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Creativity and Budgeting: Improving the Budget Process with Creativity

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Creativity and Budgeting:

Improving the Budget Process with Creativity

by

Janet Kazuko Stormes

An Abstract of a Project
in
Creative Studies

Submitted in Partial Fulfillment
of the Requirements
for the Degree of

Master of Science

December 2018

Buffalo State College
State University of New York
Department of Creative Studies

Abstract

In this master's project I explore ways to improve a budget process by integrating the principles and tools of creativity and Creative Problem Solving. I do this by prototyping, testing, and revising a creativity-budget model. The creativity-budget prototype model was based on my professional experience in federal budgeting and a literature review on topics including governance, the budget process, stakeholders, collaboration, the impact of the budget process on the creativity of an organization, and the principles of creativity and creative problem solving. In July 2018, I tested the prototype model by conducting creativity-budget workshops in Myanmar. Based on my experience in Myanmar and additional literature review, I have revised my model. The revised creativity-budget model focuses on integrating the principles, thinking skills, and tools of creativity and Creative Problem Solving into the budget preparation (formulation) phase of the budget process. The revised model also integrates basic Creative Problem Solving phases with the other budget process phases: review and approval; execution; and evaluation and audit. I discuss areas for future research and refinements to my creativity-budget model.

Keywords: creativity, budgeting, budget process, creative problem solving, public sector

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December 14, 2018

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December 14, 2018   *Janet Kazuko Stormes*

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Finally, I want to thank Coleman for his support and encouragement to take the leap from a career in the federal government to a "third career" in creativity and budgeting. It was the right decision, and I will be forever grateful for your belief in me.

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Section One: Background to the Project

The purpose of this master's project is to prototype, test, and revise a creativity-budget model and related training workshop. My interest in the use of creativity in budgeting comes from my experience in two very different careers – I have been a dancer, choreographer, and teacher for over 35 years and I had a 24-year career in the federal government, most of it as a budget analyst in the international relations field. Many people have asked me how I balanced these two careers. I always respond by saying that each support and benefit the other. Now, I am interested in synthesizing what I have learned as a dancer, teacher, and choreographer, in federal budgeting, and as a student in the master's program at the International Center for the Studies in Creativity.

Federal Government Programs

I worked at several federal agencies in Washington, D.C., including as the budget director and chief financial officer for the Broadcasting Board of Governors. I was a professional staff member on the U.S. Senate Committee on Appropriations until I retired in December 2016 after over 7 years on the subcommittee responsible for funding the Department of State, the U.S. Agency for International Development, and U.S. foreign assistance programs.

When I worked on the Senate appropriations subcommittee, I witnessed agencies and departments struggle to come up with effective solutions to complex problems. Agencies tended to address new challenges by repeating or tweaking old solutions or expanding existing programs without adequate assessments of the challenge or an understanding of the needs or interest of the beneficiaries. While there were times when this worked, there were also times when it was not successful. An example is the Department of State and U.S. Agency for International Development (USAID) approach to development projects in Iraq. The Special Inspector General

for Iraq Reconstruction (SIGIR) identified U.S.-funded projects that reflected the difficulty of successfully implementing traditional development projects in war zones. For example, the Department of State built two training and housing facilities (one in Baghdad and one in Basrah) to support its Iraq Police Development Program (PDP) at a cost of approximately $206 million.

As a result of the lack of Iraqi interest and security concerns, both facilities were closed just a few months after the PDP started. The Department of State had originally planned for the PDP to be a five-year, multibillion-dollar program, making it the Department's largest program. According to SIGIR (2012), the Department of State assumed responsibility for the PDP on October 1, 2011 and on October 24, 2011, SIGIR reported "…serious weaknesses with DoS's (Department of State's) planning, including the absence of a current assessment of Iraqi police force capabilities, high security costs, and the lack of a written commitment from the Government of Iraq (GOI) for the program." (p. 6). The U.S. military mission in Iraq ended on December 15, 2011, requiring the Department of State to assume primary responsibility for the security of personnel. By June 30, 2012, 13,722 contractors were required to provide security and life support (food, transportation, etc.) for 1,235 U.S. Government employees, at a cost of $6 billion a year. Not only did this quickly become financially unsustainable, the Iraqi government was not supportive of such a large U.S. diplomatic presence. At the same time, the Iraqi government was going through a period of instability because the 2010 parliamentary elections resulted in a 9-month power struggle. By July 2012, the Department of State began reducing the number of personnel supporting the PDP, and the Department decided to close the two training facilities. SIGIR (2012) stated, "This brings the total amount of *de facto* waste in the PDP – that is, funds not meaningfully used for the purpose of their appropriation – to about $206 million." ("Summary of Report," para. 2). SIGIR (2012) stated that this program is an example of a

"…major lesson learned from Iraq…host country buy-in to proposed programs is essential to the

long-term success of relief and reconstruction activities…" ("Summary of Report," para. 5).

This is, in fact, a fundamental component of any successful international assistance program.

      SIGIR (2008) also determined that USAID spent $26 million for an accounting system

for the Iraq Ministry of Finance that was of limited use and was ultimately suspended. To

understand how this occurred, Figure 1 presents a timeline for the acquisition of the accounting

system as described by SIGIR.

Timeline for Acquisition of Iraqi Financial System	
2003	Need for Iraqi Financial Management Information System (IFMIS) to manage and oversee the government's budget was identified.
	USAID told to do this and contracted for the system
	USAID told to proceed even though no feasibility or design analyses had begun.
	Iraqi user requirements were not identified or incorporated in the development of IFMIS.
	SIGIR found that none of the International Monetary Fund's 5 pre-conditions (clear commitment and ownership, ready for reform, sound project design, capable project management, and adequate resources) for the successful implementation of a financial system were fully met.
2004	USAID added to the contract to continue funding IFMIS and specified that IFMIS installation would be completed within the year.
	Policy leadership of project passed to Iraq Reconstruction and Management Office
2006	Policy leadership of project passed to the U.S. Treasury
	USAID deferred policy decisions about project to these entities even though USAID was implementing project.
	Normally, government financial systems are implemented after government budget and accounting reforms have been completed. This was not the case for this system, creating constantly changing systems requirements.
	The Ministries did not agree on uniform reforms and the staff skills and training were not adequate to operate IFMIS.
	USAID provided the initial system requirements because there was no sovereign Iraqi government at the time.
2007	Financial advisor and his security detail were kidnapped from the Ministry of Finance offices and not found. As a result, USAID became concerned about the security at the Ministry of Finance.
	Ministry of Finance support for this project eroded and did not enforce any of the agreements they signed with USAID. The Ministry of Finance continues to operate their legacy system.
	The U.S. Department of Defense supported the implementation of a different financial management system for the Ministries of Defense and Interior that were not compatible with the USAID-implemented financial management system, IFMIS.
	The U.S. Embassy in Iraq ordered the suspension of the IFMIS implementation, pending determination of Iraqi government support.

Figure 1. Timeline for the Acquisition of the Iraqi Financial System. Source: Office of Special Inspector General for Iraq Reconstruction (2008).

Sometimes a new program approach can be hijacked by an existing structure or program, which can lead to a difficult integration into an agency's operations. We tried several times to write legislation to provide USAID with new authorities, funding, and directives to address what Congress perceived as weaknesses in the agency's efforts to work with local organizations and communities, but the agency – hampered by bureaucratic resistance – continues to struggle with

the implementation of the program. The USAID Office of the Inspector General (2017) indicated in its *Fiscal Year 2018 Statement on Top Management Challenges for USAID and MCC*, that while USAID launched this program in 2010 and updated the program policies in 2016, the program still lacks clarity on how it measures sustainability and local ownership, and it is unclear what USAID has achieved with the funds. The USAID Inspector General noted that it was conducting an audit of the program to determine if it is achieving the program goals of strengthening local capacity, enhancing and promoting country ownership, and increasing sustainability.

Creativity in Federal Government

On the other hand, there are examples of government efforts to encourage creativity or the use of creative problem solving, including "Challenge.gov" at https://www.challenge.gov/about/, a government site for federal prizes and challenge competitions offered to private citizens by over 102 federal agencies. The Office of Management and Budget issued a memorandum, M-10-11, providing guidance to all federal agencies on the use of challenges and prizes in support of President Obama's "Strategy for American Innovation" (Zients, 2010). Additionally, science funding agencies such as the National Science Foundation and the National Institutes of Health, and multilateral organizations such as the United Nations and multilateral development banks use creative problem solving to identify potential solutions to scientific and social challenges.

A recent example is the Department of Defense's Defense Innovation Unit Experimental (DIUx), established in 2015. This program is based in Silicon Valley, with branch offices in Austin, Boston, and Washington, D.C., and was launched to accelerate the development of new technologies for the military (Kaplan, 2016). To do this, DIUx has changed how they contract

work with Silicon Valley companies and fund research and development. According the DIUx's

2017 Annual Report, DIUx's mission is:

> …to lead DoD's break with past paradigms of military-technical advantage to become
>
> fast adapters – as opposed to sole developers – of technology… Success in this new era
>
> of military-technical competition no longer goes to those who seek the most exquisite
>
> systems, but rather to those who move fast and think creatively. (DIUx, 2017, p. 2)

My Vision for Integrating Creativity into Government Programs

While these are important efforts to integrate creativity and creative problem solving into

federal government programs, my vision is to integrate Creative Problem Solving principles and

tools into government budget processes as a way to improve strategic planning, transparency,

accountability, stakeholder input, and evaluation. I think that these principles and tools can help

to change the function of the budget process from simply a control tool to a strategic tool that

supports the effectiveness of an agency's or organization's use of its resources and programs.

Governments can then use the budget process to develop programs that address the challenges

facing a city, region, state, or country and its citizens. I fully recognize that appropriations and

federal budgeting are influenced by politics, and some programs and funding levels will always

be driven by political considerations. However, I think that creative problem solving processes

and creative thinking tools can be utilized to improve the development and funding of programs,

particularly in the planning or formulation phase of the budget process, and by doing so,

contribute to more effective use of federal dollars and better outcomes.

Government programs are complex and because of the rapidly changing world,

government programs should also be flexible and adaptable. However, as the U.S. assistance

programs in Iraq illustrate, governments can have a difficult time developing new approaches.

One of the reasons may be that government employees have not been trained to use creativity as they develop solutions to these complex problems. Research and journal articles have focused on the need to bring creativity into the classroom to teach students to think creatively (Puccio, 2017). This is driven in large part by the recognized need for developing solutions that do not currently exist for problems we cannot even envision. I agree but think that this new thinking and training are needed to nurture creativity in public sector employees. I believe that this is possible by integrating technical training with analytical and creative thinking training. When technical training is the sole focus of an employee's training, it can become too rigid, making it difficult for employees to think beyond existing programs and limitations. However, when analytical and creative thinking training is done separately, employees may not understand how it applies to their technical work. It is often easier to return to what they did before, even if it wasn't completely successful.

