces, regularities and special features of reform processes. In the modernization attempts public policies are directed towards two main accomplishments – enhancing democratization and keeping stability in the society². It requires re-ordering of the political institutions structure and functions in accordance with those organizations which act in the same organizational field and have proved their efficiency³. From the rational choice perspective, copying and adaptation of foreign experience together with the positive use of institutional isomorphism principles is quite efficient in provision of legitimacy and stability in the institutional transformations environment.

In this article we analyze three cases of institutional transformations in Ukraine: system of public service reform, adaptation of the Ukrainian legislation to the European one, and establishment of a new institution by unbundling the Gas Transportation System to meet the European Energy Policy requirements.

2. Research methodology

The classical institutionalism restricts explanations of political phenomena reducing them to mostly exogenous nature of their political elements and accenting studies on the order and structure⁴. Robert Lieberman pointed out that this approach is focused on the regularities of ordered factors in a political life but leaves aside unordered factors which may push out of the balance and cause changes in a political system. Instead he suggested to combine the (neo)institutionalism with so called “ideational” approach when studying political systems in their changes.

² Oleksandr Demianchuk, *Derzhavna polityka i derzhavne upravlinnia: politologichni aspekty* (Politics of Public Policy and Public Administration), In Ukrainian, Kyiv: Fakt, 2008, p. 140.

³ Ibid., p. 150.

⁴ Robert Lieberman, “Ideas, Institutions, and Political Order: Explaining Political Change,” *American Political Science Review*, 2002, Vol. 96, No. 4, pp. 697-712.

The problem of political and administrative functions division is still far from perfect solution. Since Woodrow Wilson⁵ many researchers and practitioners tried to find efficient combination of these two groups of functions in a system of government, developing various schemes of dividing the whole system into rationally defined professional aspects of administration from one side and politically engaged and democratically accountable ones – from the other. We may mention, for example, the sociological institutionalism by John Meyer and Brian Rowan⁶ or critics of the classical theory of organization by Nicholas Luhman⁷ where the dependence of functioning in a reality bureaucratic apparatus from its socially constructed symbolic legitimacy was clearly demonstrated. One of such legitimation factors is the goal and tasks of an organization functioning which actually does not show the essence of its existence as the real goal of any organization is its self-preservation. Hence, keeping in mind inevitable deep engagement of bureaucrats in political (not only policy) processes, researchers would need to focus their studies rather on actions of public servants implementation of political decisions than on the realization of some normative ideals.

Any institution being a part of a system is forced to adopt or keep the form which resembles the other organizations that “face the same set of environmental conditions”. This principle was formulated by Paul DiMaggio and Walter Powell in 1983 in their paper “The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organisational Fields”⁸. The phenomenon of institutional isomorphism helps to explain an organizational behavior in the cases of attempts to reform themselves or the system in general. It means that when some structural or functional changes happen with one or several organizations in the system the other institutions try to adopt a new form or, the opposite, force the organizations

⁵ Wilson, Woodrow. “The Study of Administration,” *Political Science Quarterly*, Vol. 2, No. 2 (Jun., 1887), pp. 197-222.

⁶ John W. Meyer, and Brian Rowan, “Institutionalized Organizations: Formal Structure as Myth and Ceremony,” *American Journal of Sociology*, Vol. 83, No. 2 (Sept., 1977), pp. 340-362.

⁷ Niklas Luhmann, *Zweckbegriff und Systemrationalität: Über die Funktion von Zwecken in sozialen Systemen*, Mohr, 1968.

⁸ P. J. DiMaggio, and W. W. Powell, “The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organisational Fields,” *American Sociological Review*, 1983, Vol. 48, No 2, pp. 147-160.

experiencing those changes to return to the previous forms or functioning procedures. Hence the structural changes are less driven by the functional needs or a necessity to increase the whole system or its components' efficiency than by a desire to get higher legitimacy through the organizational transformations and adaptation of the structure/forms to the rules and norms prevailing in the organization field.

