

Chapter 1

Modern trends in public administration

GOVERNING A STATE IS SIMILAR TO MANAGING A COMPANY

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Abstract. *Political theory and politicians mainly deal with the problem of governing the state, which results from treating the state primarily as political institutions. Political and legal sciences deal with a state which is a political institution. However, the state is also an economic, or organizational, system that has all the attributes of any business organization, such as inputs, transformation processes, and outputs measured by political, sociological, or economic outcomes. Another dimension of the state as an institution is the governance, that is, the way or concept used in governing the state. Socrates said that the governance of the state should be entrusted to the wisest heads, which means those who have the knowledge, skills, experience and wisdom as the highest level of integration of the previous elements. This view is reasonable, because the state is a large and complex system, with numerous interdependencies of various factors and subjects in the political as well as the economic environment. Governing a state as an organizational system, from the point of view of goals and purpose, is similar to managing any organizational system, which means that the basic purpose of every organization is to create new values with the highest level of rationality. If there was no economic dimension in the organizations, not even in the state, the managing would not make any sense. Considering the fact that there are no unlimited resources today, every organization must first and foremost insist on meeting goals with as little input as possible, or in the increased value of outputs, which is a matter of economy and its business principles. This paper points to the need to transform a traditional, and that means political state and methods of governance into an economic state, which would primarily deal with the economy and create the well-being and happiness of its population through the application of experience in organizing and managing corporate organizations. Instead of the domination of politics over the economy, in the new conditions, the economy should be above politics, that is, in every political solution the economic dimension should dominate as a condition for the survival of every organization. Institutions that govern the state are particularly analyzed, such as: parliament, government, and the prime minister, with the aim of applying some of the rules used in governing corporate systems to these institutions.*

Keywords: *state, parliament versus shareholders' meeting, prime minister and government versus board and CEO, economy above politics.*

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Introduction. Globally, fundamental changes have taken place in the social, political, economic, technological organizational and other spheres in recent decades. Globalization has largely eliminated national borders and barriers, regional and European legislation has become supranational, economies

are interconnected globally as never before, technology and knowledge transfer is enabled. Changes are still happening, difficult to follow, and even harder for states, organizations and individuals to adapt to.

In these circumstances, the traditional concepts of organizing and governing the state, that is, concepts that existed in the last century, are still retained. The state was and still is the key institution that creates politics and the political system. Political theory has long emphasized that the state is a class creation and will disappear as such. From this point of view, the state will disappear, we have come to the situation that the state becomes an institution that creates more problems than it solves problems. Political parties that form the state have become interest organizations and as such are unable to express the general will or interests, which is why they are a generator of division and oriented to conquering and preserving power. How much political and other forms of power have political parties received globally, it can be seen by the fact that "parties control the state apparatus", that is that the Party is the safe way to reach state office". (Vasović: 2012. p. 93).

Although the basic purpose and goals of any management of any organization is to achieve the best results as measured by economic indicators, the economic dimension in the governance of the state is neglected, although it is the most important, since the survival of the state, economy and individuals depends on the economy. It is shown that the economy at the global as well as national or corporate level is becoming more and more complicated, due to the increased interdependence of various subjects in business in general.

Literature review. Questions to compare the methods and tools of public administration in managing a company in their works was research by: Brown L. (1979) in "A World Without Frontier", Ferguson N. (2013) in "Civilization", Obradović M. (2014) in "The state functions as an enterprise", Pešić Z. (2011) in "Political system", Radosavljević Ž. (2017/18) in "Lectures on doctoral studies in the academic year 2017/18 at the study program Management and Business, Faculty of Business Studies and Law", Vasovic V. (2012) in "Contemporary democracies" and other authors.

Aims. Aims is to compare the methods and tools of public administration in managing a company.

Methods. The author used the methods of static and logical comparison, systematization and generalization, which made it possible to achieve the goal of the study.

Results. The traditional state is unable to respond to the many challenges that are permanently increasing, resulting in population dissatisfaction, to conflicts at the national level, that is, migration and war conflicts with the enormous destruction of individual states. The question is how has the world come from the prediction that a state in the world of globalization and the disappearance of national borders will be marginalized, and ultimately disappear, to the fact that states today become alienated from citizenship, becoming a major security threat, increasingly authoritarian and dedicated to the

repressive apparatus, that many spheres, especially in the countries of transition, are supported and that the basic problem arises how to defend and defend against the state.

