

European Administrative Space - Balkan realities

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Foreword

Since the conceptual framework of the European Administrative Space (EAS) in 1990s, at least two convergent trends may be found out.

The first trend refers to EAS operationalisation as instrument and mechanism for assessing the reforms of the national public administrations. Herewith, we refer to the deepness of EAS content, which has become more comprehensive, incorporating the most significant aspects on the public administrations reforms.

The second trend refers to continuous enlargement of EAS area. The limits of this area are not the same with the EU limits and the internal processes of EAS do not have the same intensity as those of the European integration. Therefore, we may assert that the EAS reveals specific developments related to the traditions, history, administrative culture, national identity etc. of every state.

The regional characteristics on the development of public administrations are decisive and the administrative convergence will take them into account.

In this context, the current volume aims to reveal a few Balkan realities on EAS. Of course our approach is far from presenting the whole complexity of the phenomena and processes of public administrations in the Balkan states. The arguments on the above difficulty refer to:

- different stages for the Balkan states related to the European integration;
- diversity of the administrative models and cultures in the public administrations of the Balkan states;
- different levels of economic and social development in the Balkan area.

Even in those conditions, as the reader may conclude after studying the current volume, the ideal of European integration gets closer or gathers the national efforts and actions, incorporating them in a convergent trend related to the EAS principles and values.

The analyses and researches have aimed the following directions:

- EAS conceptualization and operationalisation in the Balkans.
- National experiences on the legal, administrative and institutional pillars of EAS.
- Convergence and Europeanization of the Balkan public administrations as premises of EAS development.
- Integrating the Balkan traditional administrative values into the EAS concept and practice.

Those major research-oriented directions have represented the pillar for several specialists' studies and analyses, especially from academia, which have been selected for the actual volume.

The debates on the topics announced have been achieved in the framework of the Workshop: "European Administrative Space – Balkan Realities", organized by the University of Rijeka on 18 – 19 February 2011.

At the same time, the content of the current volume completes the image of the activities and events organized in the framework of Jean Monnet project “South-Eastern European developments on the administrative convergence and enlargement of the European Administrative Space in Balkan states”, which has received funding from the European Community.

Lucica Matei

Academic coordinator of Jean Monnet project

PUBLIC ADMINISTRATION EUROPEANIZATION. SOUTH-EASTERN EUROPEAN TRENDS AND COMPARATIVE ANALYSIS

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Abstract

Europeanization, as global process, undergoes an increasing enlargement, comprising both EU Member States and South-Eastern European states.

The geo-political aspects and democratic traditions influence directly the Europeanization process, conferring both national specific elements and issues of compatibility, thus triggering various convergence levels for the social reform processes, determined by Europeanization.

Referring to public administration, the actual study achieves a comparative analysis on the fundamental processes of democratization and enhancement of effectiveness in the context of deepening the Europeanization process of public administration and civil service in the European states.

The analysed target group comprises Balkan states (Romania, Bulgaria), Western Balkan states (Albania, Bosnia and Herzegovina, Croatia, Macedonia, Serbia, Slovenia, and Montenegro) as well as states that belonged to the former Soviet Union (Armenia, Moldova, Ukraine and Belarus).

The main criteria of analysis refer to assessing the democratic processes, central and local governance, integrity and corruption, as well as civil service.

The research methods take into account relevant bibliographical research as well as evaluations and socio-statistic analyses.

Keywords: public administration Europeanization, Balkan states, comparative analysis.

1. Conditionality and reform

The year 1990 represented the start of founding the decentralised system, marked by legislative, institutional, political, economic reforms.

The accession to the EU and enlargement of the European integration process have determined profound reforms in the European countries area, reforms gravitating around the

objective nucleus represented by observing the fundamental principles of democracy, separation of powers and respect for the rule of law.

The accession criteria of Copenhagen (1993), Madrid (1995) and Luxembourg impose to the candidate states *conditionalities on guaranteeing* democracy, rule of law, human rights, protection of minorities, *economic conditionalities* – functional market economy, *political conditionalities* – adherence to the objectives of the political, economic, monetary Union of the EU, resulted from the membership obligations.

The above mentioned criteria are completed with supplementary clarifications of the European Council of Madrid, supporting the national reforms of the candidate states related to their capacity to reform the administrative and legal structures in order to implement the Community rules and procedures.

