The Comparison in Countries Obedience on CPIA Implementation through Country’s Governance: A Case Study of Europe and Central Asia

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ABSTRACT

The International Development Association (IDA) is part of the World Bank Group that helps the poorest countries reduce poverty by providing concessional loans and grants for programs aimed at boosting economic growth and improving living conditions. Through the CPIA Exercise, the country will be assessed from the extent to which a government policy can encourage a country’s development. That way, conducting a review of the parliamentary system and the form of the country will be able to provide an overview of how the performance of a country in the policy-making process by the government can influence the activities of the CPIA. The researcher will use the comparative political MSSD method to find out how the condition of a domestic government can affect domestic development, where it is found that the similarity of the parliamentary system and form of government does not ensure that a country will get the same results due to different domestic conditions. There are two objectives of this research, these are (1) to provide an overview of how the performance of a country in the policy-making process by the government can influence the activities of the CPIA; and (2) to find out how the condition of a domestic government can affect domestic development.

Keywords: Comparative Politics, CPIA, Governance, Policy Making
INTRODUCTION

In this 21st century, it is undeniable that there are still economic and social issues in some countries, then the improvement is the priority of many countries, governments, and organizations. The International Development Association (IDA) that was founded in September 1960 is an association formed by World Bank (WB), which was built to help in reducing countries’ poverty with low per capita Gross Domestic Product. After IDA had sufficient knowledge to struggle with crises, along with the support of international community, IDA finally decided to propose the establishment of a Crisis Response Window (CRW) in 2009 to improve the country’s welfare by providing soft advice and long grants with grace periods. The 10 years and a payment period of 35 to 40 years for programs aimed at promoting economic growth and improving the living conditions of the countries concerned. It should be noted that IDA has a head institution that oversees and is one of the WB agencies, which also helps to provide services to middle-income and low-income countries, called International Bank of Reconstruction and Development (IBRD) (Canton, 2021). Both institutions provide debt loans to client countries for investment in infrastructure, human resources, and other sectors that require efficient and rapid reforms for sustainable growth. Then basically, IDA was formed to enable WB's poorest client countries to repay their loans aimed at developing these countries (Amara., 2019).

To conduct an assessment of client countries performance, the results from the implementation of annual Country Policy and Institutional Assessment (CPIA) directly by WB staff will be implemented. The criteria for performance appraisals are also periodically revised from a largely macroeconomic focus to include aspects of governance and a wider range of social and structural dimensions. The country's performance is assessed based on 16 criteria which are grouped into four clusters, called: economic management, structural policies, policies for social inclusion and equality, then management and public sector institutions. The existence of CPIA is used to measure the extent to which a country's policy and institutional framework that support the sustainable growth and poverty reduction with the impact of the effective use of development assistance (Tunley et al., 2014).

The calculation of each criterion has a balanced weight where each group has 25 percent of overall score, which is obtained by averaging the score from the four groups. Each of 16 criteria is rated on a scale of 1 (lowest) to 6 (highest) with the definition of: 1 Unsatisfactory for an extended period; 2 Unsatisfactory; 3 Moderately Unsatisfactory; 4 Moderately Satisfactory; 5 Good and 6 Great for an extended period. This score is assessed based on performance in specified year against the criteria, not on changes in performance compared to previous year. It should be noted that when discussing the assessment of CPIA by WB privately by Bank staff or other neutral development agencies with IBRD counterparts, where Management does not agree with the recommendation to disclose IBRD scores and

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prefers to limit the scope of CPIA exercise to countries only IDA (Moloney, 2022). In this research, the countries to be assessed are Kosovo, Kyrgyz Republic, Moldova, Tajikistan, and Uzbekistan. Researchers will only examine the conditions related to domestic government in policy-making to ensure the achievement of national development and compliance with CPIA. Therefore, there are two objectives of this research, these are (1) to provide an overview of how the performance of a country in the policy-making process by the government can influence the activities of the CPIA; and (2) to find out how the condition of a domestic government can affect domestic development.