Planning for the Unknown and Complex

Wheatley, Anthony, and Maddox (1991) think that creative problem solving training can improve strategic planning, which I believe is integral to effective budgeting. They argue that because strategic planning is about thinking about an unknown and uncertain future, strong imagination and creativity skills are critical for successful organizations. Budgeting is also about planning for the future and unknown circumstances, and I would argue that creative thinking skills and tools are critical for effective budgeting.

Sorenson and Torfing recognize the need for innovative public sector solutions to today's problems:

…a growing number of public policy tasks involve "wicked problems" that are ill-defined, difficult to respond to, require specialized knowledge, involve a large number of

stakeholders, and carry a high potential for conflicts (Koppenjan & Klijn, 2004)….These

wicked problems cannot be solved simply by throwing more money or standard solutions

at them; rather, they require innovative policy solutions. (Sorenson & Torfing, 2011, p.

848)

The principle that creativity facilitates the flexibility needed to respond to changes is key

to improving government budget processes. I recognize that there are added complications to

government processes because of legal mandates and the responsibility for avoiding waste of

taxpayer funds. The challenge is to balance the need for creativity and risk taking with the need

for accountability, structure, and compliance. My focus is on identifying the principles and tools

that achieve this balance for government employees responsible for budgeting and managing

public funds. I believe that Puccio (2017) is on target in looking at this challenge when he

argues that "…conformity is the necessary polarity to creativity." (p. 331). He adds,

"(c)onformity promotes cooperation, collaboration, efficiency, and productivity. Like creativity

our conformity bias is innate. Together they create a functioning system, and one without the

other is counter productive." (p. 331).

Creativity-Budget Workshops

To this end, I developed and then delivered workshops that integrated creativity

principles and Creative Problem Solving into the budget process. The workshops were tested in

Myanmar in July 2018 as part of a service learning graduate course. A service learning course is

defined by the State University of New York, Buffalo State as:

…a credit-bearing educational experience in which students participate in an organized

service activity that meets identified community needs (in partnership with a non-profit

agency) and reflect on the service activity in such a way as to gain further understanding

of the course content, a broader appreciation of the discipline, and an enhanced sense of

civic responsibility. (Bringle, R. G., & Hatcher, J. A. Implementing Service-Learning in

Higher Education). (State University of New York, Buffalo State, n.d.)

As part of these workshops, I developed a creativity-budget prototype model in which I

linked the phases of the budget process identified by the National Advisory Council on State and

Local Budgeting (1998) with the phases of the FourSight Creative Problem Solving model

(Miller, Vehar, Firestien, Thurber, & Nielsen, 2011a). Based on my experience in Myanmar, I

think the prototype model has potential, and I want to further refine and improve it. I plan to use

my master's project to more fully explore, through a literature review and analysis of my

prototype, ways to improve the budget process by incorporating creativity and Creative Problem

Solving principles and tools. I have learned from my studies that Creative Problem Solving

requires getting the right people to identify the correct challenge. It requires thoroughly thinking

through a challenge, generating innovative ideas to address the challenge, and understanding the

opportunities and concerns about alternative solutions before spending money, resources, and

raising hopes for a solution. I believe these are all also applicable to the budget process.

Project Goals

My personal goals for this project are:

1. Identify the underlying principles of sound budgeting, and map the key

    components/phases of the budget process.

2. Identify the key creativity principles and Creative Problem Solving components and tools

    relevant to the budget process.

3. Identify the key associations between the budget process, creativity principles, and Creative Problem Solving principles and tools, and develop a creativity-budget prototype model.

4. Draw meaning (and learning) from the eight workshops I presented in Myanmar as I consider revisions and refinements to my creativity-budget prototype model.

5. Revise the creativity-budget prototype model and related training.

6. Teach workshops on my revised creativity-budget model and share the fundamental principles of the model through writings and presentations.

7. My long-term goal is to modify the budget process and change organizations' and governments' understanding of the budget process from simply a control tool to a strategic tool that supports the effectiveness of an organization's or a government's use of its resources, its programs, and responses to the challenges facing them.

Rationale for Selection of this Project

I selected this project because I emphatically believe that there is a role for creativity in government. This belief comes from my experience in my two careers. Several years before I retired, I began asking myself, "What is the role of creativity in the public sector?". Since coming to this graduate program, this question has evolved to, "How might a government use creativity in its budget process to provide more effective services to its citizens in a sustainable, transparent, and accountable way?". After conducting the workshops in Myanmar, I realized that my prototype is focused mostly on the budget development (formulation) phase of the process, and that is what I will focus on when revising my prototype.

My vision for harnessing the power of creativity to strengthen governance through government budget processes is that it would be great if:

- a government's budget process and decisions can reflect the ideals of a democratic government and the principles of good governance;

- government employees embodied these ideals, and had the skills to apply these principles;

- decisions about the use of government funds were transparent and made with meaningful input from those who are affected;

- government funds can be used to support programs and policies that meet citizens' needs;

- government employees can be taught or had the problem solving tools and creative thinking skills necessary to meet the complex and constantly changing challenges facing us today and in the future; and

- government employees can be encouraged and supported to take risks, seek creative answers to complex problems, and develop new approaches to the challenges.

I believe that creativity has great potential to help governments develop flexibility in their response to a complex world that is changing rapidly, address new challenges, work with citizens to understand their needs, and achieve accountability in the use of public funds. This, I believe, can lead to good governance, giving voice to citizens and enabling governments to effectively respond to new challenges. Others have recognized this:

> The OECD (Organization for Economic Cooperation and Development) endorses public participation in policy-making process as a strategy to promote good governance and to close the gap between the government and citizens, thus leading to stronger democratic government, more open and responsive to citizens' needs (OECD 2001). (Rios, Benito, & Bastida, 2017, p. 49).

The problem, too often, is putting it into practice.

Contrary to popular belief, budgeting is not bean counting; instead, it is the central process by which governments determine what it is they want to do and how they are going to do it. The budget process is the way governments resolve competing demands for the available resources – only those policies and programs that receive funding are implemented and have the potential to impact citizens' lives. I believe that this essential process can be done with more thought, citizen input, and creativity than it has been done in the past. For citizens to be more receptive to government decisions, citizen involvement, transparency, and public trust in the government's budget and decision-making process are critical. In its Governance and Development Thematic Think Piece, the UN System Task Team on the Post-2015 UN Development Agenda (2012) stated that "(i)ntegral to effective implementation is an informed and empowered citizenry engaged in transparent and accountable governance processes." (p. 4). I am convinced that this applies to the processes used to develop budget proposals and determine funding allocations for programs, just as it does to the implementation of programs.

Section Two: Literature Review

Description of Governance

United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) defines "governance" as "…the process of decision-making and the process by which decisions are implemented (or not implemented)." (UNESCAP, 2009, p. 1).

According to the UNESCAP, good governance has eight major characteristics. These are:

> …participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account, and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society. (UNESCAP, 2009, p.1)

In recent years, there has been an increased focus on understanding how improved governance supports a government's transition to a democracy. For example, Acemoglu and Robinson's central thesis is that countries were more economically successful when

> …their citizens overthrew the elites who controlled power, and created a society where political rights were much more broadly distributed, where the government was accountable and responsive to citizens, and where the great class of people could take advantage of economic opportunities. (Acemoglu & Robinson, 2012, pp. 3-4)

Organizations such as the United Nations and USAID have developed principles for sustainable development and good governance and these include inclusiveness and accountability (United Nations Development Programme, 2011; Natsios, 2005).

The Budget Process

Definition of budget. Budgets are the way organizations and governments resolve competing demands for available resources. According to the OECD, "(t)he budget is the single most important policy document of governments, where policy objectives are reconciled and implemented in concrete term." (OECD, 2002, p. 7). The OECD also states that the budget "…should be comprehensive, encompassing all government revenue and expenditure, so that the necessary trade-offs between different policy options can be assessed." (OECD, 2002, p. 8).

The National Advisory Council on State and Local Budgeting (1998) identifies the mission of the budget process as to **"**…help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process." (p. 3).

Allocation decisions are even more important if fiscal resources are limited. Posner writes:

Every agency has an inventory of unfunded needs that often are measured in trillions of dollars, whether for highways, water treatment facilities, future airport capacity, or backlogged low-income housing needs. A healthy budget process should review older claims and programs periodically to free up discretionary resources in order to fund emerging priorities and programs (GAO, 2005b). (Posner, 2009, p. 239)

Posner notes that, "(t)he Netherlands and Canada have achieved significant savings during targeted reviews of selected major program areas (OECD 2005)." (Posner, 2009, p. 239).

The phases of the budget process. The U.S. federal government budget process includes three basic phases: formulation (developing the President's budget request to Congress); congressional action (Congress' review of the President's budget and drafting of the annual appropriations bills funding the U.S. federal government); and execution (departments' and

agencies' implementation of the appropriations laws passed by Congress). There is also a phase

that is concurrent with the other three phases, evaluation and audit. More generically, the budget

phases are: formulation/budget preparation (estimating and planning; budget review and

approval (review of the budget and allocation decisions); budget execution (implementation of

programs and policies included in the approved budget); and evaluation and audit. Figure 2

presents the budget phases, key activities and players which are described further in the

following sections.

Budget Phases	Key Activities
Formulation (Budget Preparation)	Department/organization/office: • Review and update strategic plan • Identify organization priorities and needs for budget year • Identify programs to continue, initiate, or end • Develop costs estimates and resource requirements for future years
Review and Approval (Congressional Action)	Decision-makers: • Identify broader priorities/needs (i.e., city, state, country) for budget year • Determine resources available • Review budget requests • Make resource allocation decisions
Budget Execution	Department/organization/office: • Develop program/project plans updated to reflect decision-makers' decisions • Develop operating plan based on final allocation • Implement programs/projects based on plan, revising as necessary • Assess effectiveness of programs • Monitor and review budget/program/project implementation • Assess effectiveness of programs • Determine if changes are necessary

Evaluation and Audit	Decision-makers and stakeholders: • Evaluate program results and budget implementation • Assess effectiveness of programs • Develop proposed program and budget revisions for future budget years

Figure 2. Phases and Key Activities of the Budget Process.

The key components of the budget process. The National Advisory Council on State

and Local Budgeting describes the key characteristics of a good budget process:

…strategic in nature, encompassing a multi-year financial and operating plan that

allocates resources on the basis of identified goals. A good budget process moves

beyond the traditional concept of line item expenditure control, providing flexibility to

managers that can lead to improved program efficiency and effectiveness. (National

Advisory Council on State and Local Budgeting, 1998, p. 3)

Schiavo-Campo agrees, and also explains why a multi-year plan is key:

To meet the government's objective, the budgeting system must provide a strong link

between government policies and the allocation of resources through the budget….