The partial answer lies in the understanding that the state is a political institution and it should deal with political issues, institutions, democracy and human rights, nations, the organization and governance of state institutions, etc. It is neglected that these and other institutes are not the goal, but instruments to achieve the best possible standard of living for the population. Therefore, democracy and freedom are not goals only, but rather a tool that more effectively achieves the goals of a better quality of life and a longer life span, since it is shown that in freedom and democracy a person is more efficient, more creative and in such conditions can give greater effect than in authoritarian system. This is similar to corporate systems, because the success of a company, and the same applies to the state, is judged by how satisfied employees or citizens are with earnings, working conditions and the growth and development of the company, that is, the state. That is why the governance and organization of the state should be set on a corporate, which means economic basis.

Parliament in the state is the same as shareholders' meeting in a company. The state is a type of organization that has some general rules of organization, management and functioning like any other organization, but also a number of specific characteristics that distinguish it from others. What is common to every organization, that is, self-organization, is that each has its own goal, purpose, or mission for which it exists, the bodies that manage, that is, guide and direct the organization to a defined goal. Parliament is one of the most important institutions of any state, its organization is defined by the highest legal acts of the state. It is in fact the highest representative body and as such it is the creator of the legislature. It performs, or has "the following functions: representative, legislative, elective and controlling" (Pešić: 2011. p. 306).

What is the parliament in the state, it is a shareholders' meeting in corporate organizations, transnational or multinational type. It turns out that the shareholders' meetings in modern management are losing importance because of the large number of shareholders, their dispersion, and especially because of the sluggishness in making management decisions. Considering the fact that speed of decision-making has become a key success factor today, shareholder companies confer their traditional rights and powers on operating bodies such as boards of directors or supervisors, who are at the same time competent and they are able to make appropriate decisions quickly. They keep the right to elect and dismiss management bodies and delegate authority to manage capital on their behalf, but also to make other important or strategic decisions such as: merger or separation of companies, creating rules for dividend distribution, remuneration of members of the board of directors or supervisory board, etc. Due to the above, the shareholder meetings remain the highest governing body of the corporate system, but also an institute that rarely meets, and even when it does

so, incompetent shareholders do not have enough information to make strategic management decisions.

The above points to the idea of the transition of the traditional way of organizing and functioning of the parliament, such as the practice of functioning of the shareholders meetings, since it is obvious that in most countries, even developed democracies, parliament becomes a "flow boiler" which adopts the proposals of the executive power and has very little effect on changes in legal and other solutions given in legal and other frameworks. This is how the idea of parliament is inverted, and it does not matter who adopts, but who proposes legal solutions. If, for years, the proposals go the way they are proposed by the executive or the government, the parliaments are not only unnecessary, but they also incur expenses in connection with the holding of sessions and other costs and as such they are useless.

Parliament is constituted on the basis of election results, and the right to vote is one of the most important rights because it allows a person to choose the profession they will practice, the educational institution they will study in, the organization they will be employed in, the spouse they will live with, the health care the institution in which they will be treated, the church they will give their faith in, etc. In political theory, the right to choose means the freedom for the individual to decide who will lead and represent him or her, who will represent him or her and who will best represent his or her interests. The fact is that the right of choice in all spheres is called into question and that the state, through its direct or indirect mechanisms, often and in a sophisticated way, denies or diminishes this right, or creates an unfavorable climate for its realization.

Without going into more detail about the issue of the right to vote and constitution of the parliament, the rules of the functioning of the shareholders' meeting can be applied to the parliament, in particular, to relieve parliament from conditionally speaking non-strategic decisions and solutions, because parliamentarians and shareholders are not competent in the knowledge society to significantly influence the adoption of policies, legal frameworks, strategies and other complex acts.

In today's political systems, the mandate of parliament is almost defined, which is problematic in modern times, especially if parliament is elected for a long period of time and does not show results. The turbulent times as they are today and those expected in the future impose the need to lead "daily battles, rather than long-term policies and strategies" that do not correspond with the fast changes in the technological, social, political, economic, organizational, cultural or religious spheres. In other words, the focus today is on managing strategic change on the principle that everything is changeable, and that only the change are permanent, and changes cannot be dealt with by incompetent and insufficiently informed parliamentarians or shareholders.