RESEARCH METHODOLOGY

To discuss domestic policy-making, the researcher uses an analysis of government system in each country through the political comparison method with Most Similar Systems Design (MSSD) design, where the researcher chooses the object of research system that is as similar as possible to compare similar cases that showing the different results. It will easier for researchers to control the factors that are not the causative agent of research results by only observing a number of similarities as control variables in the research (Moloney, 2022).

It should be noted that CPIA assesses the extent to which a country can create the domestic policies that can help the country's development in a given year. The calculation of CPIA formula is that 24% is in three clusters, of which 8% depends on the country's portfolio performance. While the other 68% is the weight of the calculation given to the government sector (Moloney, 2022). Then, it can be concluded that the major influence in CPIA assessment is the extent to which government policy-making are able to make and produce good quality regulations that can help the country's development.

From here, the researcher uses the main variables as driving axis in policy making in a country called the parliamentary system and form of government. Thus, the application of MSSD design in this research can be described as follows:

<table>
<thead>
<tr>
<th></th>
<th>Moldova</th>
<th>Kyrgyz Rep.</th>
<th>Kosovo</th>
<th>Tajikistan</th>
<th>Uzbekistan</th>
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<tbody>
<tr>
<td>Parliamentary System</td>
<td>Unicameral</td>
<td>Unicameral</td>
<td>Unicameral</td>
<td>Bicameral</td>
<td>Bicameral</td>
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<tr>
<td>Form of Government</td>
<td>Democratic</td>
<td>Democratic</td>
<td>Democratic</td>
<td>Authoritarian</td>
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In domestic policy-making process, many factors are influence the policymakers to determine regulations, for example, the number of consensuses determined by legislature. For instance, from knowledge and innovations that can

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be made, social, political, and economic contexts at home, country’s legal framework, and the existence of special events that occur at a certain time to determine good policies. However, it should be noted that a conducive internal conditions in state government can regulate the making of regulations flows efficiently and thoroughly.

There are differences in variables in MSSD table. Then, the researcher will divide into two groups, into Group A is Moldova, Kyrgyz, and Kosovo, while Group B is Tajikistan and Uzbekistan. In this way, the researcher will share the main research points, called an analysis related to government influence in policy-making process for each group. By knowing the parliamentary system, researchers will easily examine the characteristics of legislative organization in determining policies and by knowing the form of government, researchers will be able to easily examine the process of adapting a policy and making domestic regulations.

**Research Data**

The researcher uses descriptive frequency analysis to find out how the compliance of European and East Asian countries in implementing CPIA activities. Descriptive research is defined as a research method used to describe the existing phenomena as accurately as possible (Muslihuddin & Yahman, 2022).

In first cluster, the data shows how the state implements policies on economic management divided into three indicators: monetary and exchange rate, fiscal policy, and debt policy and management.

Chart 1: The frequency of CPIA Cluster 1 assessments during 2010-2019

![Cluster 1. Economic Management](image)

The second cluster shows the implementation of the state in policy-making related to structural policies consisting of three indicators, namely trade, financial sector, and business regulatory environment.
The third cluster shows how countries implement policies toward social inclusion or equity. It is divided into five indicators, namely gender equality, equity for public resource use, building human resources, social protection and labour, then policies and institutions for environmental sustainability.

Chart 3: The frequency of CPIA Cluster 3 assessments during 2010-2019

The fourth cluster shows the implementation of country’s policies on public sector management and institutions which are divided into five indicators consisting of property rights and rule-based governance, quality of budgetary and financial management, the efficiency of revenue mobilization, quality of public administration and transparency, accountability, and corruption in public sector.
RESULT AND DISCUSSION

Why Parliamentary System?