The institutional conditions are essentially about the capacity to adopt and implement the *acquis communautaire*.

Reform is considered as a fundamental part of a national effort to improve efficiency as diverse as Greece (Michalopoulos, 2003), increasing the competence and effectiveness of public administration, increasing the expertise, professionalism, knowledge and transparency (Slovenia, Romania, Bulgaria, Croatia).

The public administrations in the South-Eastern Europe area are subjected to a reform process according to the requirements of the integration process in the EU structures (Andrei, Matei, Rosca, 2008). The process is defined as an ensemble of reform measures at the level of civil service, local government and achievement of decentralization.

The states analysed have represented the arena of the reforms in the administrative and judicial systems, some states have been interested to continue their preoccupations in view to implement the Community legislation into their domestic legislation, as well as to review and adapt to the specific European developments and requirements, while other states have been interested in the progress process in view of accession (Croatia, Macedonia) or in adopting a collection of laws, strategies and action plans for becoming EU and NATO members. Membership means that each administrative field and economic sector of the candidate countries should respect *acquis communautaire*.

The national administrations are assessed according to criteria of „legal and administrative capacity to implement *acquis communautaire*”, fact creating serious difficulties due to diversity of the administrative systems, levels of institutionalisation, values and resources required by changes.

The framework of the EU enlargement policy to Western Balkan states consists in the Stabilisation and Association Process (SAP) in view to get closer the Western Balkan states to the EU, aiming three objectives:

- (1) stabilization and transition to market economy;
- (2) promoting the regional cooperation;
- (3) perspective of accession to the European Union.

Additionally new instruments such as the European Partnerships were introduced by the Thessaloniki Agenda (High Level Summit in Thessaloniki, June 2003), or multi-country support projects, Pre-Accession Assistance instruments sustaining the reform process in Western Balkan countries. The pre-accession strategy prepares the candidate countries for EU membership. It comprises framework programmes and mechanisms.

2. Comparative analyses

2.1. Democratic processes

The systemic transformation at the level of the states analysed, reflects the size of the inter-relations between executive and legislative, taking into consideration the background of „renewing” the political elites (Agh, 1998; Mendelski, 2008) and developing democracy (Table 1).

Table 1

Evolution of the “Democracy Score”

Year/Country	1999/2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Member Countries of EU											
Bulgaria	3.58	3.42	3.33	3.38	3.25	3.18	2.93	2.89	2.86	3.04	3.04
Romania	3.54	3.67	3.71	3.63	3.58	3.39	3.39	3.29	3.36	3.36	3.46
Slovenia	1.88	1.88	1.83	1.79	1.75	1.68	1.75	1.82	1.86	1.93	1.93
Candidate countries of EU											
Croatia	4.46	3.54	3.54	3.79	3.83	3.75	3.71	3.75	3.64	3.71	3.71
Macedonia	3.83	4.04	4.46	4.29	4.00	3.89	3.82	3.82	3.86	3.86	3.79
Potential candidate countries of EU											
Albania		4.42	4.25	4.17	4.13	4.04	3.79	3.82	3.82	3.82	3.93
Bosnia and Herzegovina		5.17	4.83	4.54	4.29	4.18	4.07	4.04	4.11	4.18	4.25
Montenegro	5.67	5.04	4.00	3.88	3.83	3.79	3.89	3.93	3.79	3.79	3.79
SERBIA		5.04	4.00	3.88	3.83	3.75	3.71	3.68	3.79	3.79	3.71
Other countries from											
Armenia		4.83	4.83	4.92	5.00	5.18	5.14	5.21	5.21	5.39	5.39
Belarus	6.25	6.38	6.38	6.46	6.54	6.64	6.71	6.68	6.71	6.57	6.50
Moldova	4.25	4.29	4.50	4.71	4.88	5.07	4.96	4.96	5.00	5.07	5.14
Ukraine	6.63	4.71	4.92	4.71	4.88	4.50	4.21	4.25	4.25	4.39	4.39

Source of data: “Nations in Transit 2010”, Freedom House.

Note: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

The public administration has strong political, social, economic, cultural pillars, as action of the executive power (Vedel and Delvolvé, 1988), as intervention of the public power in public action, in guiding the public affairs, achieving and implementing the public policy.