Because most of these policies cannot be implemented in the short term, the process of

preparing the annual budget should take place within a fiscal perspective several years

into the future. The future is inherently uncertain, and the more so the longer the future

period considered: the general tradeoff is between policy relevance and certainty. At one

extreme, budgeting for just next month would suffer the least uncertainty but also would

be almost irrelevant as an instrument of policy. At the other extreme, budgeting for a

period of 10 or more years would provide a broad context but carry much greater

uncertainty as well. In practice, multiyear means medium term—that is, a perspective

covering no more than four years beyond the budget year. (Schiavo-Campo, 2007, p.

236)

Transparency and trust require a process that involves organized, informed, and empowered constituencies (UN System Task Team, 2012) including representatives, ministry/department staff, private citizens, civil society, and organizations as they develop budget proposals and determine budget allocations for programs. The budget must also be realistic, as Schiavo-Campo (2007) notes, "(t)o be an effective instrument of financial management, the government budget must in the first place be credible. To be credible, the expenditure program must be affordable." (p. 236).

Stakeholder Involvement

Overview. Citizen/stakeholder involvement impacts the budget process, and there is research indicating that citizen participation can increase budget transparency (Rios et al., 2017). In fact, the National Advisory Council on State and Local Budgeting (1998) states, "It is vital that the budget process include *all* stakeholders." (p. 4). According to the Council, involving stakeholders should include identifying their issues, gaining their support for the budget process and budget decisions, and reporting to them about budget implementation and program achievements.

Schiavo-Campo also recognizes the importance of listening to and hearing from a wide range of stakeholders through a variety of tools including ad hoc groups, surveys, meetings, and evaluation studies. However, he cautions:

> Although these consultations must have an influence on budget decisions, a direct and mechanical link to the budget should be avoided. As noted, the budget preparation needs to be organized along strict rules so that the budget can be prepared in a timely manner while avoiding excessive pressure from particular interests and lobbies. Participation,

like accountability, is a relative, not absolute, concept. (Schiavo-Campo, 2007, pp. 264

and 266)

Rios et al. conducted a study of 93 countries to determine the factors that increase citizen

participation and transparency in a government's budget process. The results of their study:

…indicate that Internet penetration, population diversity, government financial situation,

and budget transparency determine opportunities for public engagement in the central

government budget process. In addition, we show that not only budget transparency

promotes public participation but also public participation is necessary to enhance budget

transparency. (Rios et al., 2017, p. 48)

Handley and Howell-Moroney (2010) conducted a study on a federal program, the

Community Development Block Grant (CDBG) program which involves officials from the

federal, state, and local government as well as local citizens. Their study indicates that the

higher priority the government places on accountability to the citizens, the "…higher (the) level

of citizen involvement in the budget process." (p. 607). The authors also noted that increased

accountability was related to an increased level of the government official's view of the citizens'

impact on budget decisions.

Rios et al. believe that because a government's budgetary decisions significantly impact

the citizens' lives,

…it is essential for citizens to help governments find the best solutions for the

community regarding public funds' allocation (Ebdon and Franklin 2006). For this

reason, citizens need to understand government budgets, to have access to the necessary

information to hold the government accountable for the use of public funds and to have

their views considered in budget decisions (Ebdon 2000; Fölscher et al. 2000; de Renzio

and Krafchik 2007). (Rios et al., 2017, p. 48)

Rios et al. note prior research that supports the concept that transparency and citizen involvement improves a government's budget decisions:

> Previous studies show that the best way to improve the allocation of public
> resources is through budget systems that are transparent, open to public
> engagement, and that have robust oversight institutions and mechanisms. Such
> budgeting practices can positively impact growth, efficiency and equity, thus
> reducing poverty and creating sustained economic development (IBP 2012).
> (Rios et al., 2017, p. 48)

Another line of research that is relevant to stakeholder participation is whether timing of stakeholder participation changes the impact of their participation. Rios et al. (2017) determined that citizen participation should occur in the early phases of the budget process. Rios et al. (2017) write, "Once the budget reaches the approval stage, the basic procedures of approval are centralized in legislative committees. Therefore, there is greater opportunity for active citizen participation in the preparation stage than in the approval one (Moynihan 2007)." (p. 50).

Guo and Neshkova (2012) conducted a study on the impact of citizen participation in the different stages of the budget process on program effectiveness. Based on their study of the state-level departments of transportation, Guo and Neshkova (2012) concluded that "…citizen participation in the budget process has the greatest positive effect on organizational performance at both the early and ending stages of the budget process, namely the stages of information sharing and program assessment." (p. 331). The authors believe that at the information sharing stage, the input from the citizens can be factored into the budget decisions and at the assessment stage, the feedback on the program can be incorporated into the next budget cycle.

   Participatory budgeting. There is a budget model called "Participatory Budgeting" (PB) which "…is a democratic process in which community members decide how to spend part of a public budget, and gives ordinary people real decision-making power over real money." (Participatory Budgeting Project, n.d.). According to Johnson (2017), the allocations from PB projects have ranged "…from a few tens of thousands of dollars in cities across the US and UK to €200 million last year in Paris…" (p. 1). She acknowledges that PB has a "…limited scope for direct transformation of the budgets and policy agenda of the community…" (p.2) but believes that "…well-designed PB institutions alter patterns of communication and agenda-setting in ways that facilitate future political mobilization collaboration, and the transformation of public preferences…" (p. 2).

   Wampler (2012) identifies four core principles of PB: voice, vote, social justice, and oversight. Wampler (2012) believes that the impact of PB on effective government resource allocation decisions is dependent on how seriously the government and citizens address these four principles. Wampler (2012) also argues that the successful implementation of PB includes a "staged learning and implementation process" in which the government and citizens discuss these principles and ensure that their goals and rules are consistent with these principles. He notes that learning to engage with the citizens can be difficult for the government officials, since they are traditionally more isolated from the citizens. Wampler (2012) also states, "(t)he authority granted to citizens must be within legal and budgetary parameters already established by government officials, just as it would be with other government bodies (e.g., national legislature, regional water districts)." (p. 5). He observes that the most impactful interaction between the government and the citizens is an on-going dialogue, and that the budget cycle "…allows citizens and leaders to meet on multiple occasions, thereby helping them to establish

and then maintain connections to a wider-range of actors." (p. 11).

> Johnson's conclusions about PB that are relevant to creative problem solving include:
> First, the process should be designed to require iterated, cooperative interactions between
> members of the public and government officials….Public control over the agenda, with
> opportunities for unstructured brainstorming and idea proposals that reflect people's real
> priorities, provides a crucial opening for information sharing and story telling, without
> constraining the topics (and thus the people) that are seen as invited and relevant to an
> event….particular elements of design that seem to matter the most: public agenda-setting
> power, face-to-face interaction and structured collaborative relationships. (Johnson,
> 2017, pp. 191-192)

Impact of Different Budget Models on Creativity

There is interesting research on the impact of different budget models on creativity within organizations (Cools, Stouthuysen, & Van den Abbeele, 2017; Ingvarsson & Zhang, 2011; Marginson, Ogden, & Frow, 2006). While most of the research has been focused on private companies, I believe the research has implications for budget approaches in the public sector.

The questions that much of the research focuses on are, "What is the relationship between the budget process and an organization's creativity?" and "How can an organization use the budget process to support creativity?". This research is part of the research on Management Control Systems' (MCS) role in stimulating creativity within an organization. Cools et al. (2017) looked at "…whether stimulating creativity requires an interactive use of budgets in different creative contexts (expected versus responsive) and to explore the nature of this creativity-budgetary control relationship." (p. 3). Their research focused on expected creativity (discovering problems because of an external driver for idea generation and where the solution method is

known) and responsive creativity (responding to problems that are presented by an external

source and where the method is not known) as well as two different types of budgeting:

interactive budgeting (stimulates discussion and influences organizational activity) and

diagnostic budgeting (evaluates performance and assigns responsibility for outcomes). Based on

their comparative study of four creative organizations, they found that organizations use budgets

differently depending on the creative context. Organizations that focused on expected creativity

tended to use interactive budgeting while those organizations that focused on responsive

creativity use diagnostic budgeting.

   They also found, contrary to their expectation, that diagnostic budgeting does not limit

creativity. Their study indicated that resource limitations encouraged creativity "…by setting

boundaries and creating focus to stimulate the development of solutions." (Cools et al., 2017,

p.13). This is consistent with one of the seven principles of creativity identified by Liz Lerman,

a choreographer who I am familiar with because of my background in dance. She suggests,

"…think inside the box – let limitation spark inspiration." (Lerman, 2007).

   Cools et al. quote one of their interviewees who provided an excellent description of the

connection between budgeting and creativity:

   The trouble with much creativity today, in my observation, is that many people with the ideas

   have the notion that the jobs are finished once the ideas have been suggested….They mistake

   brilliant talk for constructive action. In that sense, budgets in our company give our

   designers and architects at least some minimal indication of what their ideas involve in terms

   of costs, risks, manpower, and time. That is the way, I believe creative thinking will be more

   likely converted into a success. After all the proof of a brilliant idea lies in its

   implementation. (Cools et al., 2017, p. 15)

In another case, the authors found that budgets were "…considered as important instruments for developing creative ideas, plans, and strategy." (Cools et al., 2017, p. 18). A production leader is quoted as saying, "By communicating about budgets everybody gets involved in the budgeting process and tight budgets frequently result in searching for and finding creative and low cost solutions." (Cools et al., 2017, p. 18). Based on their case studies, the authors conclude that "(b)udget responsibility is considered as a joint responsibility, not including hindering constraints but rather providing a nice framework that push people towards creativity." (Cools et al., 2017, p. 24). They also note that "(e)ven this rather diagnostic use of the budget stimulates brainstorming and discussion within the creative team, since they have to finds ways to respect the budget targets in the most creative way." (Cools et al., 2017, p.24).

Marginson et al. (2006) who conducted an in-depth study of one company, also found that budgeting does not necessarily stifle innovation when "…embedded within a wider management control framework as a means of addressing formally the interplay between budgets and innovation. This approach enables conflict resolution at the interface between budgets and innovation." (Marginson et al., 2006, p. 2). This was particularly true when managers used budgets and informal communication to monitor variations from the budget plan and adjust budgets as needed.

Ingvarsson and Zhang (2011) conducted a study of five Swedish start-up organizations and how they "…use the budget to balance between control and creativity" (p. 2) as part of their MCS. They found that the start-up companies cared about the structure of their budget processes, and recognized the importance of the budget process. The start-ups understood the importance of the diagnostic budget approach for planning and performance evaluation. The interactive budget was used by senior managers as a way to stay informed. The study found that

"…managers continuously balance between enabling and controlling uses of the budget, and they do it both intentionally and unintentionally." (Ingvarsson & Zhang, 2011, p. 33). They also found that managers used the budget to communicate "a vision and create a belief system" (Ingvarsson & Zhang, 2011, p. 42) throughout the organization. The authors concluded that startups need to balance diagnostic and interactive budget processes.

