

IMPACT OF KNOWLEDGE MANAGEMENT IN PUBLIC SECTOR ECONOMY IN AFRICA

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ABSTRACT

Knowledge Management (KM) in Africa has been facing a lot of challenges related to the lack of appropriate strategy and capacity to manage it as a result of corruption and maladministration. Public sector Economies in many African countries have been challenged by lack of effective management of policies that could assist in the management of public affairs. It has therefore become critical to establish Knowledge Management strategies at all levels of government so that the knowledge acquired could be effectively managed and shared adequately to benefits African countries. Policies such as fiscal decentralisation should drive the African development agenda. Decentralisation is very important for local economy development as it strongly relies on KM to promote programs that support socio-economic development. Using a theoretical method of inquiry, this study tries to explore how decentralisation could contribute in the knowledge economy. This paper is important in that, it is raising very critical issues that are impeding Africa to use its human capacity effectively for Africa's development. This piece of paper is divided into five major sections. The first section provides an introduction and the background of the study, the second engages arguments around a well-designed theoretical framework while the third presents the advantages of fiscal decentralisation Policy in promoting socio-economic development in a well-designed KM strategy. The fourth section analyses lessons learned while the last provides the conclusions and recommendations.

KEYWORDS: *Fiscal decentralization, KM strategy, Knowledge Management, Public Sector Economy, public policy*

JEL CLASSIFICATION: *H00, M00, O1.*

1. INTRODUCTION

KM is important in all areas of business as it meant to be shared for constructive purposes. Past studies have identified two forms of Knowledge sharing, it can either be considered as a "Push Knowledge" where it is shared by targeting those who really do not need it through newsletter while "Pull Knowledge" refers to the one that is needed by decisions-makers, researchers and other related scholars or businesses to achieve the required goals (Frost, 2014). The conceptual framework of scientific knowledge is the cornerstone on how knowledge is acquired in various social sciences such as the public sector economics.

The gathering of relevant information and its storage in order to inform the public on how the economy is performing is very critical in the management of public sector economies. This is the reason why the current study managed to identify two types of knowledge, the first through Botha et al (2008) who inferred that, Explicit Knowledge is codified and could be found in documents, databases and memos. Others such as Wellman (2009) posits that, explicit knowledge is adequately

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performed by Knowledge Management Systems (KMS) that are tasked with the storage, modification and the retrieval of relevant documents. Brown & Duguid (1998) categorized it as the Know-What while referring to Tacit Knowledge as the Know-How.

KM is perceived as the sharing of information for organizational effectiveness. Drucker (1999) inferred that, KM is the coordination and exploitation of organizational resources. It is therefore important to consider that, in the public sector economies, the information contained at local, provincial and national levels is key in providing service delivery to citizens, if resources are efficiently managed. Citizens have the right to access government information as tax payers in order to benefit the services that are readily available to the public.

This information needs to be managed adequately so that service delivery becomes more efficient with the aid of information and communication technology (ICT). The Management of knowledge should take into consideration the human capital that is key for socio-economic development. The lost in human capital in Africa is increasing rapidly as a result of African government's inability to provide dissent jobs to qualified citizens. The continent is losing qualified experts in key areas such as medicine, economics, engineering as many are hoping for greener pastures in countries such as the USA, Australia, France, the UK, Japan, and China. Maladministration and corruption have ripped the continent from its solid manpower exposing it to abject poverty. Meritocracy is undermined because the power is centralized in the hand of few decision makers who see themselves as elites. Unless decentralization is taken into consideration, KM may not achieve the required results in improving Africa by assisting it to achieve socio-economic development.

The decentralization of powers could assist local authorities to benefit from local expertise which represents human capital. While referring to public sector economies, it is important to emphasize on the three roles of government as alluded to by Richard Musgraves (1939) because the theory around fiscal decentralization takes stock from the government functions. Voorhees (2004) inferred that the three functions of the government are related to:

- a) The stabilization where the government is called to stabilize the prices and employment through monetary and fiscal policies. He argues that, while monetary policy is related to the setting of interest and the regulatory process of money supply, fiscal policy is used to in managing economic stability. The decisions on whether to increase taxes and expenditures will certainly have a direct impact (positive or negative) on economic growth. The next function of government.
- b) The second function of the government is the allocation of resources. Government is tasked to provide goods and services to citizens as a result of them paying taxes. Governments in Africa are often taken to task by the population because of poor service delivery.
- c) The last function of government identified by Voorhees (2004) is the distribution of wealth for which he argued that, there should be wealth equality among consumers in a market economy certainly to avoid the possibility of market failure.