A „model” of administrative reforms in the South-Eastern European countries can not exist, but we may speak about „models”, „asymmetric models”, as entitled by Marcou and Wollman (2008) and institutional „experiments” on public administration in those states, which have passed into a reforming process since the 1990s.

A statistic analysis (Annex 1) of the outcomes mentioned in Table 1 provides an eloquent image on the correlated evolution of “the democratic score” in the states analysed.

Introducing a new variable which calculates the average of the scores obtained for the sample chosen, we shall find out that, related to it, the Pearson statistic correlations describe several categories:

A) states powerful correlated in relation to the general trend of the sample (Albania (0. 868); Bulgaria (0. 874); Bosnia and Herzegovina (0. 905); Croatia (0. 686); Montenegro (0. 939); Serbia (0. 962); Ukraine (0. 939)).

B) states that are average and low correlated in relation to the general trend of the sample (Romania (0. 562); Slovenia (0. 265); Macedonia (0. 146); Armenia (-0. 706); Belarus (-0. 892); Moldova (-0. 872)).

The explanations for such a situation are profound and have a direct connection with the overall political evolution in the respective states. Analysing from area perspective, we remark that for the Western Balkan states, the calculations are positive, being comprised between 0. 265-0. 939 in relation to the general average of the sample. However, also inside the group of the Western Balkan states, the most eloquent examples are provided by Macedonia, which has negative correlations with all the other states. For the states that belonged to the former Soviet Union, the evolutions are contradictory. Related to the general trend of the sample, Armenia, Belarus and Moldova have high negative correlations and Ukraine has a high positive correlation (0. 939). That situation imposes the conclusion concerning non-correlation between the first states, Armenia, Belarus and Moldova, and Ukraine.

As recent European Union Member States, Romania and Bulgaria have similar evolutions, Bulgaria having more powerful correlation related to the average.

2.2. Public administration

The administrative reforms may be complex, including changes as a result of pre-accession, accession processes, Europeanization and recently the effects of the world economic and financial crisis. We speak about a transformation of the national public administrations in line with the developments of the administrations of the „European Administrative Space”.

For the EU Member States, candidates or potential candidates, the administrative reform is actual but shaped according to the status of the respective country.

The South-Eastern European states have most of the governance fields subjected to *acquis communautaire*, and the candidate states (Croatia and Macedonia, which has not yet started the negotiations for accession) or the potential candidate states (Albania, Bosnia and Herzegovina, Montenegro and Serbia) should undertake, adapt to the legal specificity and implement the European legislation.

Referring to public administration, we could not discuss about a specific *acquis* but we may confirm the existence of clear principles of national public administration, with different legislative traditions and different government systems. The Law on public administration autonomy represents *acquis communautaire*, whose compatibility degree with specific regulations corresponding at European level is checked by the European Commission, within the accession process of the candidate countries (OECD, 1998).

The common administrative principles, pillar for modernization of public administration and civil service in the European states (Cardona, 2009) and implicitly found as fundamental values of the reforms of public administration and civil service in South Eastern European countries, discussed previously on a large extent, are as follows:

- 1) rule of law;
- 2) openness and transparency;
- 3) accountability;
- 4) efficiency and effectiveness.

The impact of EU legislation (after 1997) on the institutional reforms in Romania, Bulgaria, Slovenia has been visible positive in view of improving the administrative, political, economic, institutional frameworks (Dimitrova 2002, Vachudova 2005).

Since 1990, all states analysed were concerned to adopt the Constitution, to systemise, unify and update the whole legislation, comprising all the fields of the economic-social life (Annex 2). At the EU Member States level, the harmonization process according to *acquis communautaire* has continued, taking into consideration both the recommendations of the European Commission and the domestic market operators' requirements, for instance in the tax field in view of improving the domestic tax laws, capital market, internal public audit (Romania, Bulgaria, Slovenia).

Since 2003, Bulgaria following the adoption of key legislation and reforms in various spheres of the administration has undertaken general European trends and good practices, given that at the European level there is no single strategy for strengthening the capacity of the state administration nor is there a unified model for its most effective functioning.

The main priority of the reform of the administration is its optimization at central and local levels through modernisation and organisational development. The creation of new administrations, the restructuring of existing ones, closing down of ineffective structures and units, their optimisation as well as their organisational development are not aimed at achieving a larger but a better organized, more effective and politically neutral administration.