Myanmar's National Budget Process

I learned about Myanmar's budget process to determine whether my prototype would be appropriate for workshops in Myanmar. Myanmar's national government process is undergoing significant reform to strengthen fiscal management and transparency (Deshpande, 2017). The Asia Foundation describe the current situation in Myanmar in this way: "(t)he need to rebuild the country's political, economic, and social institutions to meet the needs of the citizens is critical, but is challenged by the significant capacity gap affecting all sectors…" (The Asia Foundation, 2018, p. 1).

The difficulties facing Myanmar include a lack of strong administrative and governance capabilities across the spectrum of its national and subnational government and its citizens. Newly elected officials including Parliament members do not have a good understanding of their role or the training and skills to perform their duties. The citizens are not provided adequate information and remain unaware of the budget process (Deshpande, 2017). Based on my conversations with the participants at my workshops, creativity and problem solving skills are lacking because of decades of rote education methods.

Myanmar's union budget process begins with the offices and departments at the subnational level (state and regional governments and Parliament). The national Parliament members who represent a region or district attend the budget meetings at the subnational level but have

minimal interaction with the budget until after it has been consolidated and adjusted by the

Ministry of Planning and Finance. The national Parliament members receive the proposed

national budget for review a couple of weeks before it is approved. During the interim period,

the budget proposals and estimates are reviewed, adjusted, and processed by the subnational line

offices, state and regional budget and planning offices, ministry offices, and the Ministry of

Planning and Finance. These budgets are submitted to the Finance and Budget Office (which

was recently created by merging the Office of Finance and the Office of Budget). It is after their

review and adjustments that the budget is sent to Parliament for approval. However, the

Parliament members receive it with inadequate time to fully review and analyze the budget.

After the Parliament approves the budget, the President signs it (Deshpande, 2018).

The Asia Foundation, a U.S.-government funded non-profit organization, has focused much

of its work in Myanmar on monitoring the budget process and supporting reform efforts. They

have written several reports, and have made a series of recommendations for improving

Myanmar's budget process (Appendix A lists all of the Asia Foundation's reform

recommendations). The key recommendations are (Deshpande, 2017):

1. Enhance transparency of public finances.

2. Refine the planning and budgeting process.

3. Ensure transparent and rational prioritization of investment projects.

4. Promote public engagement and feedback.

5. Build a performance and evaluation mechanism.

6. Improve oversight of public monies.

In addition to conducting research on governance and budgeting, I also researched creativity

and creative problem solving, much of it based on my studies at Buffalo State College. The

following section focuses on the creativity information relevant to my creativity-budget model.

Creativity and Creative Problem Solving

    Individual and organizational creativity. Individual and organizational creativity are relevant to my model. Often, when people hear the word "creativity", they think, "I am not creative", "it is only for the arts", or "we need more creativity in education and business but what does that mean?". Woodman, Sawyer, and Griffin (1993) define organizational creativity as "…the creation of a valuable, useful new product, service, idea, procedure, or process by individuals working together in a complex social system." (p. 293). Dr. Ruth Noller illustrated through her formula that creativity requires knowledge, imagination, evaluation, and a productive and positive attitude (cited in Puccio, Mance, Switalski, & Reali, 2012, p. 29):

$$C = f_a\,(K,\ I,\ E)$$

    This formula reflects creativity as a function of a positive attitude in combination with three factors: knowledge obtained through our life experience, imagination or one's ability to generate ideas or make new connections, and evaluation or examining the advantages and disadvantages of a particular idea or situation. This formula recognizes that without a positive attitude, creativity cannot flourish. This means that creativity is the result of both thinking and emotion. An individual's ability to create is deeply influenced by their emotions. The emotions that support creativity include motivation, passion, courage, tolerance for ambiguity, and a willingness to take risks. The individual's ability to create within an organization can impact the organization's effectiveness.

    Woodman et al. summarize the organizational-individual creative interaction in this way:

    The creative behavior of organizational participants is a complex person-situation

    interaction influenced by events of the past as well as salient aspects of the current

situation. Within the person, both cognitive (knowledge, cognitive skills, and cognitive styles/preferences) and non-cognitive (e.g. personality) aspects of the mind are related to creative behavior…. Organizational creativity is a function of the creative outputs of its component groups and contextual influences (organizational culture, reward systems, resource constraints, the larger environment outside the system, and so on). The gestalt of creative output (new products, services, ideas, procedures, and processes) for the entire system stems from the complex mosaic of individual, group, and organizational characteristics and behaviors occurring within the salient situational influences (both creativity constraining and enhancing) existing at each level of the social organization. (Woodman et al., 1993, pp. 295-296)

The research of Cools et al. (2017) indicates that a supportive environment, including a supportive MCS, is needed for creativity to flourish in an organization. The four case studies included in their study indicated that both interactive and diagnostic budgets stimulate creativity within an organization. As mentioned earlier, organizations that focus on expected creativity (when the method for addressing a problem is known) tend to use interactive budgeting, while those organizations that focus on responsive creativity (when the method is not known) tend to use diagnostic budgeting.

Creative Problem Solving principles and process. The attitude that is necessary to achieve the potential of creativity also applies to organizational or governmental environments. If the attitude of the person, the organizational processes, and its environment supports creativity, the quality and effectiveness of the product is improved. According to Woodman et al. (1993), "(c)onsiderable evidence links problem solving processes to group creativity." (p. 303). The phases and tools of Creative Problem Solving can support the environment and attitude

necessary to implement an effective budget process.

Creative Problem Solving includes a set of principles, steps, and tools, to bring together the right people to accurately identify the challenge, enabling each to have a voice, and to work together to address the challenge. It requires thoroughly thinking through that challenge before taking any action, generating ideas to address the challenge, and understanding the opportunities and concerns about alternative solutions, implementing a solution, and evaluating the results of the solution. Creative Problem Solving provides a structured process that is adaptable. And it can be taught (Miller, Vehar, Firestien, Thurber, & Nielsen, 2011a).

As illustrated in Figure 3, the FourSight Creative Problem Solving model includes an executive step, "assessing the situation" and four phases: Clarify, Ideate, Develop, and Implement.

Assess the situation – carefully examine the situation, gather data, determine and evaluate next steps.	
Clarify – identify the challenge	**Develop – bring ideas to life**
• Explore the vision	• Formulate solutions
• Gather data	• Analyze and strengthen solutions
• Formulate the challenge	
Ideate – generate ideas	**Implement – give ideas legs**
• Generate ideas	• Explore acceptance
• Group and organize ideas	• Formulate a plan

Figure 3. FourSight Creative Problem Solving Phases. Source: Miller et al. (2011a).

According to Puccio et al. (2012), certain thinking skills are needed for each phase, and the tools that are used in each phase help the group to use those thinking skills:

- Assessing the situation (the executive step) – carefully examine the situation throughout the process, gather data, determine and evaluate next steps.

- Clarify – explore the vision, gather data, and formulate the challenge. Requires visionary and strategic thinking skills.

- Ideate – explore ideas and options that might address the challenge and select the most

promising one(s). Requires ideational thinking skills.

- Develop – synthesize the most promising ideas to formulate, evaluate, and develop a

  solution. Requires evaluative thinking skills.

- Implement – explore acceptance of the selected solution, formulate a plan for

  implementing the solution. Requires contextual and tactical thinking skills.

Each of these phases involves divergent and convergent thinking. The principles of divergent and convergent thinking are central to Creative Problem Solving.

Divergent thinking. Divergent thinking is "the broad search for many diverse and novel alternatives" (Puccio, Mance, & Murdock, 2011, p. 56) and convergent thinking is "the focused and affirmative evaluation of novel alternatives" (Puccio, et al., 2011, p. 56).   In order for the process to be effective, divergent thinking should be done separately from convergent thinking. In other words, idea creation – the coming up with a new solution – should be separate from the evaluation of those ideas. This dynamic balance between divergent and convergent thinking is at the "core of creative thinking" (Puccio, et al., 2011, p. 56). Instead, we tend to judge our ideas as soon as we come up with them, throwing ideas out before we have a chance to look at the benefits of those ideas or selecting the first good idea we come up. Premature judging interrupts the search for lots of possibilities, risks fewer discoveries, and lowers creative output.

When engaged in divergent thinking, our minds should be allowed to stretch to explore and entertain all possible options without judgment. It is through divergent thinking that we can be adventurous and discover new possibilities beyond the familiar. Improving our creative thinking means learning processes that balance divergent and convergent thinking and separate the creation of ideas from their evaluation.

The principles of divergent thinking are (Puccio et al., 2011, p. 86):

- Defer judgment

- Seek novelty

- Go for quantity

- Make connections – building on the ideas of others

Convergent thinking. Most people recognize that divergent thinking is creative; actually, without converging, creativity is limited. Convergent thinking is an "analytical type of thinking". After exploring all possibilities, convergent thinking is used to screen, select, prioritize, organize, and refine the possibilities. Convergent thinking can be difficult because choosing and deciding from among a range of ideas can be uncomfortable and requires a tolerance for ambiguity, complexity and risk-taking, and a willingness to prioritize.

The principles of convergent thinking are (Puccio et al., 2011, p.96):

- Apply affirmative judgment – to have the discipline to identify why an idea might work before why it doesn't and potentially discarding it.

- Keep novelty alive – to be willing to take risks and to look for ways to rework an idea before it is implemented.

- Stay focused – to invest the necessary thought before deciding on and implementing a solution to ensure that the best alternatives are selected.

- Check your objectives – to not leave decisions to chance, to be systematic about testing the options against the original objective and develop a tolerance for complexity and ambiguity.

Collaboration in Creativity

Enabling individuals to have a voice and inspiring individuals to work towards a common goal are relevant to a creativity-budget model because budgeting involves many stakeholders.

Creativity in the artistic or expressive realm clearly enables individuals to share their ideas, opinions, and thoughts – to have a voice. For example, Lerman wrote, "Choreography is a way of thinking. It is a way of gathering evidence, laying out the pieces, organizing the trail. Choreography is a way of seeing the world..." (Lerman, 2011, p. 282), and ultimately expressing that understanding through dance.