2. THEORETICAL FRAMEWORK

The essence of KM has attracted attention in various areas of business capacity. From the private to the public sectors, KM is being considered as a key element that add value either to the profit maximisation of companies or to service delivery in public sector economies in Africa. In his analysis Alan Frost (2010) provided a more detailed definition of KM when he posits that, KM is the systematic management of an organisation's knowledge assets for the purpose of creating value and meeting tactical & strategic requirements; he argues that this consists of the initiatives, processes, strategies, and systems that sustain and enhance the storage, assessment, sharing, refinement, and creation of knowledge. In framing the importance of KM process he chose the Model of Botha et al (2008) to demonstrate that, solutions could derived from knowledge creation and sensing, knowledge organising and capturing as well as from knowledge sharing and dissemination.

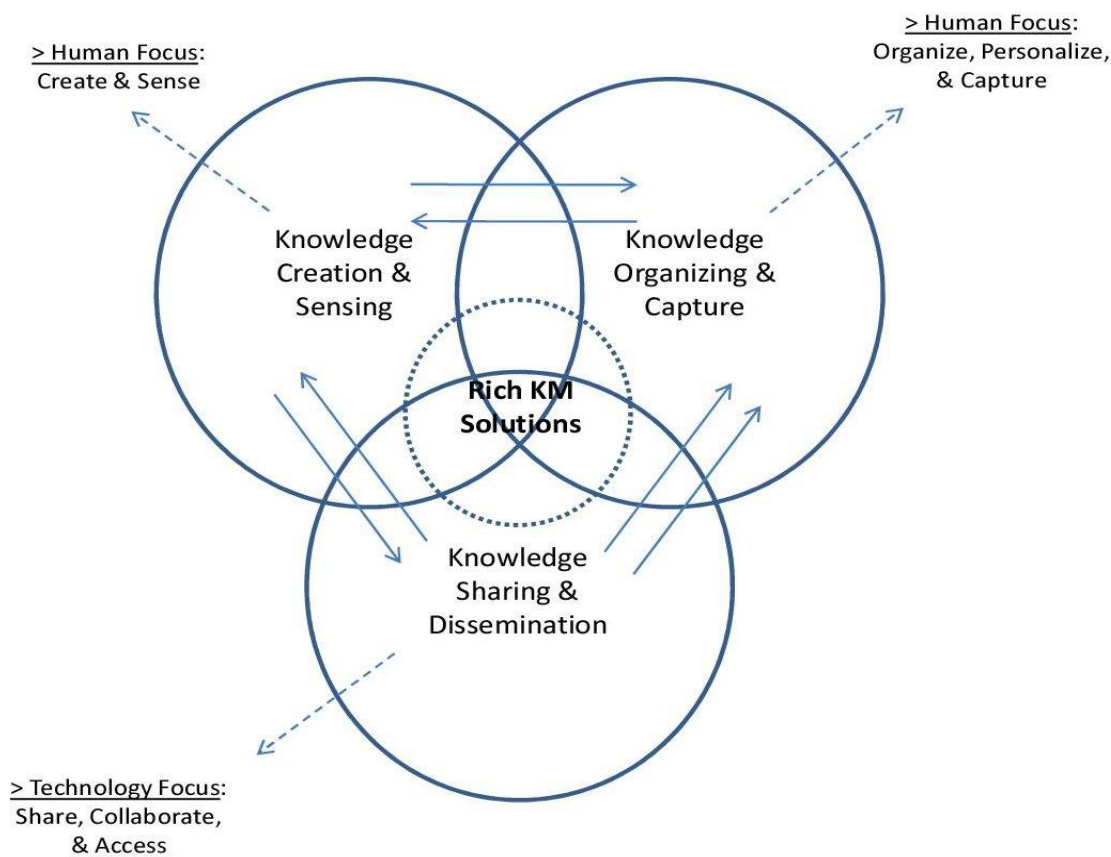


Figure 1. Knowledge Management Process Model

Source: Botha et al. (2008)

In the above model, the three categories of KM are focusing on people with the assistance of Information and communication technology. The KM therefore depends on data and information that is ought to play a leading role in making information available to the public for various purposes. Some use this information to take constructive decisions; some need them for public policy perspective for the benefit of all. This is why Information and Communication Technology (ICT) is important in the management of public sector economies for developing countries such as those in Africa. For governments to successfully achieve their mandates, the use of ICT is important in that, it allows for the sharing of the relevant policies at all levels of governments in Africa.