In this research, all countries have a parliamentary system of government. Parliament itself is a legislative organization in a country that has the task is to determine and oversee the constitution, policies, and laws in the country. Parliament itself contains personnel who are directly elected by people (for democratic country) to represent regions that have an important role in political process of a country through the existence of ‘forum’. This forum is useful for identifying steps that should be taken or regulations that should be determined that are in accordance with the community conditions to support changes for the better (Brennan & Hamlin, 1993). The good laws and regulations are in harmony with other laws and regulations. The disharmony of a statutory regulation with other regulations, both at the same level and at different levels, will cause a complex problem. As a result, these regulations can be canceled due to things that are contrary to constitution, laws and other regulations (Chandra, 2022).

What happens to the policy-making process if a country has a unicameral or bicameral form of parliament? Both forms of parliament are classifications of policy-making organization in a country which based on the number of legislative units. As the name suggests, a unicameral legislature will represent a single legislature which resides in a single central unit, while a bicameral body will be divided between two separate parliamentary chambers in determining a policy formation.

Generally, the policy-making process will be conducted more efficiently if a unit of legislative body is centralized, because the powers and responsibilities will not be divided into several regions. In short, the policy-making process should be a rational, objective and scientific process which has a clear and repetitive cycle of decisions and actions (Barton & Johns, 2012). Then, in this parliamentary system,
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regional interests are often not represented directly. Unlike the bicameral system, considering policies will take a longer time since the policies determined will be based on the general attitude of people's will, but often result in dead ends that reduce the efficiency. At the same time, parliament has a time limit on the policy-making process.

Form of Government

Government is formed to abide by the Constitution. This power shall be vested in the King or the President or the PM. Governments of different countries in the world can adopt different political regimes: Authoritarianism, Totalitarianism and democratic regimes (TEP & HAP, 2022). The form of government of a country will determine the extent to which a domestic policy can adapt to domestic conditions that often change. The form of government is a government structure adopted in a country to determine the resolution of existing problems in the country (Elgie, 2018). Often a democratic form of government is considered better with an open mechanism that can accept input from the community in determining policies. On the other hand, an authoritarian form of government is more about a stable and orderly policy condition to deal with situations that exist at the domestic level (Jones et al., 2019).

Democracy is the main characteristic of a modern state, therefore representative system is a mechanism to realize the normative idea that state government must be conducted according to the will of the people (Akbar & Jamil, 2022). Then, explaining the implications of this fundamental principle, democracy is a combination of political freedom and political equality (Munck, 2014). In a democratic government, the most visible characteristics are the election process of state leaders and other political members, which go through a very open and fair process. The existence of freedom opinion and the opening organizations to influence policies where will provide convenience in solving domestic problems. This can also open up space for people's representatives in legislative to really pay attention for the real community needs that it will make it easier for a policy to adapt for the country's development. Meanwhile, an authoritarian government has a centralized government structure and limited political freedom. This causes authoritarian leaders to work hard in determining solutions that can benefit the group because success will depend on them. An authoritarian government also shortens the time in determining policies and takes shorter and faster steps in implementation process that resulting in consistent results.

Country Analysis

The state form of each group is a unitary state where the unitary state form is managed as one component and one central authority over the whole country, centrally for all major administrative and political positions with one cabinet for the entire country. The decisions made in unitary states are also made centrally and
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universally applied in the country, where this causes the central government to have more power in domestic policy-making, which is more flexible and can be changed periodically. The unitary state can be said to be a suitable form of state in implementing the fulfilment of CPIA activities where the form of policy will be assessed periodically every year. With the existence of a centralized government system, the state will make the policy-making process shorter and more efficient, especially in centralizing the results of state performance compared to federal state system, where there is often a lack of integration of policy performance between the centre and domestic region. However, behind the ease of unitary state in determining state policies, the unitary state also has shortcomings in ensuring fair and equitable development of the country. The differences in regional conditions within countries ranging from geography, human resources, local income sources, and environmental conditions to the gender equality distribution, will vary in each region of the country, resulting in a lack of infrastructure development at local/regional level due to a centralized policy.