A common feature of public administration in the studied states consists in highlighting the common principles (Marcou, 2007) of organization and operation, namely: principle of local self-government (in Constitution and law), the character of local powers, the functions and (regulation, supervision etc.) powers of the local authorities (stipulated by law) or procedures for protecting local self-government.

The territorial size of public administration, which represents the basis for dividing the central public authorities (government, ministries, central government agencies), territorial and local public authorities (municipalities, communes) is represented in all countries studied, observing the traditional model, conceived on two levels, local council – first tier and the

superior one, the central tier, Greece, Romania, Bulgaria, Croatia, Montenegro, Macedonia), and in some cases with interim tier, Belarus (three tiers: regional, district and village). Concerned about their performance, the national governments of the EU Member States, according to EAS principles enforcement – effectiveness and efficiency – subsidiarity, local autonomy and decentralization, are resizing the intergovernmental relations with the local tier (Matei, L., 2008).

Each territorial structure has its own local administrative authority (Marcou, 2008), administrating the structure, respecting and acknowledging the principle of local democracy.

The administrative organization composed of two or three tiers, is stipulated in the state's Constitution, special laws on local government, law on administrative decentralization and local autonomy, (Annex 3), confirming the application and compliance to EAS principles, *trust* and *predictability*.

For example:

- Croatia's internal territory has been divided into 20 Zupanijas (counties), 120 cities, and 420 municipalities based only partially on territorial and demographic logic.
- In Ukraine, the administrative territorial structure is considered non-realist, according to Sushko and Prystayko (2009) as the structure is not related to the number of citizens, division of competences between the central and local levels. Ukraine has an administrative territorial structure represented by: the Autonomous Republic of Crimea and 24 oblasts, raions (oblast districts) and cities with raion status, cities and villages and townships (Sushko and Prystayko, 2009).
- The administrative organization of Romania is represented by (2851) communes, (216) towns, (103) municipalities and (42) counties, with the possibility to declare some towns as municipalities (Article 3(3), Constitution of Romania, 2003).
- In Belarus 1. 700 local governments exist, subdivided into three levels: regional (*voblasts*), district (*raion*), and village or (in urban areas) township.
- Armenia is divided into 930 communities comprising 10 regions.
- Macedonia has only two tiers of governance, with no intermediary level between the municipalities and the central government.
- The administrative organization of Moldova is represented by (5) municipalities, (60) cities, (40) localities in the frame of cities (municipalities), (659) localities in the frame of communes, (917) villages - residences and (32) counties.

The territorial administrative organization is established by special laws, supplementing the provisions of the Constitution.

2.3. Governance

The pragmatic approach to administrative reforms reflects the size of democratic governance (see the approach of United Nations Development Programme, indicators of the World Bank), whose main component is the public administration.

The governance indicators reflect the effects of stabilization and association processes, of pre-accession or accession to the EU in the dynamics of the stages ranging from pre-accession to accession, for Bulgaria, Romania, Slovenia or negotiation stages, the case of Croatia, candidate country or Former Yugoslav Republic of Macedonia (candidate country since December 2005, the negotiations for accession have not yet started) or Montenegro, Albania, Bosnia and Herzegovina and Serbia, potential candidate countries (Table 2).

Table 2

Evolution of the “Governance” indicator

Year/Country	1999/ 2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Member countries											
Bulgaria	3.75	3.50	3.50	3.75	3.75	3.50	3.00	3.00	3.00	3.25	3.25
Romania	3.50	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.75	3.75	4.00
Slovenia	2.25	2.50	2.25	2.25	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Candidate countries											
Croatia	4.00	3.50	3.50	3.75	3.75	3.50	3.50	3.50	3.25	3.50	3.50
Macedonia	3.00	3.75	4.25	4.50	4.0	4.00	3.75	3.75	4.00	4.00	4.00
Potential candidate countries											
Albania		4.25	4.25	4.25	4.25	4.25	4.00	4.25	4.25	4.25	4.50
Bosnia and herzegovina		6.00	5.50	5.25	5.00	4.75	4.75	4.75	5.00	5.00	5.25
Montenegro	5.50	5.25	4.25	4.25	4.00	4.50	4.50	4.50	4.25	4.25	
Serbia		5.25	4.25	4.25	4.00	4.00	4.00	3.75	4.00	4.00	3.75
Other countries											
Armenia		4.50	4.50	4.75	4.75	5.00	5.00	5.25	5.25	5.75	5.75
Belarus	6.25	6.25	6.50	6.50	6.50	6.75	7.00	7.00	7.00	6.75	6.75
Moldova	4.50	4.50	4.75	5.25	5.50	5.75	5.75	5.75	5.75	5.75	6.00
Ukraine	4.75	4.75	5.00	5.00	5.25	5.00	4.50	4.75	4.75	5.00	5.00

Source of data: “Nations in Transit 2010”, Freedom House.