The effect of the work of the parliament as well as of shareholders companies and meetings should be measured by the economic results achieved by the economy of a state or companies, not by the number of sessions, the

number of laws passed, resolutions, verifications and other activities. Deputies as well as shareholders should share the fate of citizenship, since the success of the economy and society as a whole, the development of democracy and the progress of the country in general depend on parliament. This means that both the parliament and the shareholder companies should emphasize the economic dimension that is how effective are the laws that are enacted, whether and how much parliament creates a democratic atmosphere for creating quality laws and whether through the oversight function it ensures that the government, as its executive body, creates the conditions for the implementation of legal and other solutions.

The prime Minister and the Government are similar to the board and the director of the corporation. Each state, as well as the company, has their own administrative and executive bodies with clear competencies and responsibilities. The difference is only in the extent, complexity and interdependencies that exist between different participants in social and economic life. In this context, a government composed of the respective ministries is formed, headed by the first minister or prime minister. The job of government and prime minister is similar to that of a CEO, corporate president, manager, or management structure in other names in business systems. The emphasis of every government, or so it should be, is on the economic dimension and creating the conditions for economic growth and development. "The United States Government is playing an increasingly important role in managing the economy through tax and monetary policy and funding for research and education." This tendency is likely to continue in future, since at the core of all activities is the economic dimension as a condition of all other activities and activities (Brown: 1979, p. 148).

The prime minister is the host, the one who listens and plays a crucial role and influence on the survival, growth and development of the state. Friedrich the Great once stated: "The ruler is the first man of the state. He is well paid so that he can maintain the dignity of his service. But, in turn, it must be effective, for the benefit of its state." His great grandfather Friedrich Wilhelm was of a similar opinion. What matters is his understanding of interests when he says: I cannot have interests that are not the same as those of my people. If they are incompatible, the welfare and prosperity of the state should always prevail. Although we are talking about a ruler, not a prime minister, given the powers that prime ministers have in modern parliamentary democracies, these statements apply to all strategic state structures (Ferguson: 2013. p. 95).

The government and the prime minister elect their team, design the government and lead the team, creating a favorable national climate and culture for the achievement of the set goals by parliament, analogous to the goals set by executive corporate executives, shareholders. The quality of life, but also the success of business entities and other actors in economic and social life, depends largely on government decisions and strategies.

The ministries in the state or government are the same as the directors of particular sectors in the company. The Minister of Finance is in fact the CFO at the company, which is also one of the most important ministries because it shows that financial management is one of the most important and complex issues. The ministries of force (interior and defense) are in fact directors in charge of the security of property, people, information in companies. The Ministry of Education is the same as the sector or department dealing with education and training of employees. The Ministry of Technology and Innovation is similar to the Technology, Development and Innovation sector. Other ministries in government are analogous to directors in the agrarian, industrial, manufacturing, health, education and other activities and sectors.

If we understand the state as an enterprise, the rules that apply to the management and organization of business systems apply to the state. The most important thing for the government, as well as for every management team in the company, is to act in a team-based manner and for the government to make management decisions that would achieve the greatest statewide effects. This means that the interests of individual ministries can be sacrificed, provided that such sacrifices produce greater effects at the state level as a whole. The Prime Minister's task is to direct the individual activities of the ministries towards the whole and to highlight priorities from the point of view of the whole. Related to the previous is the mandate of the government, which should be as much as it successfully accomplishes the set goals and creates a vision of the functioning of the state in the future. In modern conditions, the government's mandate is generally four years, from election to election. This is a long period for unsuccessful governments to survive, producing losses and failures at the national level. If corporate governance rules were to be applied at the state level, a failed government would not even receive a year of its mandate, as it is the case with company systems. In other words, if the CEO and his team fails to show satisfactory results within the first year, they will not gain the trust of the management or supervisory board. Practice shows that in business organizations when adopting the final account, there are two envelopes when it comes to the management structure: one in which the mandate of the management team is extended and the other in which the trust in the existing set in running the company is denied. The second envelope is activated if the shareholders are not satisfied with the achieved results. The shareholders are aware of this, as well as the management team, which is why it is a general endeavor to keep the same company as long as possible and to achieve the best possible business result. (Radosavljević, Ž.: Lectures on doctoral studies in the academic year 2017/18 at the study program Management and Business, Faculty of Business Studies and Law, Union-Nikola Tesla University in Belgrade).