Paul DiMaggio and Walter Powell defined three main mechanisms of institutional isomorphic changes:

- *Coercive* isomorphism – when the changes happen under a formal or informal external pressure on a political system. Such a pressure may have a form of persuasion, encouragement or compulsion.

- *Mimetic* isomorphism – when it is difficult to strictly define or design the future form/structure of the system, to forecast the outputs and outcomes of the changes. In this case the actors of changes choose a specimen or simply an example which seems suitable. Using models built on the external examples the actors can change existing or/and create new institutions.

- *Normative* isomorphism takes place under the experts' or authorities' pressure as a result of further professionalization of new/reformed institutions. M. Larson explains the professionalization as "a collective struggle of the system members for the definition of conditions and methods in their activities"⁹. Due to the normative isomorphism the consolidation and formalization of new institutions and structures occurs. A very important role in the professionalization belongs to the vocational education of public servants and professional networks which stimulate distribution of new models and practices.

Thorough consideration of isomorphic change mechanisms made possible for the researchers to suggest 5 hypotheses on the organizational level (concerning the changes that an institution experiences to resemble to the other organizations) and 6 hypotheses concerning the relation between an institution's character of activities and inclination to the homogenization.

1. The more one institution depends on another, the higher will be a similarity in organizational structure between both: coercive isomorphism

⁹ M. S. Larson, *The Rise of Professionalism: A Sociological Analysis*, <https://books.google.com.ua/books?id=0xCO08zrJncC&printsec>

manifests itself through the exchange when a dependency between the two enforces institutional transformations.

2. The more centralized is the system of resource supply to the institution the higher is the probability of its structure similarity to the organizations which it depends on – in the systems where supply of financial, technical or human resources comes from only one organization the institutions cannot resist to the changes.

3. The more undeterminable are the results and resources needed to reach them the closer the institution will be similar to the most successful organizations, and the organizations without clearly defined principles of functioning will borrow institutionalized practices of other structures.

4. The more unclear are the goals of functioning the more probably the institution's model will be based on the most successful practices because ambiguous goals can't provide the institution's legitimacy and it seeks recognition through mimesis.

5. The higher is the reliance on academic merits in the selection of process participants the more probable is that institution will become closer to similar organizations as the educational level provides a socialization and dissemination of understanding the rules of institutional functioning¹⁰.

The pace of isomorphic transformation of institutions in the same field hypothetically is defined by the following:

1. The more dependent is the institution on the centralized resources supply the more probable is its isomorphism as it leads to more undefined conditions of its functioning (resources supply may be stopped) and to homogenization.

2. The stronger the institution is bound to the state the more probable is its isomorphism as the state enforces subordinated organizations to get uniformity.

3. The less number of models is available the faster is the process of isomorphization: when the dominating efficient model exists and number of alternatives is small the institution will borrow its structure faster.

4. The higher is a technological uncertainty the higher is a level of isomorphism – new technological practices will copy the existing ones to get more legitimacy.

¹⁰ DiMaggio and Powell, pp. 154-155.

5. The more professionals are involved in the activities in the organizational field the more probable are the isomorphic changes as the socialization processes in higher education stimulate wide spreading of professional networks within which the ideas on the better samples for transformation circulate.

6. The more structurized is the field of institution's activities the higher is the level of isomorphism – structures with clear center and peripheries are characterized by better interaction of institutions among themselves and hence by higher homogenization.¹¹

3. Institutional isomorphism in Ukrainian reforms

Political institutions form and reform within the society under the influence of social changes as well as prevailing political idea(l)s which may stimulate or inhibit social development. Tensions, conflicts between specific institutions, or their malfunctioning may cause economic, political or social crisis and call for new forms, structures, functions and ideas. Collapse of the Soviet Union political and economic system in 1991 had launched the processes of radical transformation in Ukrainian institutions on the Constitutional and lower levels of government. At that time there were just a few very general understandings on what to do and where to go. Polish sociologist Piotr Sztompka in 1992 had formulated 22 dilemmas which the post-communist countries should solve. Among them there were dilemmas of *improvisation* (unprecedented processes of transformation forced the countries to build new legal, political and economic systems), of “pudding not proven in the eating” (stressing a great deal of uncertainty in the course of transformation), of “digging one's own grave” (an imperative demand of the “constructors” to restrict and actually to “kill” their old institutions to the benefit of new ones) etc.¹²

At that time there were two main options for solving the crisis and transforming the political system: preservation of the Soviet heritage or adoption of a Western model of governance. Ukraine had chosen the last one firstly because the conservative forces were too weak and secondly due to very attractive samples of Western prosperity. So, the reforms were targeted on adapting its legislature, political and economic institutions to

¹¹ Ibid., pp. 155-156.