In Group A, Moldova got the best average score in each cluster. The total population of Moldova and Kosovo both is consist of 3 million people in 2020, but visually, Moldova managed to get a better score. Moldova is a unitary country with a population of 2.6 million in 2020 and the parliament in Moldova as many as 101 people's representatives who are universally elected through an electoral process. This allows for a consensus with a more balanced outcome on policy making. In contrast to the proportion of Kosovo, with a population of only 1.8 million in 2020, in the parliamentary organization, Kosovo has 120 directly elected members of parliament and 20 representatives of people from minority backgrounds. If viewed from this proportion, Kosovo will have difficulty in getting a consensus on a fair and equitable outcome, especially considering that as a unitary state, Kosovo must be able to ensure fair policy-making for local conditions to minorities in country's development affairs. Kosovo itself is in the early stages of developing a well-functioning justice system as overall judicial administration continues to be slow, inefficient, and vulnerable to political influence. In Kyrgyz Republic, there is still a lack of decentralization in the functions of public administration, for example, a lack of independent experts to implement functional reviews, a lack of motivation for structural reforms and activities from the side of public administration. The delegation of power to local self-governance is also lacking where Kyrgyz legislative base is incomplete and perfect, the division of responsibilities is unclear, and financial regulatory mechanisms are ineffective. This causes the policy-making process in Kyrgyz Republic is remain to experience challenges.

In Group B data, the Tajikistan and Uzbekistan data are often lacking in meeting the indicator scores of each cluster. Each country has a different proportion of national chamber and representative chamber, which can causes many differences that may occur by taking a long time from the policy implementation.
The geographical conditions in Tajikistan itself are filled with mountains, as much as 93% of the country's total area, which will be a challenge to equalize and implement policies at local level (CountryReports, 2022). For policy-making, Tajikistan has a unique system that the head of legislative activities, such as policy-making in Tajikistan is the Executive body headed by President. The Paragraph 69 in Tajik constitution gives the President the authority to have the power to influence in making and directing the formation of state policies in various areas, this causes the executive branch to have unequal powers and resources that can be used to control the policy-making process, causing inefficiency and bias, for example, it can be in the affairs of state finances and even the making of domestic laws (Asadov, 2014).

According to Roz Price, domestic policy framework is still weak, whereas the macroeconomic policy framework is inadequate, weakening the growth potential and loan allocation by IDA. Similar to Uzbekistan, which is the most populous and most extensive country in Central Asia, Uzbekistan is an authoritarian country with very poor civil rights in 2015, the reports on human rights violations show that violations are still ongoing without any remedy (Watch, 2015). The existence of this will undoubtedly affect Uzbekistan's performance in assessment of CPIA policies, especially in social sector. The legislative government of Uzbekistan consists of 150 members elected by election. The determining policies will take a long time with a diverse population and a large country. Coupled with the authoritarian form of government, Uzbekistan's policymaking will be difficult to adapt to certain conditions and situations.

CONCLUSION

In determining the extent to which a country complies with IDA in implement the CPIA activities, it will be seen from how the country's government can create good situations and conditions in policy-making process. A conducive situation in parliamentary system will be resulting a good legislative in the process of formulating the regulation, the process of controlling policies to domestic policies implementation which will affect the country's development and to influence the extent to which a country can commit to remain encourage country's development to escape poverty with the help of funds allocation by IDA. In formation and policy determination, the state will find its own challenges in accordance with each domestic situation and condition. For example, the population of a country, geographical area, the parliamentary system and the form of government.

From the results of this research, there is no perfect parliamentary system and a form of government in which each has advantages and disadvantages. The researcher finds that the state will find it easier to determine a policy (especially over a certain period of time) with a unicameral parliamentary system due to the
efficiency and collection of state performance which is more centralized than bicameral. However, this does not rule out the possibility that bicameralism will be much better at determining policies that are more just and equitable. A democratic form of government will also be easier to determine fair and equitable policies, also open to policy changes (more flexible) than an authoritarian government, especially in social sector. However, it is possible that the democratic government will experience many challenges in implementing its policies. On the other hand, an authoritarian government also does not rule out the possibility of better development. The stronger a country is in ensuring the domestic resources, the authoritarian government will also be successful in encouraging domestic development.

REFERENCES


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