Unsuccessful, that is, managers who do not gain shareholders' confidence come to the so-called "blacklist" at the agencies that track records, make recommendations, and select individuals to manage a particular company. Managers who have proven unsuccessful can hardly find a new job and their

business careers are often completed, as the successful Bambi CEO Miroslav Miletic once warned: “The state must start functioning as a large and successful enterprise. In companies, an unsuccessful manager lasts a maximum of three quarters. When it scores worse in the first quarter than in the previous quarter, you do everything to prevent it from happening in the next quarter, because you simply won't see the third quarter. We have no four-year mandate to run the company” (Obradovic: 2014, p. 1). This reasoning is logical, because capital is too expensive economical good to be entrusted to incompetent and irresponsible individuals. Similar is the situation with coaches in sports organizations, who, even when they sign multi-year contracts for fabulous amounts, are fired by the assembly of the sports society, that is, the founder or other members. It is shown that the payment of large indemnities for termination of the contract is far more beneficial for the future of the sports society, than to leave it to the coach who does not achieve results and does not achieve the set goals.

The previous practice is applicable to the state, the prime minister and the government, as well as to other structures. Therefore, there is no limited mandate, because the government should stay while giving results, but also to be replaced when it does not show results. The period of four, five or more years is too long to wait for the term of a failed government to expire. Certainly, government changes are linked to cost-effective elections that are organized within legal deadlines. However, modern information and communication technology, that is internet technology, allows elections to be held multiple times, for example by electronic voting, which is cheap and does not require classic promotional activities from the past, where the promoters of their political options visited villages and cities to present their programs and management plans of the state. In short, elections at the state level today can be conditionally said to be “held daily,” as well as checking citizens' satisfaction with specific governments and individual ministers. The situation with the perspective of the Prime Minister is the same, or the individuals who were part of a failed and ousted government, because like unsuccessful managers, they should be registered in a separate register of unsuccessful ministers, secretaries of state, heads of administrations, etc.

Discussion. The practice and accurate analysis of transition countries, including Serbia, shows that many unsuccessful individuals in the government, or segments of it, continued to survive in new governments, changing departments or positions, remaining in power for several decades. Treating the state as a company, and state governance with corporate management would greatly contribute to the economic and social development of each national community.

Conclusion. It is known that the state is the largest consumer and, as a rule, it is a poor manager. An absolute state is an absolutely bad manager and host, because it cannot do anything quickly and effectively. The practice where state representatives say that the state has earned something is far from reality, because the state only consumes, so its effects may relate to the rational use of

resources. In short, the state has become inefficient and ineffective over the long term and one of the main generators of the crisis.

The reason for this is the undisputed fact that the presence of the traditional or political state with the use of instruments, mechanisms and concepts of the past has been retained to this day, and above all the high presence of coercion and the classical way of organizing and managing. The state operates on a monopoly basis, is not exposed to competitiveness, and power ministries are able to coerce citizens to obey the demands of the state. It is shown that outdated relationships, concepts and mechanisms of the past cannot solve contemporary problems, because they precisely occur due to inadequate ways of organizing and managing them.

Inefficient government management multiplies national and often regional and global problems. The 2019 wildfire in Brazil confirms this, as the entire world has become interested in the destruction and endangerment of ecosystems. It turns out that the state, due to the application of outdated concepts, creates problems in other subsystems or parts of the state, such as: enterprises and institutions, also, it has an impact on the standard of living and happiness of individuals. This is natural, because the decisions of the state directly affect the conditions of business and the ability to use natural and social potentials.

One way to achieve greater national success is the transition of a political state into an economic state that will function as a quality of life for its population, instead of operating on the principles of a feudal state with the basic task of imposing taxes, rents and other burdens that enable the party to be maintained and enriched in power, that is, to support the state bureaucracy and the voting machine, with numerous privileges and comfort. Introducing a new concept of the state, that is, a new concept of organizing and managing, is a priority of all priorities, namely the understanding of citizenship as a shareholder, the parliament as a shareholders' meeting, and the prime minister and government as an executive body, or board, or CEO of a company. Related to the previous is the elimination of numerous misconceptions regarding political parties, the state and its institutions and dedicating itself to the economic dimension, which is a condition for achieving a better standard of living, but also for faster and better growth of society and the economy as a whole.

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