¹² Piotr Sztompka, *Dilemmas of the Great Transition*, Cambridge, Mass.: Harvard University, Minda de Ginzburg Center for European Studies, 1992.

the European standards, norms and procedures. And in six years after gaining independence the Concept of Administrative Reform was approved and taken as the blueprint. It happened in the situation of a severe economic crisis, unstable internal political situation, and contradicting stimuli from two opposite sides – the Russian Federation and the European Union.

The Concept mentioned above stipulated de-politicization of the public service, establishment of the institute of state secretaries at the ministries, separation of political and administrative positions in the government and competitive selection of public servants. In the course of the Concept implementation a number of laws were adopted including “On the State Services”¹³. The expected outcomes were “renovation and enforcement of the state cadres, significant enhancement of their efficiency in developing and implementation of key national reforms targeted on improvement of life standards for Ukrainian citizens and increase of the state competitiveness in the World ratings”.

Let’s look now at the organizational field according to the four conditions of the institution functioning stabilization formulated by DiMaggio and Powell (Table 1).

Table 1. Stabilization of functioning procedures

Organizational characteristics	Institutional features
Enhancement of interactions in the organizational field among the institutions within one region	Announcement of European integration intentions; signing the Association Agreement: Ministry of Foreign Affairs first and second European departments; the Parliament (Verkhovna Rada) Committee on the European Integration; involvement of European experts to the development of Public Administration reform; EU Advisory Group on the Administrative Reform
Appearance of clearly defined	Bilateral meetings within the Council

¹³ Zakon Ukrainy «Pro derzhavnu sluzhbu» (The Law of Ukraine "On Civil Service"), In Ukrainian, <http://zakon3.rada.gov.ua/laws/show/889-19/print1465410243139119>

dominating organizations and coalitions in the institutional structure	of Cooperation, Council on Association; interaction between the committees; activities of the European Foreign Policy Departments on the Administrative reform development
Enhancement of the information exchange between the institutions	Association Agreement; the Contract on the state building, the Law of Ukraine on Public Services, the Concept of introducing the expert positions on the reform issues, the Strategy of Sustainable Development "Ukraine 2020", the Coalition Agreement
Awareness of the benefits of cooperation and involvement broader communities to the common activities	Intensions to get full EU membership; European Neighborhood Policy

The table shows the steps of Ukrainian political institutions isomorphisation with the European structures. Several new institutions had been created (Ministry of Foreign Affairs with its departments on the European integration, special committees at the Parliament etc.) and began to broaden coordination/cooperation among themselves with enhancement of normative rules and procedures. The European Union here becomes the donor and Ukrainian institutions – acceptors. All the three types of isomorphic changes can be found in the public administration reform analysis.

Being in the adverse environment of the lack of resources, dependency of the international assistance and investments and pressure from the conservative forces side the institute of public services faced a significant external inducement and sought for the most suitable foreign experience to meet the expectations and legitimize itself. It needed expertise, professionalization, establishment of the most efficient practices and mechanisms. Ambiguity of this process is caused by two oppositely directed isomorphic forces stemmed from the conservatism of a significant part of other (unreformed) institutions within the Ukrainian political system

from one side and external (Western) institutions which stimulated the reform by advices, requirements, expertise offer and financial support. At the beginning and even in the middle of the transformation process it was actually impossible to enforce the new form of that institution by purely normative means because it could bring imbalance into the political system functioning. Hence the reform of public service institutions had to go through all three steps of institutional isomorphism.

Let's consider now these steps one by one in a historical sequence and discuss the logic of each of them.