Note: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

The statistic analysis (Annex 3) of the scores concerning the “governance” indicator presented in Table 2 is leading to conclusions with general character.

Thus, we may find out that due to the complexity of the indicator, the degree of correlation with the average of the sample is lower than for the “democratic score” indicator. Also the correlations described in Annex 3 observe generally the previous correlations, confirming the direct connections between the democracy evolution and governance performance.

Related to the general trend of the sample, we shall identify the following categories:

A) states powerful and average correlated: Albania (0. 831); Bosnia and Herzegovina (0. 743); Serbia (0. 590); Montenegro (0. 514); Bulgaria (0. 456); Slovenia (0. 422); Romania (0. 408); Croatia (0. 402).

B) states low correlated: Ukraine (0. 225).

C) states inverse correlated: Belarus (-0. 659); Macedonia (-0. 386); Moldova (-0. 304).

D) states registering the lack of correlation: Armenia (0. 014).

The area characteristics are also changing. Thus, for the Western Balkan states, the evolutions in relation to the general trend of the sample are positive for Albania, Bosnia and Herzegovina, Serbia, Montenegro, Slovenia and Croatia and negative for Macedonia. It is interesting Macedonia's evolution, with negative correlations in relation to all the Western Balkan states and positive correlation in relation to the average of the sample.

The states which belonged to the former Soviet Union are also changing their behaviour, derived from the perspective of the indicator analysed. Thus, Belarus and Moldova will have negative correlations, Ukraine having the other positive correlations (0. 225). The correlation of Armenia is atypical, a correlation which does not exist.

The behaviour related to the other states in that sub-group is atypical also for Belarus which has average negative correlations in relation to Ukraine.

The evolutions for Bulgaria and Romania are similar related to the average of the sample, the inter-states correlations are powerful (0. 871), demonstrating practically, a correlation of the governance policies.

2.4. Local governance

The decentralization process is highlighting the local self-government (Croatia, Slovenia, Romania, Bulgaria), the local level represented by municipalities and communes (in the Republic of Croatia there are 429 municipalities, 126 towns, 20 counties and the City of Zagreb) or the development of a level that does not belong to the administrative-territorial structure, that of the development regions (Romania). In Albania decentralization is supported by two major actions: improving the legal framework for local government competences in compliance with the constitutional principle of decentralization, and implementing the subsidiary principles by working more closely with citizens. Local governments in Belarus are consolidated within the presidential vertical of power. By law, heads of regional administrations are appointed by and responsible to the president. Popularly elected local councils have no control over the executive bodies (Silitski, 2009). Local governance in Ukraine is represented by a dual system of authorities: state administration and a self-governance council.

Armenia has a constitutional and legislative framework for local self-government, but practical implementation is hampered by low citizen incentives, poor funding, and over-centralized administrative control. Local government activities, however, are hampered by low citizen incentives, unclear division of responsibilities, poor funding, and over-centralized administrative control. Regional governors administer the regions, while self-government bodies manage the communities. Each community has a representative body, and an executive body (municipality) led by the community head (equivalent to mayor). Community heads are accountable to the Council of Aldermen, which can approve laws, although implementation procedures are often lacking (Aleksander Iskandaryan, 2010).

The new criteria of organization and operation of the public administration, emphasised in enforcing the new laws passed by the state (Annex 2), or in the states' new institutional architecture, validate the thesis that public administration is subject to the functional logic in a new context of transition from the centralized to decentralized system in a European Administrative Space.

The Croatian governance system is characterised by democratic attributes, in view of people representation (Dorić, 2009). If the local governance in some South Eastern European countries was centralized before 1990, controlled by the political center, in the last twenty years we assist at local governance reconfiguration, at the change of central-local relationships concerning the governance levels.