From the above model, the success for any organization will therefore depend on a solid KM Strategy as depicted by the author below. The Author of the current study tries to demonstrate that, KM is essential for any organization effectiveness. The creation and retention of human capital is vital in advancing socio-economic development, so too is the financial knowledge that is ought to support development programs to be managed by human capital. KM assists decision makers to plan adequately. It allows organizations to align their key objectives to achievable results. Organizations are encouraged to use their strategic planning concepts and mobilize the required knowledge (capital and financial) in order to achieve organizational objectives.

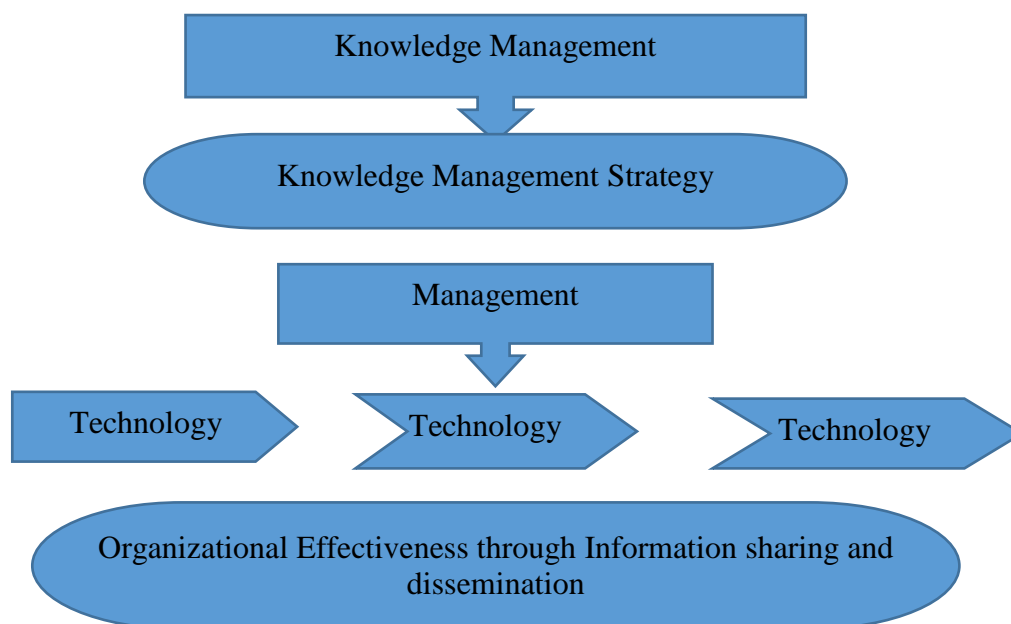


Figure 2. Framing the knowledge management strategy

Source: Author's concept

For the purpose of the current study, Knowledge Management Strategy is considered as a public sector strategy and policy where government's information on how to manage the entire state apparatus is located. The information related to the organizational structure of governments and how state affairs are conducted is well stored through the support of the latest technology.

Information flowing from local to national governments is supported by internal systems that allow local authorities to get up to date information related to national priorities. This is why the introduction of e-government strategy is important for the organizational effectiveness through information sharing and dissemination. E-government is a strategy adopted by governments to facilitate communication through the intensive usage of Information and Communication Technology (ICT). Through this strategy, governments have introduced innovative ways of teaching using the e-learning approach promoted by the New Partnership for Africa's Development (NEPAD).

In a paper presented to the ICBTS conference in Paris Edoun et al. (2016) presented the New Partnership for Africa's Development (NEPAD) as one of the programs of the African Union (AU) with the unique purpose of assisting Africa to achieve socio economic development. The NEPAD e-Africa Commission is the NEPAD Task Team responsible for developing and implementing ICT projects through governments in Africa, one of such project is the NEPAD e-Schools Initiative. The objective of e-learning according to NEPAD initiative is to equip all African primary and secondary schools with up to date ICT equipment, such as computers, radio and television sets, phones and fax machines, communication equipment, scanners.