In 1995, Barron, a psychologist who studied the creative personality, wrote, "…it takes more than one. The lone creator is an insufficient metaphor. All creation is collaboration." (p. 78). Sawyer supports Barron's statement when he argues that the idea that a single person makes a revolutionary discovery or creation is a myth. Sawyer believes that these revolutionary creations are actually the result of multiple individuals and collaboration:

> All creativity is based in collaboration. Even when you're alone, your ideas come out of your prior encounters and conversations. The lone genius stories that we've heard always turn out to be false. The real story is always one of collaboration… (Sawyer, 2017, p. 273)

One of the divergent principles in the Creative Problem Solving process, "make connections" as described by Puccio et al. (2012) includes the concept of not relying only on your own ideas or thinking, but instead "…listen(ing) carefully to others' ideas to see if they spark new insights…" (p. 55). Also, the use of a resource group, instead of working only with the client, reflects the value of collaboration in the Creative Problem Solving process. Miller et al. (2011a) describe the role of the resource group in this way, "(t)he resource group provides ideas, energy, insight, and dynamic perspectives for the CPS (Creative Problem Solving) session." (p. 61). The process provides an opportunity for the client and the resource group to contribute ideas and be heard in a non-judgmental and safe environment. If the facilitation is

successful, the participants will feel that their opinions and ideas are heard and considered even if ultimately, their idea is not implemented.

Collaboration is a key function for governments and organizations to effectively develop and implement programs, given the complexity of the problems facing governments and organizations. As Sorenson and Torfing (2011) write, "The new governance network theories developed in response to the growing complexity of modern society, and they claim that public innovation can be enhanced through collaboration as well as competition (Kikert et al., 1997)." (p. 857).

Sorenson and Torfing discuss the potential for network-based collaborative innovation to transform public sector organizations, including:

The bureaucratic silos and narrow-minded professionals associated with public hierarchies and the failure of competitive markets to find favorable ways of sharing the costs, risks, and benefits of innovation tend to stifle innovation, but these problems can be overcome by the formation of networks that facilitate collaboration across organizational and institutional boundaries. (Sorenson & Torfing, 2011, p. 845)

Creativity gives a voice to individuals when an organization builds an environment that supports creativity. Ekvall describes the climate of the innovative organization as:

…much debate goes on in the innovative organization. There is a constant exchange of ideas. A variety of thoughts and ideas are tossed up in the air. Ideas travel through the organization by means of many natural informal contacts, ideally meeting other ideas. (Ekvall, 1999, p. 406)

Zubizarreta (2015) looked at the question "What might be the potential of certain kinds of small-group experience, to influence our huge complex society?" (p. 1). She focused on the 10-

year effort in Voralberg, Austria of participatory public policy-making in which they used small

groups of randomly selected citizens to provide useful input for government agencies as well as

one-time efforts in Canada and South Africa to bring a smaller group together to address,

through facilitation, a pending social crisis. Zubizarreta concludes that these cases illustrate that

"…a diverse group of ordinary people can work together to engage constructively with their

differences, in the service of the larger common good." (p. 15).

Creativity and Ethics

Although creativity is recognized as neither inherently good or bad, we must consider the

role of ethics when using creativity. As Runco and Nemiro wrote in their 2003 article, "(t)he

existence of this "dark side" highlights the need to carefully consider possible bridges between

morality and creativity. As McLaren (1993) suggested, if we are naive about the dark side of

creativity, we court disaster." (p. 92).

Runco argues that we may need to establish one continuum for creativity and one for

morality to understand how to recognize and balance the impact of one on the other:

> Creativity can lead toward both negative and positive directions on the moral continuum.
>
> Bright people can be creatively benevolent or creatively malevolent and the moral nature
>
> of their creations depends on the intertwining of their actions and values…. The situation
>
> is even more complicated because it is not tenable to entirely separate morality from
>
> creativity. Instead of viewing (a) morality as supporting the status quo, and therefore
>
> convergent and conventional, and (b) creativity as entirely different because it requires
>
> originality and divergence, my suggestion was to view each as representing intersecting
>
> continua (Runco 1993). (Runco, 2009, pp. 105-106)

In his article on creativity in the moral domain, Gruber wrote of the need for a person to balance their creativity with their moral values (2005, p. 431). Gruber agrees that morality does not necessarily mean convention or that creativity is completely freewheeling. Instead, Gruber argues that "limited rationality" allows for moral relativism but not to an unacceptably unlimited degree. He describes moral relativism as "…the pathway from moral thought to moral conduct…" (2005, p. 438) because it often necessary to accept a solution that is acceptable, even if it isn't ideal. Otherwise no moral action would be taken.

There are times when creativity in budgeting is not appropriate or desirable. David Stockman's use of the "magic asterisk" in Reagan's budgets and the resulting deficits is an example (a magic asterisk was a placeholder for to-be-decided cuts in government spending that were never identified). Usurelu, Marin, Danaila, and Loghin (2010) argue that limiting inappropriate creative accounting requires strong ethics training that includes the rules and values needed to support ethical work. However, some researchers have found that creativity may support ethical decision making.

Bierly, III, Kolodinsky, and Charette (2009) argue that creative individuals may act more ethically. Their study of almost 900 undergraduate business students indicated that creativity was a significant predictor of relativism and idealism, two dimensions of ethical ideology according to Donelson R. Forsyth's individual moral philosophy model (p. 102). Relativism reflects an individual's inclination to consider moral principles and rules when making decisions, while idealism is an individual's degree of consideration of the well-being of others. The researchers concluded that creative individuals "…do not conform to universal moral principles, relying instead on idiosyncratic decision-making processes for each moral situation…" and

"…had a higher level of social sensitivity (i.e., desire to avoid harm to others), creativity may actually lead to behavior that is more ethical." (Bierly, III et al., 2009, p. 107).

Bierly, III et al. also argue that this type of decision-making may be useful when addressing complex moral problems with a high level of ambiguity. Their conclusions build on Mark Johnson's concept of "moral imagination" which Bierly, III et al. (2009) describe as "…involv(ing)…creatively developing alternative solutions to moral dilemmas (Werhane, 1998, 1999) and carefully evaluating the potential benefits and harms that will likely result from each solution's enacted behaviors (Johnson, 1993)" (p. 108). Gruber (2005) writes, "(c)onventional morality is not enough. New answers are needed, even new questions. Ergo, we need creativity in the moral domain." (p. 428). Mumford et al. (2010) found a strong and consistent relationship between ethical decision making and the late-cycle creative thinking phases of idea generation and solution monitoring (p. 74). Mumford et al. (2010) note that ethical decisions often involve complex and ambiguous issues, and "… this study indicates that creative thinking skills contribute to more effective ethical decision-making because creative thinking skills, at least among doctoral students in the sciences, are associated with more effective strategic processing." (p. 86).

There is also evidence that creative problem solving approaches may support ethical decision making. For example, Baucus et al. (2008) recommend that managers and employees jointly engage in "fact-finding" activities to investigate a problem before challenging it. The fact-finding activities "…may encourage each party to engage in moral empathy, fairly and fully considering alternative viewpoints (Paul, 1993); both fact-finding and moral empathy are essential for ethical reasoning and creativity." (p. 106). Fact-finding and having a client (the owner of a process) work with resource groups are basic components of the Creative Problem

Solving process (Miller et al., 2011a). The authors also write that "…employees should not engage in *ad hominem* attacks or premature criticism of another's ides before fully understanding the ideas being proposed." (Baucus et al., 2008, p. 109). Clearly, the divergent principle of "defer judgment" supports this recommendation (Miller et al., 2011a).

Section Three: Process Plan

Development of the Creativity-Budget Prototype Model

      I began work on my creativity-budget prototype model around January 2018 after I decided to apply to Buffalo State's service learning course in Myanmar scheduled for July 2018. Since I am very familiar with the U.S. federal government budget process, I initially focused on understanding Myanmar's budget process and its current level of budget and financial management capacity. This included reading reports from such organizations as the Asia Foundation and the Renaissance Institute as well as speaking with representatives from organizations that work in Myanmar on development projects including the Department of State and professors from the University of Washington.

      In addition, through my coursework at Buffalo State College, I began to identify creativity principles and Creative Problem Solving tools that I thought might be relevant to budgeting. Finally, I researched more general budgeting principles and models that might be useful since Myanmar does not have the same budget process as the United States. The general principles that I initially found most useful were from the National Advisory Council on State and Local Budgeting, including their description of the mission of a budget and the role of stakeholders, as described in Section Two. I also found helpful the principles of good governance and financial management from the United Nations, U.S. Agency for International Development, and the World Bank. As mentioned earlier, transparency requires organized, informed, and empowered constituencies including private citizens, civil society, and local communities working with government officials and professional civil servants. Creative Problem Solving offers a process to support this. The principles of good governance, sustainable

development, and citizen involvement are consistent with, and share essential principles with, Creative Problem Solving.

Based on this information, I put together a creativity-budgeting model in which I linked several key components of the FourSight Creative Problem Solving, budgeting, and governance together. As the Creative Problem Solving principles reflect, a key to successfully finding good solutions is identifying the correct problem or challenge and understanding when Creative Problem Solving will be effective. Since I do not think that it is efficient to use Creative Problem Solving for the development of budget estimates for stable straightforward programs or programs which clearly need to be continued, I wanted to include in my model the steps and tools to determine if new thinking or ideas are needed.

Creative Problem Solving is particularly useful when it is necessary to work on or develop a budget for a new, undefined, or complex challenge that requires the input and consideration of a range of stakeholders or experts. Because it is facilitated, and encourages deferring judgment and building on the ideas of others, it allows for input from all participants, and because the evaluation and selection process is done openly, trust can be built. Finally, the Creative Problem Solving tools support a thorough analysis of the challenge, vetting of ideas, consideration of possible solutions, evaluation of the options and development of an action plan and timeline.

Creativity-Budget Prototype Model

To develop my model, I tested a basic model that connected Creative Problem Solving with addressing public sector challenges in March 2018 at the University of Washington. The presentation, "What is the Role of Creativity in Government: How Can We Integrate Creative Problem Solving into Government Agencies and Programs to Achieve Better Solutions?"

included an abbreviated process because it was only one-and-half hours long, and included the

agenda described in Figure 4.

University of Washington Workshop Agenda
Introduction to creativity
What is creativity?
Ruth Noller's creativity formula $C = f_a (K, I, E)$
Divergent Thinking Principles
Convergent Thinking Principles
Why does creativity matter?
Developing ideas to get from here to there
Clarify – identify the challenge
Brainstorm Exercise 1A: Describe the current relationship between creativity and a government function (each small group worked on one of seven government functions: diplomacy, international assistance, public health, Internet/social media policy, revenue generation. Federal budgeting, trade)
Brainstorm Exercise 1B: Describe the desired relationship between creativity and a government function.
Brainstorm Exercise 2: Gap Analysis – identify the gaps (How to…) between the current and the desired vision of the relationship between creativity and the government function.
Ideate – generate ideas
Brainstorm Exercise 3: Select one of the gaps identified and come up with as many ideas as possible for addressing this gap. Write down all of the ideas as actions, beginning each idea with a verb.
Implement - Giving ideas legs
Identify a vision related to the ideas that each group came up and identify a first step towards addressing the challenge.