The study „Nations in Transit 2010” of Freedom House, emphasises the fact that the indicator of „local democratic governance” registers values in 2010 (Table 3), ranging from 6. 75 (Belarus) to 1. 5 (Slovenia), values reflecting the governments' capacity to apply the principles of accountability, participation, transparency in the local governance, transferring the boundaries of central government toward the local level, groups of local communities or citizens. Albania's local democratic governance rating worsens from 2. 75 to 3. 00. The excessive polarization of political influence on local government is powerful in Albania, influencing in a negative way the operation of local governance, municipal councils.

Table 3

Evolution of the “Local Democratic Governance” indicator

Year/Country	2005	2006	2007	2008	2009	2010
Member countries						
Bulgaria	3. 50	3. 00	3. 00	3. 00	3. 00	3. 00
Romania	3. 00	3. 00	3. 00	3. 00	3. 00	3. 00
Slovenia	1. 50	1. 50	1. 50	1. 50	1. 50	1. 50
Candidate countries						
Croatia	3. 75	3. 75	3. 75	3. 75	3. 75	3. 75
Macedonia	4. 00	3. 75	3. 75	3. 75	3. 75	3. 75
Potential candidate countries						
ALBANIA	3. 25	2. 75	2. 75	2. 75	2. 75	3. 00
Bosnia and Herzegovina	4. 75	4. 75	4. 75	4. 75	4. 75	4. 75
Montenegro	3. 50	3. 50	3. 25	3. 25	3. 25	3. 25
Serbia	3. 75	3. 75	3. 75	3. 75	3. 75	3. 50
Other countries						
Armenia	5. 50	5. 50	5. 50	5. 50	5. 50	5. 50
Belarus	6. 50	6. 50	6. 50	6. 75	6. 75	6. 75
Moldova	5. 75	5. 75	5. 75	5. 75	5. 75	5. 75
Ukraine	5. 25	5. 25	5. 25	5. 25	5. 25	5. 25

Source of data: “Nations in Transit 2010”, Freedom House.

Note: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

The statistic analysis (Annex 4) of the scores of indicator “Local Democratic Governance” presented in Table 3 is not relevant on the whole due to the fact that some data series are constant (Romania, Slovenia, Croatia, Bosnia and Herzegovina, Armenia, Moldova, Ukraine).

The distributive focus on the competences of government spheres between the central and local level, is expressed in different actions, specific to every country. For example:

- ✓ For Macedonia, the transfer of competences from the central to local – municipal level has represented a priority, being the topic of Ohrid Agreement, even since 2001, or recently of Law on regional development (2008), thus according to Freedom House rating (2009) is situated on 3.75 level (Table 4) (Daskalovsky, 2009).
- ✓ The laws and rules in Moldova clarify and share the competences of the central and local authorities, sometimes being situations of overlapping or non-regulation related to some areas.
- ✓ The new Constitution of Slovenia, passed in 1993, „made provision for self-government at both the local and regional level, but it was not until the passage of the 1993 Law on Local Self-Government when the path was cleared for establishment of local self-governments at the municipal-level” (Hughes et al., 2004). In Slovenia there are 58 state administrative units whose jurisdiction may extend over several municipalities depending on the specific competences (Lajh, 2009).
- ✓ In Croatia, the delimitation of competences between the central and local levels is supported by the territorial administrative structure, emphasising the enforcement of the decentralization principle.
- ✓ The competences of local-government units do not follow the subsidiarity principle; competencies, as well as revenues, remain at the higher levels of authority without significant participation of local communities in the policy-making process. *Owing to a lack of improvement, BiH's local democratic governance rating remains at 4.75.*
- ✓ For Bulgaria, the process of the transfer of functions from the central to the municipal administration continued, for example in the areas of registration of agricultural and forest equipment, administration of local taxes and fees, homes for bringing up children deprived by parental care (Report on the State of Administration, 2006).
- ✓ For Albania the decentralization process started in 1998; in accordance with the law on local government adopted in 2001, local authorities exercise exclusive competences, delegated competences, and shared competences with the central government. Albania has also signed the European Charter on Local Self-Government of the Council of Europe. Reform is jeopardized by the lack of local financial autonomy, intervention of the central government, and unclear division of competences (Gledis Gjipali, 2010).
- ✓ In Armenia there is dual subordination to regional and central government and unclear division of responsibilities. The regional governments have strong control over most aspects of local governance, and very little authority is left to self-government bodies.