In line with the above, the Integration of technology in teaching and learning has become a priority for many institutions, with the primary objective of empowering students to become computer skilled end-users with sound knowledge of the most recent technological platforms (Highton, 2009). To convey a well-adapted e-learning teaching and learning system, Mithi (2014) inferred that it calls for more insights of the adaptability and this depends on the philosophy of approach, the structure, and the culture of the institution adopting e-learning. Vice-versa, e-learning

implementation should also get into the practicability of the learning and management system in place and further improve the system to more efficiency and effectiveness. Conflicts in adaptation from both current system and e-learning sometimes arise to the extent of challenging adaptability and later ineffectiveness in the system output. Little is known of preparedness, adaptability, adoption and a comprehensive e-learning system to function effectively at African institutions in order to support the existing structure of the education system. There is therefore a need to know the preparedness, adaptability, adoption and a comprehensive e-learning technology system tools to effectively benefit the institution as a whole. So far, the integration of the e-learning technology to support teaching and learning has brought many benefits to both students and users alike (Edoun et al., 2016)

From the above it is now understandable that, the Knowledge acquired through the e-learning strategy will equip learners with enough capacity to build up their knowledge base. These learners will certainly become the engineers, medical doctors, architects that will form part of the intellectual capital for the African continent. This is why the management and retention of intellectual capital is very important for the advancement of the African continent. However, past studies and international seminars have explained that, Africa has lost many of its intellectual capital as a result of corruption and maladministration. Prof Emmanuel Nnadozie who is the Chief Executive Officer of the African Capacity Business Foundation (ACBF) provided an overview of the demise Africa is facing as a result of Africa losing its intellectual capital. In an article compiled by Njeri Kimani, it is adequately demonstrated that, well qualified African are leaving the continent every year to seek for better lives in Australia, Northern America and Europe as a result of lack of a proper KM strategy. Prof Nnadozie (2016) argued that the brain drain is affecting Africa's development and its development agenda for the next generation. In his presentation, he argued that, around 1000 medical doctors who graduated from African universities left for the USA in 2011 and are currently registered to practice as medical doctors in that country. He further provided a report analysis from the International Organization for Migration where it is projected that, 20,000 African experts leave the continent in a yearly basis to join other 300000 that are based outside the African continent. Truly then, this is a massive lost in terms of the quality of qualified experts that Africa is losing for the benefit of developed nations.

This situation therefore should be attended to by Africa's leadership through the African Union (AU). Prof Nnadozie as a result of this blew the whistle by calling African leaders to reverse this trend as the loss of these skilled African will have a negative development impact in the countries they were born. Prof Nnadozie strongly argued that, "While Africa bears 24% of the global burden of diseases, the continent employs just 2% of the world's doctors – leaving it hopelessly ill-equipped to deal with multiple health crises".

It is therefore important the article argued, to retain all these skilled African because their expertise is needed in Africa to ignite development initiatives. Africa can ease development woes by tapping into its own human capital that forms part of the continent work force. He further argued that Africa Capacity Business Foundation (ACBF) currently has projected that, Africa is in dire needs of 7,441,648 in order to achieve the objectives set for the African Union's Agenda 2063. For example, engineers are vital to achieving almost any development goal, yet Africa has an average of just 25 engineers per 1-million people (compared to 168 in Brazil, 2,457 in the European Union and 4,103 in the US). Public sector economies in Africa can function at full capacity if governments utilize its human capital effectively in all areas of business capacity. In order to achieve the objectives set up by the AU Agenda 2063, African governments need to mobilize funds locally in order to create more needed jobs. Policies should be adapted to local needs. By so doing, research leading to policy formulation and implementation becomes more effective in the management of public affairs. Public sector economies is an area that is dominated by policy formulation meant to shape up public administration by providing support to those in charge of implementing policies in key economic areas. Policies are very important elements for fiscal and monetary decisions-making purposes. In a

situation where countries may experience challenges under demand pull inflation and cost push inflation, decision-makers are called to take appropriate measure to normalize the situation.

Governments, civil society organizations, researchers, academic institutions need to get access to this information so that corrective measures could be proposed. Information should be efficiently managed in various database and documented in order to be shared amount different stakeholders to serve various purposes. The central governments through their institutions should organize local conferences, seminars and other related channel of communications to share the research findings related to human capital, the state of infrastructure, the level of unemployment and the National Development Plans (NDPs). This should be cascaded down to local authorities who are tasked to implement programs that will benefit all.

This study is therefore of the view that, the centralization of powers hinders the effectiveness of Knowledge Management. For KM to become effective, it should be introduced at all levels of governments. Hence calling for the adoption of fiscal decentralization as a strategy and policy to drive all development initiatives. Local governments that are implementing agents are tasked to drive decentralization process at local levels by using the expertise readily available to them to ignite socio-economic development.