Figure 4. Agenda for the Workshop at the University of Washington.

Based on this basic framework, I added specific budget process information to develop a

creativity-budget model that I prototyped in Myanmar. The model that I developed was based on

the elements of the budget process as illustrated in Figure 5 and the FourSight Creative Problem

Solving model in Figure 3.

Establish Broad Goals for the organization	**Develop a Budget to Support Goals**
1. Identify community needs, challenges, opportunities	8. Develop a budget planning process
2. Identify opportunities and challenges for organization	9. Develop and evaluate financial options
3. Develop broad goals	10. Make choices necessary to adopt a budget
Identify Possible Approaches to Achieve Goals	**Evaluate Performance and Make Adjustments**
4. Adopt financial and program policies	11. Monitor and evaluate performance
5. Develop program and operating plans	12. Make adjustments as needed
6. Identify options for achieving goals	
7. Identify strategies	

Figure 5. The Elements of the Budget Process. Adapted from National Advisory Council on State and Local Budgeting (1998).

Establish Broad Goals for the organization CLARIFY	**Develop a Budget to Support Goals DEVELOP**
1. Identify community needs, challenges, opportunities	8. Develop a budget planning process
2. Identify challenges and opportunities for organization	9. Develop and evaluate financial options
3. Develop broad goals	10. Make choices necessary to adopt a budget
Identify Possible Approaches to Achieve Goals IDENTIFY IDEAS	**Evaluate Performance and Make Adjustments IMPLEMENT**
4. Adopt financial and program policies	11. Monitor and evaluate performance
5. Develop program and operating plans	12. Make adjustments as needed
6. Identify options for achieving goals	

7. Identify strategies	

Based on these principles and components, I developed a creativity-budget prototype

model (the words in capital letters reflect the Creative Problem Solving phases), as shown in

Figure 6.

Figure 6. Creativity-Budget Prototype Model. Sources: National Advisory Council on State and
Local Budgeting (1998) and Miller, et al. (2011a).

Based on the connections between the budget process and the Creative Problem Solving

phases, I identified the Creative Problem Solving tools for each phase as shown in Figure 7.

Assess the situation – carefully examine the situation, gather data, determine and evaluate next steps. Fighting the urge to solve the problem before you know what it is about.	
Clarify – identify the challenge/establish broad goals	**Develop – bring ideas to life/develop a budget consistent with approaches**
• Gap Analysis	• Evaluation Matrix
	• Feedback Grid
Identify Ideas – generate ideas/identify approaches to achieve goals	**Implement – give ideas legs/evaluate performance and make adjustments**
• Facilitated Brainstorming	• Assisters and Resisters
• Highlighting	• Action Plan

Figure 7. Creative Problem Solving Tools for the Creativity-Budget Prototype Model. Source:
Miller, B., Vehar, J., Firestien, R., Thurber, S., & Nielsen, D. (2011b).

Training Workshop Content

After developing the prototype model and set of tools, I developed the training workshop

in which I presented the basic concepts of governance, budgeting, and Creative Problem Solving,

and then led the participants through the exercises that utilized the tools. The content of the

workshop is described in the Figure 8.

Workshop Agenda
Connection between the principles of Creative Problem Solving and budgeting
Introduction – "How might governments use creativity to sustainable provide effective services and programs in a way that is transparent and accountable?"
Benefits of incorporating creative problem solving into the budget process
Overview of the budget process
Mission/purpose of the budget process
Characteristics of a good budget process and good governance
Involving stakeholders in the budget process
Basic budget process principles and phases
Overview of Creative Problem Solving
Ruth Noller formula $C = f_a (K, I, E)$
Systems view of creativity (the impact of leadership on person, process, and environment that results in products and potentially to change that sticks
Collaboration and creative problem solving (roles of client, resource group, and facilitator)
Basic creative problem solving phases and related thinking skills
Principles of divergent and convergent thinking
Integrating Creative Problem Solving into the budget process
When should creative problem solving process/tools be used in the budget process?
Presentation and explanation of creativity-budget model
Exploration and application of creative problem solving tools
Hands-on practice in small groups of the following tools:
a. Gap Analysis (current state and ideal state) of a budget issue
b. Brainstorming on ideas to address one of the gaps identified
c. Highlighting – each group member highlights top 3 ideas from brainstorming
d. Evaluation matrix – create a matrix by generating 3-4 of the most important or influential criteria asking "What does the idea need to be for us to want to fund it?" Each criterion should begin with "Will it…", "Does it…", or "Is it…". Complete matrix by using an alpha scale. Review options that were highly rated or received low ratings and factor the results in deciding which idea to continue working on.
e. Feedback grid – Based on the results of the evaluation matrix, select one idea to work on. Make a big "plus" sign, and name the 1st quadrant, "Pluses", the 2nd quadrant, "Issues/Concerns" (all phrased as questions), 3rd quadrant, "Questions or Need Additional Information, and 4th quadrant, "New Thinking/Aha's". Complete the grid for the selected idea.
f. Assisters and resisters – Identify a list of key potential assisters and resisters (these can be persons, organizations, government entities, policies that support or hinder) to consider as you decide whether to include this idea in your budget request.
g. Action plan – Based on the information from all of the exercises, develop a multi-year action plan (recommend 3-years - current fiscal year, next fiscal year, and the following fiscal year). For each action step, determine due date, who will do the step, what resources are needed to accomplish step, whether have resources, and what additional resources are needed)

Figure 8. Agenda Template for Workshops in Myanmar.

After prototyping this creativity-budget model in Myanmar, I continued to research creativity, budgeting, and governance (as described in the Literature Review in Section Two). I describe the feedback and results of the workshops at the University of Washington and in Myanmar in Section Four and I present my revised creativity-budget model in Section Five.

Plan to Achieve Goals

In order to complete this master's project and achieve the goals that I have identified for this project, I plan the following activities (some of which were completed prior to August 1):

Goal #1: Identify the underlying (or overarching) principles of good budgeting, and map the key components/phases of the budget process, including those that I used to develop my prototype model and related training by:

A. conducting a literature review on the impact of different budgeting models on creativity, stakeholder involvement in the budget process, and the relationship between governance and budgeting;

B. gaining an understanding of past reform efforts related to making the budget process more effective and responsive to citizens;

C. identifying where in the current budget process, citizens and other stakeholders provide input; and

D. mapping a budget process which includes stakeholder involvement that is reflective of the general phases of a government budget process, including the stakeholder information that I included in my prototype model and related training.

Goal #2: Identify the key creativity principles and creative problem solving components and tools relevant to the budget process by:

A. conducting additional research in the areas of collaboration in creativity, creative problem

solving components and tools; and

B. identifying creativity principles and the creative problem solving components and tools

that are relevant to the budget process, including the process and tools I included in my

prototype model.

Goal #3: Analyze the key takeaways from the eight workshops I taught in Myanmar as I

consider revisions and refinements to my creativity-budget prototype model by:

A. identifying the key takeaways from the workshops presented in Myanmar;

B. identifying the associations among the budget process, creativity principles, and creative

problem solving as it relates to key takeaways; and

C. identifying potential revisions to my prototype model based on this analysis.

Goal #4: Revise and improve my creativity-budget model prototype. Review and refine my

model to ensure that I have synthesized the information that I have gathered from my literature

review and my analysis of my original model introduced in the Myanmar workshops.

Project Timeline

I am including in my project timeline (Figure 9) my plan for the work I will do after

August 1st.

Date	Task	Amount of Time to Complete
Aug 13	Complete and submit draft concept paper.	10 hours
Aug 26	Gain an understanding of past reform efforts related to making the budget process more effective and responsive to the citizens.	5 hours
Aug 31	Based on feedback, re-work draft concept paper as needed and submit concept paper.	4 hours
Sept 12	Research the impact of budgeting models on creativity, stakeholder involvement in the budget process, and the relationship between good governance and budgeting.	15 hours
Sept 19	Research creativity, creative process in the areas of collaboration in creativity, creative problem solving tools, and creativity in the ethics domain.	15 hours
Oct 1	Analyze these principles, components, and tools in terms of the budget process that I have mapped.	10 hours
Oct 15	Finish and submit drafts of sections 1-3	10 hours
Oct 20	Incorporate information from review of my Myanmar workshops into my model.	5 hours
Oct 22	Conduct an analysis of the budget process I have mapped and the creativity principles and Creative Problem Solving components and tools.	8 hours
Oct 29	Evaluate my prototype model and related training based on my analysis of the budget process, creativity principles, and creative problem solving components and tools	15 hours
Nov 12	Finish and submit drafts of sections 4-6.	25 hours
Nov 15	Receive feedback on my model from a budget process expert and a creativity expert.	
Nov 19	Review and refine my model to ensure that I have synthesized the information that I have gathered from my research, my analysis of my Myanmar workshops, and feedback from experts.	10 hours
Nov 25	Review and edit my master's project, check references, and bibliography, and compliance with APA format	10 hours
Nov 26	Submit final master's project	
Dec 3	Sign off	
Total Hours		**142 hours**

Figure 9. Project Timeline.

Section Four: Outcomes

Workshop on Creativity and the Public Sector at the University of Washington

I presented the one-and-half hour workshop described in Section Three to about 25 people, including graduate students, faculty, and alumni from the University of Washington Evans School of Policy and Governance and the Jackson School of International Studies on March 29, 2018. My presentation included a discussion of the concepts of creativity (including Ruth Noller's creativity formula) and the principles of divergent and convergent thinking. I also led the group through a series of Creative Problem Solving exercises. These exercises included facilitated brainstorming, gap analysis, and highlighting and were done in small groups of four to five.

I incorporated the principles of rapid design as described in *The Accelerated Learning Handbook*. For example, I used the first three phases of the 4-Phase Learning Cycle in my presentation: preparation, presentation, and practice. Since I did not have a follow-up session with the participants, I incorporated the fourth phase, performance, by asking each participant to identify one step they can take to incorporate creativity in their studies and work. Several participants spoke with me after my presentation about potential ways of incorporating creativity into their work, and I have had subsequent email exchanges with two of the participants about their efforts.

I also incorporated the "SAVI" (somatic, auditory, visual and intellectual) learning styles into my presentation in the following manner: I asked the participants to move to different areas of the room to work in small groups (somatic) after I made my introductory presentation (auditory); I included several PowerPoint slides in my presentation and asked the participants to map the relationship between creativity and the government function that their group was

working on (visual); and I asked them to think about incorporating creativity into the public sector and their own education and work (intellectual).