2.5. Integrity and corruption

Openness and transparency in public administrations are instruments necessary to observe the law, for equality before law and for responsibility. In this respect, our analysis emphasises the preoccupations of countries to pass a collection of laws supporting transparency (Law on conflict of interests, Bulgaria, Romania, Slovenia, Croatia, Moldova, Belarus) and access to

information, associated with those for the fight against corruption – national strategies, laws (Albania, Armenia). For instance:

- In Slovenia there were passed The Law on Prevention of Corruption (2003), Slovenian Anticorruption Strategy (2004), documents stipulating the elimination of conditions for occurrence of corruption in public domain, state administration, investigation, bodies of Prosecutor Office, judicial bodies, businesses etc.
- In Albania the Inter-Sectoral Strategy on the Prevention and Combating of Corruption adopted in October 2008, followed by the adoption of an action plan in January 2009, lacks a concrete timetable and mechanisms that can be monitored.
- Collection of laws and strategies were updated on the fight against corruption, i. e. Bulgaria. Moldovan authorities undertook important legal reforms by adopting the Law on Conflict of Interest and a new Law on Preventing and Fighting Corruption; however, the latter was adopted with a three-year delay. The Civil Monitoring Council of the Center for Combating Corruption and Economic Crimes—Moldova's first citizen oversight of a law enforcement body—was established during the year (Vițu, 2009).
- Governmental bodies were created with the responsibility to fight against corruption – in most countries analysed, regional councils – i. e. Bulgaria, Regional Public Councils for Counteracting Corruption have been functioning in all regional administrations, or National Integrity Systems comprise “key institutions, laws and practices (the pillars) that contribute to integrity, transparency and accountability in a society”, i. e. Romania, (Matei, A., 2006). In Montenegro, the Coordination Body for Reform of Local Government adopted an action plan for reform of local government and action plans to combat corruption at the local level (McLean, 2009).
- The new Anticorruption Strategy and 2009–2012 Implementation Action Plan were adopted by the Armenian government in September 2009. The five-chapter strategy is aimed at Armenia's implementation of commitments under international anticorruption agreements and treaties. The government continued its campaign against corruption, combining legislative measures and the reform of public services.

Transparency International studies concerning the corruption index for 2008 (Table 5), situates for example, Macedonia on 72nd rank from 180 countries, emphasising its improvement, and for 2009 situates Albania on the 95th rank, down ten positions from previous year. The improvement was also noted by European Commission in its 2008 Progress report on Macedonia. The report called for the government to continue with reforms, especially in implementing anticorruption legislation and reform of judiciary (Daskalovski, 2009). The ranking shows that Albania remains one of the most problematic countries in the region with regard to the fight against corruption. Serbia made only minimal progress in 2009, ranking 83 with a Corruption Perceptions Index (CPI) score of 3. 5, an improvement from 2008 when it shared the ranking 85 with Montenegro, Albania, India, Madagascar, Panama, and Senegal, with a CPI score of 3. 6.

At the same time, Moldova recorded in 2008 an increase of the corruption perception index by 0. 1 related to 2007, respectively 2. 9, or Slovenia, situated on 26th rank from a total of 180 countries. The index gives Slovenia a score of 6. 7 on a 1-10 scale, where 10 is the best possible score (perceived as least corrupt), classifying it as comparatively less corrupt than

Czech Republic, Hungary, Slovakia and Poland (Lajh, 2009). Transparency International's CPI for Armenia worsened again in 2009, falling from 2.9 to 2.7, with Armenia ranking 120–125 amongst 180 countries surveyed in 2009 (down from 109–114 in 2008).