3. ADVANTAGES OF DECENTRALISATION POLICY IN PROMOTING SOCIO-ECONOMIC DEVELOPMENT IN A WELL-DESIGNED KM STRATEGY

In a well decentralized setting KMS contributes in socio-economic development through Knowledge sharing and strategies that are made available by KMS. Governments and related development partners therefore tape into proposed KM strategies by implementing them at all levels of governments. Local authorities should be able from these strategies to mobilize the required resources for socio-economic development. A KM strategy depicted in figure 2 and related to the current context is designed to contribute in the achievement of socioeconomic development. In using the financial, the political as well as the human capital, this study is of the view that, a well-managed and efficient knowledge setting is important in putting Africa in the path for socio economic development. In choosing fiscal decentralization as policy and a strategy, this study has briefly explained the role of monetary and fiscal policies in supporting socioeconomic development through government functions and KM settings. Decentralization is the shifting of powers from the upper to the lower of governments in order to facilitate a smooth management of public services for effective service delivery. Fiscal decentralization is very important in the allocation of good and services as government expenditures is expected to be efficient in the allocation of goods and services. The above certainly forms part of the three functions of government that are related to the stabilization of prices and employment, allocation of resources and the distribution of wealth. It is convincingly argued in Wallace Oates (1972) from (Voorhees,2004) that in a fiscal system of governments, the above functions of government are not equally suited for all levels of government and that efficiencies are realized if the appropriate function is properly matched to the appropriate level of government. In general, he argued for central government control over monetary and fiscal policy in the quest for price and employment stability.

Good and services should be provided by the level of government that is closest to the people. Robbins (2004) in quoting Bahl and Linn's survey of 29 localities in developing countries (1992, 20-22) shows that the core, primary functions provided by local governments include fire protection, abattoirs, street cleaning, street lighting, garbage collection, cemeteries, minor disease prevention, and libraries. It is therefore clear that, if local authorities are given the required powers, they could better deliver the services in their areas of jurisdiction. Which is why this study argues that decentralization policy is important for service delivery.

The study argues that, public sector economies in Africa could function at full capacity, if local resources (Human and financial capital) are used effectively for socioeconomic development. Local authorities should be given the leeway to generate their own financial resources and use the human capital at their disposal to implement programs that contribute in alleviating poverty and putting Africa in the path for socio economic development.

4. LESSONS LEARNED

Public sector economics involve the government. It has also transpired that, government has three major functions that are related to a) stabilizing prices and employment, b) allocating resources, and c) distributing wealth. KM on the other hand requires that, the government uses its knowledge capacity to ignite socioeconomic development through a well-designed KM Strategy that should encourage young graduates to take up employments locally rather than seeking employment abroad as a result of corruption and maladministration in which meritocracy is not recognized. The current study found that, fiscal decentralization is critical and very important in KM settings as it allows local authorities to use an appropriate human capacity to implement programs that contribute to poverty alleviation while empowering local citizens. The use of information and communication technology (ICT) is also seen here as a catalytic element that facilitates the management of knowledge at all levels of government. Authorities at all levels of government are encouraged to become conversant with the e-government strategy in order to foster efficiency for service delivery.

5. CONCLUSIONS AND RECOMMENDATIONS

Public sector Economies in many African countries have been challenged by lack of effective management of policies that could assist in the management of public affairs. This has led many young graduates and professionals to seek greener pastures in Europe, the USA and Asia. This brain drain has a negative impact into the future of Africa as all qualified cadres are leaving the continent. The current study is therefore of the view that, African governments through the African Union should craft a well-designed and continental KM strategy that shall assist Africa in achieving its 2063 vision. Otherwise, the continent will remain impoverished and will be continually exploited by foreign powers as a result of bad policies linked to maladministration which subsequently push qualified African to leave the continent in search of better lives in France, the UK, USA, Australia, Germany, Japan and China.

6. RECOMMENDATIONS

Knowledge management should be a key component for socio-economic in Africa. African governments should organize more effective fora where government officials could share knowledge and good practices. Through Knowledge management, governments should have a common position on how to curb illicit financial flows and how to stem informalities by translating informal sectors to fully fledged businesses so that African governments could broaden their tax base as a result for domestic resources mobilization for Africa's transformation. Peer learning for good practices is therefore important for this. Training should also be provided to tax official and local authorities for a more effective resource mobilization. For KM to become more effective, it should be introduced at all levels of governments. The adoption of fiscal decentralization is therefore very imperative as a strategy and policy to drive all development initiatives. Local governments that are implementing agents are tasked to drive decentralization process at local levels by using the expertise readily available to them to ignite socio-economic development.

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