I made the presentation activity-based and attempted to create a learning environment by having the group do a brainstorming warm-up together, and then asking the participants to work in small groups (there were five groups) on a gap analysis, identifying challenges, and ideating ways to integrate creativity into a specific government function. I alternated between physically active and physically passive activities by starting and ending with a "lecture-style" presentation and having small group activities in between. My plan allowed for 65 minutes of activity versus 25 minutes of lecture-style presentation, this works out to 72%, which is very close to the 30/70 rule recommended in the principles of Accelerated Learning.

Creativity-Budget Workshops in Myanmar

I used my presentation at the University of Washington as the basis for the workshops I developed for Myanmar. The eight budget workshops that I taught in Myanmar ranged from 2-hours to 8-hours, incorporated the Accelerated Learning principles, and included over 100 participants from small local community-based organizations (CBO's), non-governmental organizations (NGO's), government agencies, and Parliament, and even private sector businesses. The workshops focused on government budgeting and ways to use Creative Problem Solving to develop a transparent budget process that supports good governance principles and allows citizen input. The workshops also included hands-on small group exercises with Creative Problem Solving tools.

The workshops were well-received, and the feedback I received from the participants indicated that they found the workshops useful because I introduced practical tools and new ways to understand the budget process. While I focused on government budgeting for these

workshops, I was pleasantly surprised that several participants thought that the information

would be useful in other organizations including non-profits and small entrepreneurial

companies.

For the workshops with the CBO's and NGO's, I broadened the discussion to include

organizational budgeting and opportunities for oversight of government budgets. For the

workshop with the Parliament members, I included a discussion on monitoring and overseeing a

budget and incorporating public input in the development of budgets.

The following is a summary description of the eight workshops:

- I conducted four workshops for the Asia Foundation:

    ✓ a 2-hour presentation for the Asia Foundation staff;

    ✓ a 4-hour workshop with representatives of civil society organizations that work with

       the Asia Foundation on budget monitoring and related budget issues;

    ✓ a 2-hour presentation at the Renaissance Institute which analyzes the Myanmar

       national and subnational budget process; and

    ✓ an 8-hour workshop on the connections between Creative Problem Solving and

       budgeting for members of Parliament and staff from the Ministry of Planning and

       Finance. The participants worked on ideas for furthering Myanmar's budget reform

       agenda.

- Free Funeral Service Society: a 4-hour workshop on the connection between Creative

   Problem Solving and the budget process with staff from several different local civil

   society and community-based organizations. The focus of each organization varied, from

   vulnerable populations and education to health care.

- NLD-EDU-Net: a 4-hour workshop for the NLD-EDU-Net staff from different regions and offices. These groups worked on funding issues specific to their region or office.

- Department of State: Dr. John Cabra, my advisor at Buffalo State College, and I conducted a joint all-day workshop for iPACE (Institute for Political and Civic Engagement) at the U.S. Department of State's American Center in Yangon. Dr. Cabra led the morning session focusing on Creative Problem Solving principles and I led the afternoon session on the connections between Creative Problem Solving and budgeting. The 28 participants were young, energetic, and open to what we were presenting.

- Dr. Myint Oo's family health clinic: I taught a workshop on Creative Problem Solving and budgeting to an organization of which Dr. Myint Oo is a member, the Myanmar International Higher Education Association (MIHEA). The members of MIHEA work to expand international educational exchange opportunities for Myanmar students. While we had only three participants, it was a productive session. In addition to Dr. Myint Oo, an information technology professor and a high school student (she is from Myanmar but is currently going to high school in California) participated. The diversity of the group proved to productive. They came up with some new ideas for helping university students apply for and prepare for going overseas for school.

My key takeaways about my creativity-budget prototype model from teaching the workshops in Myanmar include:

- The prototype model and training reinforced to me that the integration of Creative Problem Solving principles and processes into the budget process can improve citizen input, the prioritization process, and establishment of transparency and accountability

(there is an evaluation function built into the process) – participants seemed receptive to and excited about the potential benefits of these concepts.

- The linkages in the prototype model between the last two phases of the budget process (develop and evaluate) as described by the National Advisory Council on State and Local Budgeting and the last two phases of the FourSight Creative Problem Solving process (develop and implement) are not fully developed.

- The revised creativity-budget model should be based on the four phases of the budget process (formulation, review and approval, execution, and evaluation).

- As I conducted each subsequent workshop, I began to understand that the creativity-budget model integrates strategic planning into the budget process. This needs to be clarified and expanded in the revised model.

- In order to provide training in the complete cycle of budget phases and allow for adequate time to introduce the relevant creative problem solving tools, the workshop should be extended to two, possibly three, days.

- Prioritizing needs when developing budget requests is difficult, and while the prototype includes tools to assist with this, additional explanation and tools would be useful.

- Identifying stakeholders and understanding their role in the budget process was new to the participants, and the prototype model provides good linkages to stakeholders and the creativity-budget process, and should be included in the revised model.

- Determining when funds for a specific purpose are needed was also a relatively new concept for the participants. While the prototype model introduces this process, adding steps to more closely link the action plan to the budget development and estimating phases can improve the model.

- The workshop seems to be useful to all types of organizations, not just public sector organizations.

Areas in the Budget Process that Creativity Offers the Greatest Potential Benefit

Based on my experience with the workshops that I conducted at the University of Washington and in Myanmar and the literature review I completed, I have begun to understand more specifically how creativity and the Creative Problem Solving process can be most beneficial to improving the budget process. The key areas are:

- integrating strategic planning with the budget process;

- identifying and involving stakeholders, experts, and diverse perspectives;

- encouraging analysis and clarification of challenges, solutions, and barriers prior to actually spending money;

- prioritization of funding needs;

- the formulation phase and the determination of when funding is needed and for what purposes; and

- establishing clearer criteria for program evaluation.

Evaluation Plan

I discussed my prototype model and related training with a federal budget expert and Dr. Cabra. I have included their feedback as well the feedback I received from the workshop participants in the revised creativity-budget model. I will know if I met my learning goals based in part on my reflection of my end-product for my master's project and the learning goals that I have listed in Section Five. I will have accomplished my goals if I create a creativity-budget model that can be used as a basis for a workshop on the connections between creativity and budgeting. I will also feel that I have met my goals if my research, analysis, and model provide

me with the information I can use to write an article on integrating creativity into the budget process.

I will have succeeded if I am satisfied with my creativity-budget model. I also think that is my key benchmark for when to stop my research and analysis. I believe that if I am successful in developing a creativity-budget model, it will reflect a new way to understand the purpose of the budget process. I think that the synthesis of creativity principles and Creative Problem Solving phases and tools with the budget process is innovative, and offers the potential for strengthening the budget process and its use as a strategic planning tool.

Section Five: Key Learnings

As I mentioned earlier, I have realized that the Creative Problem Solving principles and tools are most useful in the budget formulation phase of the budget process. This is the phase where stakeholders should be identified, challenges are identified, program and project requirements are analyzed, priorities are agreed to, and budget estimates are developed. This is not to say that Creative Problem Solving is not useful in the other budget phases but if the budget formulation phase is done rigorously and fully, the other phases will benefit and may result in more effective use of resources and programming. I also think that a rigorous implementation of the formulation phase will result in a clearer and more thorough review phase. Because of this, I decided to focus on developing the formulation phase of my revised creativity-budget model.

Revised Creativity-Budget Model

The revised model incorporates Creative Problem Solving principles, tools, and steps in each phase. The revisions to the prototype model are intended to reflect and strengthen the following key characteristics in the budget process:

- transparency and accountability;

- integration of strategic planning into the budget process;

- stakeholder participation in the process, particularly in the formulation phase;

- multi-year focus;

- allocation of resources based on priorities, goals, and government policies;

- an action plan linked to budget development and cost estimating; and

- decision makers' ability to make informed choices by providing sound and well-considered budget proposals.

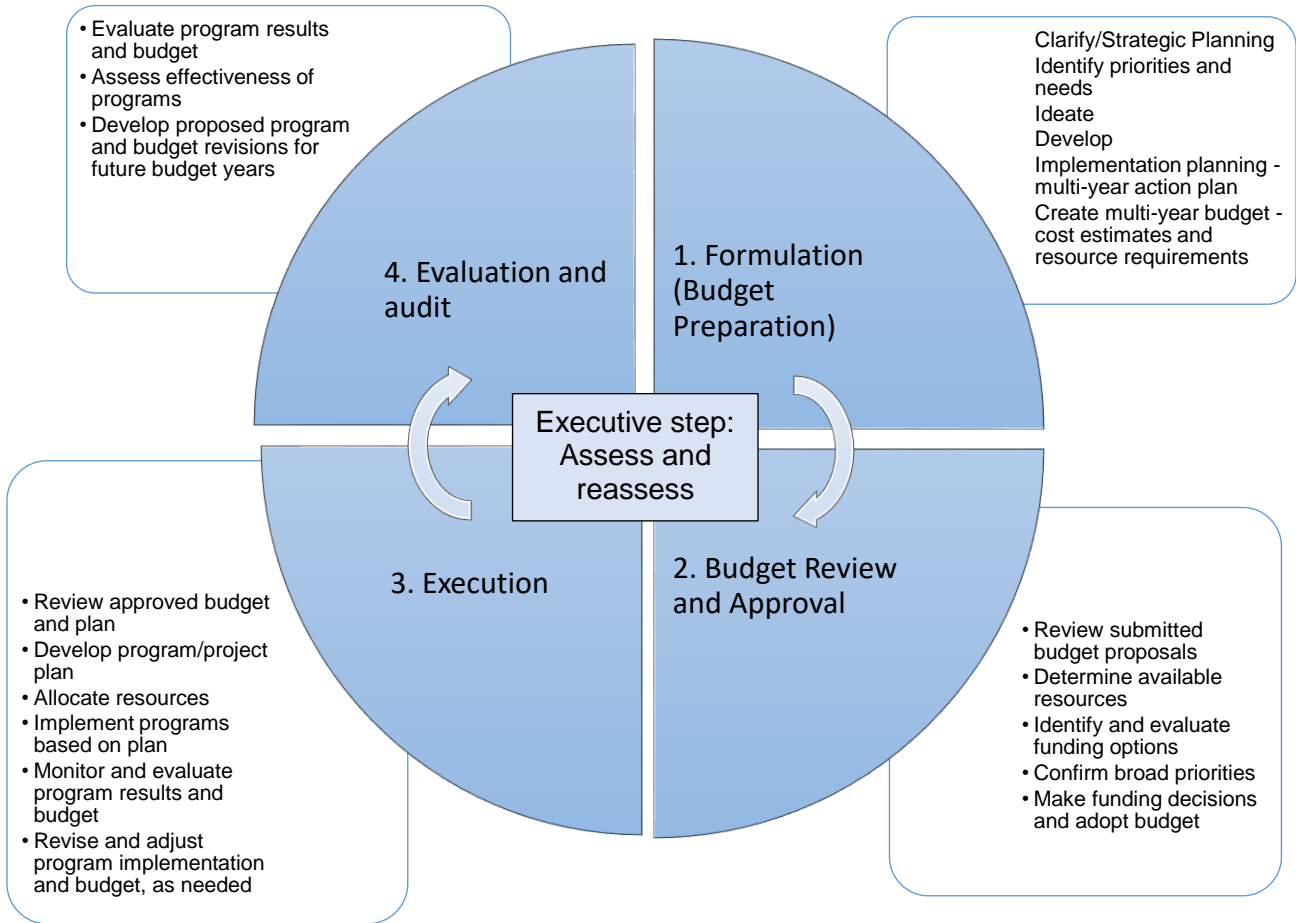Figures 10, 11a, and 11b illustrate my revised creativity-budget model:

Figure 10. Revised Creativity-Budget Model.