3.1. Coercive isomorphism

Coercive isomorphism means that changes in the institution's organizational structure proceed due to the external pressure. When Ukraine had chosen the development vector towards European integration the European Union as the most powerful actor in the field had applied a significant pressure on the Ukrainian political system requiring to adapt national legislation in relevant domains to the EU norms. By investing into the intellectual, technical and material potential the EU persuaded and encouraged Ukrainian decision makers to implement institutional changes. The Association Agreement has become the strongest incentive for Ukraine to adapt its normative basis to the European legislation. The EU has directed 108 million Euro purposefully to support the administrative reform and provided necessary technical assistance by conducting expertise of adequacy and efficiency of the reform¹⁴. Formally the Concept of creating a body of reform specialists was prepared by the National Agency on Public Services¹⁵ but a crucial contribution to this document had come from the EU Advisor's group on Public Administration Reform¹⁶. It had allowed the EU to actually dictate the moves and principles of institutional changes concerning the essence, content and terms of the reform implementation.

¹⁴ EU provides €104m to support Ukraine's public administration reform, https://eeas.europa.eu/delegations/ukraine/18096/eu-provides-eu104m-support-ukraines-public-administration-reform_en

¹⁵ Kontseptsiya zaprovadzhennya posad fahivtsiv z pitan reform (The Concept of Introducing of the Reform Experts Positions), In Ukrainian, <http://www.kmu.gov.ua/control/uk/cardnpd?docid=249552384>.

¹⁶ S. Soroka, "Reforma derzhavnoyi sluzhby – chi z'yavitsya v neyi im'ya?" (Civil Service Reform – whether it appears in a name?), <http://www.pravda.com.ua/columns/2016/12/14/7129790/>

But the pace of the reform appeared to be slower than expected despite very strong ties of this institution with the main state decision makers. Paul DiMaggio and Walter Powell argued that the stronger are the relations between the institution and the central authorities the easier this institution transforms itself. This phenomenon may be explained by taking into account that a major part of the political institutions were and still are not reformed inhibiting the process of reform in a specific institute.

3.2. Mimetic isomorphism

The coercive pressure which began in 2000 had caused uncertainty of the reform purposes in the unstable political environment when nobody in the Government had a willingness to lead the process formally. In these circumstances according to the theory the next step of isomorphic changes has begun with clearly visible mimetic characteristics. It means that the institution under changing began to seek the most successful samples among the institutions within its organizational field (the 3rd hypothesis of P. DiMaggio and W. Powell – the more undeterminable are the results and resources needed to reach them the closer the institution will be similar to the most successful organizations, and the organizations without clearly defined principles of functioning will borrow institutionalized practices of other structures). Mimetic isomorphism in such conditions inevitably requires coercive actions especially if to take into account a very strong conservative influence from the “old” institutions inside and outside Ukraine (we mean the Russian Federation with a very strong and active influence on Ukrainian administrative and political institutions a few years ago). Ukrainian decision makers were forced to adjust contradictory positions on the administrative reform – administrative model suggested by the EU and habitual vision of public opinion significantly biased towards the old models, structures and procedures. Hence, to further push the reform there was a need in “strong political will” of the country leaders. To cultivate a positive public opinion and gain a public support the legislative and executive powers in Ukraine tried to isolate the public service from the conservative influence and to enhance public discussions on what are the benefits from the administrative system reformation.

So, again we see the confirmation of P. DiMaggio and W. Powell’s hypothesis that institutions experiencing isomorphic transformation strongly depend on the organizations which distribute resources if the distribution is highly centralized. We see that the EU and other agents (especially the USA)

supply financial and “soft” resources to the central authorities instead of directing them to those institutions themselves.

At the same time, such a practice has another positive effect: interactions between the institutions under transformation and unreformed institutions in the same organizational field conduces the latter to consider a necessity of reforming themselves too as the tensions with the former ones decrease efficiency of public administration in general. It stimulates also increasing of homogeneity of Ukrainian legislation concerning public administration with the European one.

