

ABSTRACT OF THE DISSERTATION

Three Essays on Myanmar's Public Budgetary Dynamics

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This dissertation aims to present the background circumstances of Myanmar budget reform, the effect of political and institutional changes on budget punctuation patterns, and how these punctuation patterns affect public service performance. This dissertation is composed of three essays that are arranged in the following sequence. The first essay focuses on “process”, which examines “how” the budget reform was adopted; the second essay focuses on “output”, which explores “what” happened due to the budget reform that coincided with political and institutional changes; and the third essay focuses on “outcomes”, which investigates the “impacts” of the budget reform.

The first essay discusses the issues and development of policy solutions in the budgetary system before the 2011 budget reform. This essay employs Kingdon's multiple streams theory (MST) to explain how and when the problems, policy

solutions, and politics surrounding the Myanmar budget reform came together to open the policy window. Furthermore, this essay highlights the significance of issue linkage and partial coupling in the policy process (Kingdon, 1995; Dolan, 2021). All MST studies agree that policy cannot change without coupling the three streams. Furthermore, only a few studies, including ours, have discovered that multiple partial couplings occur before the complete coupling of the three streams. Therefore, policymakers or policy entrepreneurs need to be aware of partial coupling. As soon as partial coupling occurs, policymakers or policy entrepreneurs should try to find any constraints that make it impossible for the remaining stream to couple with the other two streams. By doing so, they will be able to find the policy factors or political strategies that quickly lead to complete coupling.

The second essay discusses how budget allocation patterns changed both before and after the budget reform. Since Myanmar's budget reform coincided with political and institutional changes, this essay tries to explain the effect of political and institutional changes on budget punctuation patterns by employing budget incrementalism and punctuated equilibrium theory (PET). This study expects budget punctuation to have occurred in different directions and frequencies. Therefore, the significant theoretical contribution of this study is to extend Flink and Robinson's (2020) corrective and trend models, which are rooted in the PET literature. The corrective and trend models are used to examine the directions of budget punctuation (positive or negative). By applying corrective and trend models, this study distinguishes nine budget punctuation patterns for Myanmar government spending on seven sectors from 2000 to 2019 (10 years before the budget reform and 9 years after

the budget reform). The study reveals that political and institutional changes have had different effects on different sectors. Additionally, different budget punctuation patterns have been observed with different frequencies across sectors due to sector-specific characteristics and evolving policy priorities.

The third essay assesses how the changes in allocation patterns after the budget reform have affected public service performance. This study differentiates public performance into the three competing dimensions of public service performance (3Es: efficiency, effectiveness, and equity). It is assumed that different magnitudes and directions of budget changes have different performance outcomes. To examine how budget allocation changes made after the reform have affected the 3Es, this study applies PET by incorporating other theories from the public administration literature. As the current study uses a two-level dataset—budget allocation data at the ministry level and performance data (3Es and other control variables) at the individual level—multilevel modeling, which provides the unique advantage of examining the associations between the variables measured at different hierarchical levels, is employed. To measure the changes in resource allocation, we define the four categories of budget changes (i.e., positive punctuation, negative punctuation, positive annual percentage changes, and negative annual percentage changes) by using the annual budget allocation of 18 ministries for the fourteen years (including both before and after the budget reform). Performance data are obtained by administering surveys to public officers from different ministries. Through multilevel analysis on a two-level dataset, the results of the current study reveal that budget

increases have not uniformly improved all 3Es. The different magnitudes and directions of budget changes have had different effects on 3Es.

Keywords: Multiple streams theory, partial and complete couplings, Myanmar budget reform, decentralization, budget deficit, transparency and accountability, budget allocation, corrective and trend models, incrementalism, punctuated equilibrium theory, political and institutional changes, public service performance, hierarchical linear model