Budget Formulation Phase: Steps, Thinking Skills, Tools, Principles/Guidelines

Executive step: Assess and reassess – carefully examine the situation, gather data, determine, monitor and evaluate plan, programs, and budget estimates, and adjust/revise program and budget

	Clarify/ Strategic Planning	Ideate	Develop	Implementation Planning	Create Budget
Purpose	Identify needs, challenges, opportunities, goals	Generate ideas/approaches to meet goals, address needs, challenges or take advantage of opportunities	Develop ideas to support goals, address challenge, or take advantage of opportunities	Identify resources needed to bring ideas to life	Prepare a multi-year budget (3-year) to implement action plan
Thinking Skills	□ Visionary/ Strategic thinking	□ Ideational thinking	□ Evaluative thinking	□ Contextual/ Tactical thinking	□ Analytical thinking □ Strategic thinking □ Evaluative thinking
Tools	□ Gap Analysis □ Strategic plan	□ Facilitated Brainstorming □ Highlighting	□ Evaluation Matrix □ Feedback Grid	□ Assisters and Resisters □ Action Plan	□ Interactive or diagnostic budget □ Participatory Budgeting □ Budget policies and process □ Cost estimating
Principles/ Guidelines	□ Identify and involve stakeholders	□ Involve stakeholders	□ Involve stakeholders	□ Explore acceptance	□ Accuracy, realistic
	□ Gather data	□ Group and organize ideas	□ Formulate solutions based on ideas	□ Formulate a plan	□ Involve stakeholders
	□ Explore the vision □ Identify priorities	□ Identify strategies for achieving goals	□ Analyze, evaluate, and strengthen solutions □ Identify current programs to continue, modify, or end	□ Using information, develop a multi-year action plan	□ Budget decisions based on action plan and priorities

Figure 11a. Budget Formulation Phase: Steps, Thinking Skills, Tools, Principles/Guidelines.

Principles/Guidelines, con't.	Clarify/Strategic Planning	Ideate	Develop	Implementation Planning	Create Budget
	☐ Prioritize program gaps based on agreed upon criteria (urgency, potential impact, process requirements)	☐ Divergent thinking principles ☐ Convergent thinking principles	☐ Identify most important criteria relevant to goals/strategies, including timeframe, cost, available resources	☐ Specify due dates, who is responsible, resources needed to accomplish step	☐ Develop and evaluate funding options
	☐ Identify strengths and weaknesses of current programs	☐ Build on existing programs and other ideas	☐ Identify weaknesses and need for additional information	☐ Identify available resources and identify gaps in funding	☐ Make final decisions based on priorities and funding options
	☐ Clearly identify vision of ideal state – dream big	☐ Ensure diverse expertise, backgrounds, and interests are heard	☐ Prioritize ideas based on evaluation and feedback grid	☐ Based on funding gaps, develop new funding requirements	
	☐ Based on gap analysis, state challenges as questions – stay focused on potential actions		☐ Evaluation and feedback reflect diverse expertise, backgrounds, and interests		
			☐ State weaknesses, concerns as questions		

Figure 11b. Budget Formulation Phase: Steps, Thinking Skills, Tools, Principles/Guidelines, continued.

I have attempted in my revised model to specify how Creative Problem Solving principles, phases, and tools can be used to formulate a budget (Figures 11a and 11b). For example, the gap analysis tool might be used to more clearly and accurately identify the challenges facing an organization, while the principle of involving stakeholders in the Clarify, Ideate, and Develop phases is critical to ensuring that the budget will meet the needs of the citizens and community. The Creative Problem Solving principles, phases, and tools support the integration of strategic planning and budgeting - the budget process becomes a strategic planning tool. As I noted earlier, both are intended to address the unknown and support a vision/direction for the government or organization.

By involving stakeholders throughout the formulation phase and developing a budget plan that respond to agreed-upon needs, the budget supports good governance principles. Based on the research that is described in Section Two, citizen involvement is most effective in the earlier phases and the evaluation phase of the budget process. Therefore, counter to the way some use PB, my creativity-budget model includes PB as a potential tool in the formulation phase.

Also, as discussed in Section Two, the budget process can support creative solutions and approaches if the budget process is used to facilitate good communication between groups within an organization and even with other stakeholders. The decision on the type of budget approach to use may also depend on the type of problem the organization is working on. As such, I have included the interactive or diagnostic budget approaches as options in the model. An organization should determine which approach is appropriate, and include it in the organization's budget process and policies. Interactive budgets stimulate discussion and influence the organization's activities while diagnostic budgets evaluate performance and assign

responsibilities for outcomes. Based on Cools et al. (2017), the decision about which budget

approach to use may depend on the type of problem that the organization is addressing: problems

that can be solved with a known method may benefit from an interactive budget approach, while

problems for which there is no known method may benefit from the diagnostic budget approach.

I believe that the revised creativity-budget model helps to improve communication within

an organization through the use of the Creative Problem Solving tools and principles. The model

can help to establish an environment that supports the development of creative solutions but

within existing constraints, and fosters the development of specific action plans that tie resources

to the timing of requirements, and identifies potential barriers and undesired consequences

before actually spending money and implementing programs.

While I have not specifically included ethics principles in the creativity-budget model, as

the research I noted in Section Two illustrated, Creative Problem Solving process can support

ethical decision making. Also, the principles of ethics are reflected in the creativity-budget

model by the inclusion of stakeholder involvement throughout the process, analysis of the impact

of solutions and programs on stakeholders prior to selecting and implementation, and the

principle of accuracy and realistic budget assumptions.

Learning Goals

My learning goals for my master's project are:

1. to deepen my understanding of the principles of effective budgeting, creativity principles,

    and creative problem solving components and tools;

2. to identify the key associations between the budget process, creativity principles, and

    Creative Problem Solving phases and tools;

3. to develop and test a creativity-budget prototype model and then revise the prototype

    based on my literature review, evaluations, and key learnings;

4. to further develop my philosophy of creativity; and

5. to identify potential action steps that begin changing the way people think about and

    understand budgeting.

Section Six: Conclusions

I think that I have achieved my learning goals, and actually achieved more than I hoped. I have been working on the principles of this project for over a year, and each phase of this project has deepened my thinking about the ways creativity and Creative Problem Solving can improve budgeting and public sector management. At the same time, I have more questions and identified areas to explore further. These areas include further research in the connection between creativity and ethics and how these connections might impact the budget process, and the impact of different budget processes on the creativity of solutions. Finally, I am interested in further exploring how my model might be integrated with the PB process to bring citizen input earlier in the budget process and deepen their contribution to their government's budget decisions.

While I have trained over 100 individuals in my original creativity budget model, I have not had an opportunity to test the model in an organization. I expect that revisions and enhancements to the model would result from the practical experience of using the model in an agency or organization.

Areas for future study include:

- testing the model in an organization;

- further integration of creativity principles and tools in the review and approval, execution and evaluation phases of the budget process;

- exploring the potential impact of integrating Creative Problem Solving principles and tools into the PB process;

- determining whether an ethics element can be more directly built into the model; and

- identifying additional creative problem solving models, steps, and tools that would be useful in the budget process.

This has been a personally rewarding project and the culmination of my studies at Buffalo State College. I entered this program to develop a deeper and more rigorous understanding of creativity, hoping that it would enable me to find ways to improve public sector budgeting. I have gained that and much more – I have learned a new way of understanding and viewing the world, the challenges we face, and the solutions we seek. I have also learned much about myself and my own creativity; and while that is another paper, the self-learning and understanding will continue into my next career and my personal life.

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Appendix A

The Asia Foundation Policy Option for the Budget Process in Myanmar

OBJECTIVE	SHORT-TERM OPTIONS (within next year)	LONG-TERM OPTIONS (3 – 5 years)
1. Enhance the transparency of public finances.	Publish the union Budget law online and in the government gazette. Publish the state/region budget laws online and in the government gazette. Publish the pre-budget statement online.	Publish the budget documents, such as the in-year report and the year-end report, and make them publicly available. Remove the distinction between capital and recurrent expenditures, and reform the accounting and budget classification system in line with international standards.
2. Refine the planning and budgeting process.	Announce budget ceilings and the budget calendar early in the budget cycle. Place the Medium-Term fiscal framework analysis in the public domain. Develop comprehensive financial and procurement rules.	Prepare sector strategies with complete costing of investments and recurrent expenditures. Develop a procurement law for public entities establishing the principles and procedures for contracts and purchases. Make basic information on all such awards public, to improve accountability and transparency in the public procurement system.
3. Ensure transparent and rational prioritization of investment projects.	Develop a set of criteria, rules, and procedures to prioritize projects.	Publish the criteria, rules, and procedures, and conduct reviews to ensure that they are consistently applied.

OBJECTIVE	SHORT-TERM OPTIONS (within next year)	LONG-TERM OPTIONS (3 – 5 years)
4. Promote public engagement and feedback.	Raise awareness of the planning and budgeting process and increase budget literacy. Conduct public consultations and elicit responses to the pre- budget statement.	Develop a mechanism that allows community leaders to monitor how government monies are spent at the local level. Incorporate the action plans developed by village communities into township budgets and then into the union and or state/region budget. Establish a formal mechanism for citizen complaints, and publish the results of investigations.
5. Build a performance and evaluation mechanism.	Strengthen the internal audit (IA) system and build the capacity of IA staff. Develop an IA manual. Explore the possibility of independent evaluations by autonomous bodies such as universities.	Establish an IA charter and an IA committee. Refine existing institutional arrangements to periodically evaluate programs and projects, and create a mechanism to ensure that these evaluations inform the budgeting process. Build the capacity of the identified institutions to undertake independent evaluations.
6. Improve oversight of public monies.	Build the capacity of legislators and committee members. Build OAG's capacity to conduct performance audits.	Provide secure tenure to the auditor general and deputy auditor general to improve their independence.

Source: Deshpande, R. (2017) *Budget Monitoring and Oversight System in Myanmar*. Yangon: The Asia Foundation.

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December 14, 2018
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Date