3.3. Normative isomorphism

At the normative isomorphism the professionalization of cadres and collective desire of the organizational field community to put down the new practices in the laws are the main source of changes. During the last fifteen years a lot of public and private schools of public administration had emerged, many programs were opened to train professionals for the public services. Approximation of the Ukrainian system to the European standards and habits becomes more and more evident. Some data and discussions on this issue may be found in¹⁷. The normative isomorphism requires both legislative enforcement of new institutional structures, functions and procedures and enlargement of the army of professionals in the organizational field.

4. Conclusions

The administrative reform is only one component of the whole process of Europeanization of Ukrainian Public Administration. It is impossible to change all the components of Public Administration and of the political system in general first of all because of the strong conservative attitudes among politicians and bureaucrats. Still strong ties with the Russian Federation and some other post-Soviet countries act as a coercive and mimetic isomorphism trying to keep the Ukrainian political and administrative institutions in as much resemblance with theirs as possible. From the other side the Western agents and first of all the European Union, the United States, Canada and others present a very influential example of successful models and, moreover, give a significant organizational, financial

¹⁷ Oleksandr Demianchuk, “European Studies – is it a Sufficient Instrument of Europeanization in the Eastern Partnership Countries?” In: eds. Carlos E. Pacheco Amaral et al, *EU Relations with Eastern Partnership: Strategy, Opportunities, and Challenges*, Chisinau-Chernivtsi-Tbilisi, 2016, pp. 263-271.

and professional support to enhance mimetic isomorphism processes in Ukraine and to overcome the conservative barriers in the way of transformations. And special attention to the public service system reform should become a crucial factor in more comprehensive political, economic and social transformations as it provides professionals for actually all the fields of Public Administration.

Bibliography:

1. Demianchuk, Oleksandr. *Derzhavna polityka I derzhavne upravlinnia: politologichni aspekty* (Politics of Public Policy and Public Administration). In Ukrainian, Kyiv: Fakt, 2008.
2. Demianchuk, Oleksandr. "European Studies – is it a Sufficient Instrument of Europeanization in the Eastern Partnership Countries?" In: eds. Carlos E. Pacheco Amaral et al, *EU Relations with Eastern Partnership: Strategy, Opportunities, and Challenges*, Chisinau-Chernivtsi-Tbilisi, 2016, pp. 263-271.
3. DiMaggio, P. J., Powell, W. W. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organisational Fields." *American Sociological Review*, 1983, Vol. 48, No 2, pp. 147-160.
4. EU provides €104m to support Ukraine's public administration reform. https://eeas.europa.eu/delegations/ukraine/18096/eu-provides-eu104m-support-ukraines-public-administration-reform_en (accessed 10.05.2017).
5. Kontseptsiya zaprovadzhennya posad fahivtsiv z pitan reform (The Concept of Introducing of the Reform Experts Positions). In Ukrainian. <http://www.kmu.gov.ua/control/uk/cardnpd?docid=249552384> (accessed 10.05.2017).
6. Larson, M. S. *The Rise of Professionalism: A Sociological Analysis*. <https://books.google.com.ua/books?id=0xCO08zrJncC&printsec> (accessed 10.05.2017).
7. Lieberman, Robert. "Ideas, Institutions, and Political Order: Explaining Political Change." *American Political Science Review*, 2002, Vol. 96, No. 4, pp. 697-712.
8. Soroka S. "Reforma derzhavnoyi sluzhby – chi z'yavitsya v neyi im'ya?" (Civil Service Reform – whether it appears in a name?) <http://www.pravda.com.ua/columns/2016/12/14/7129790/> (accessed 20.12.2016).

9. Sztompka, P. *Dilemmas of the Great Transition*. Cambridge, Mass.: Harvard University, Minda de Ginzburg Center for European Studies, 1992.
10. Zakon Ukrayiny «Pro derzhavnu sluzhbu» (The Law of Ukraine "On Civil Service"). In Ukrainian, <http://zakon3.rada.gov.ua/laws/show/889-19/print> 1465410243139119 (accessed 10.05.2017).

Copyright©Kristina KHAMBEKOVA, Oleksandr DEMIANCHUK