Table 4

Evolution of the “Corruption” indicator

Year/Country	1999/2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Member countries											
Bulgaria	4.75	4.75	4.50	4.25	4.25	4.00	3.75	3.75	3.50	4.00	4.00
Romania	4.25	4.50	4.75	4.50	4.50	4.25	4.25	4.00	4.00	4.00	4.00
Slovenia	2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.50	2.50
Candidate countries											
Croatia	5.25	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50	4.50
Macedonia	5.00	5.00	5.50	5.50	5.00	5.00	4.75	4.75	4.50	4.25	4.00
Potential candidate countries											
Albania		5.50	5.25	5.00	5.25	5.25	5.25	5.00	5.00	5.00	5.00
Bosnia and Herzegovina		5.75	5.50	5.00	4.75	4.50	4.25	4.25	4.25	4.50	4.50
Montenegro	6.25	6.25	5.25	5.00	5.25	5.25	5.25	5.50	5.25	5.00	5.00
Serbia		6.25	5.25	5.00	5.00	5.00	4.75	4.50	4.50	4.50	4.50
Other countries											
Armenia		5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50	5.50
Belarus	5.25	5.25	5.25	5.50	5.75	6.00	6.25	6.25	6.25	6.00	6.00
Moldova	6.00	6.00	6.25	6.25	6.25	6.25	6.00	6.00	6.00	6.00	6.00
Ukraine	6.00	6.00	6.00	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75

Source of data: “Nations in Transit 20010”, Freedom House.

Note: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

The statistic analysis (Annex 5) of the scores concerning the “Corruption” indicator presented in Table 4 is leading to conclusions with general character.

Related to the general trend of the sample, we shall identify the following categories:

A) states powerful and average correlated: Serbia (0.968); Bosnia and Herzegovina (0.923); Bulgaria (0.899); Albania (0.886); Ukraine (0.865); Montenegro (0.801); Romania (0.688); Macedonia (0.679); Armenia (0.540); Croatia (0.486).

B) states low correlated: Moldova (0.192).

C) states inverse correlated: Belarus (-0.877); Slovenia (-0.793).

Corruption was the third most concerning issue (after unemployment and poverty) for the citizens of Serbia.

The public administrations of the analysed states have relative stable structures on the background of the transformations of the national administration “at governance”.

As previously emphasised, we can discuss neither about the existence of a European model of public administration, nor about a model of civil service; through the establishment of standards, the European Union imposes to the Member States to respect them in organising the civil service, observing their national and regional diversity. The distribution of legislative and executive competences, the organisational structure, the structure and size of public administration remain at the discretion of the EU Member States.

2.6. Civil service

2.6.1. European values

Civil services are components of national governance systems. The governance quality depends on the quality of civil servants' services.

Democratic governance depends on the public administration, the main mechanism of the connection between state and civil society and private sector.

Democratic governance in terms of civil service involves the separation between political and administrative levels, action which differs from a country to another (determined by historical and cultural traditions of a country, legislative framework and democracy of its institutions).

That requirement is present in the administrative reforms of the countries studied, where the interest in achieving a balance between political neutrality and professionalism, continuity of public service reflects more or less the balance between political and administrative sphere.

On the background of individualisation and diversification of the legal traditions and governing systems, the states have developed a common corps of doctrine, accepting the general consensus on the principles or common values of public administration, acknowledged also in the civil service.

In a democracy, the modern constitutional civil service is possible only if it meets a set of conditions:

- Separation between the public and the private sphere;
- Separation between politics and administration;
- Developing the individual accountability of civil servants through joint decision-making processes. It imposes well trained and educated public managers;
- Labour protection, stability, payroll, well defined rights and tasks for civil servants;
- Recruitment and promotion based on merit.

All those conditions, to a large extent, contribute to defining the nature and values of a professional civil service.

The civil service is governed by principles established both by constitutional aspects and aspects of administrative law (Table 5). We could assert that those are legal aspects. It does not mean that they are ethical values. The ethical values are guidelines derived from a social approach. The legal values, if they are broken, have legal consequences stipulated by the

disciplinary provisions of the civil service. The civil servants are the subjects of the administrative principles specified by law.

Table 5

Principles of national civil service

No.	State	Principles of civil service	Principles of European administrative space
1	Romania	a) legality, impartiality and objectivity; b) transparency; c) efficiency and effectiveness; d) responsibility, in accordance with the laws; e) citizen oriented; f) stability in the exercise of civil service position; g) hierarchical subordination	- rule of law; - openness and transparency; - responsibility; efficiency and effectiveness in public administration
2	Republic of Moldova	a) legality b) impartiality c) independence; d) professionalism;	
3	Bulgaria	a) lawfulness, b) loyalty, c) responsibility, d) stability, e) political neutrality f) hierarchic subordination.	
4	Republic of Macedonia	a) legality, b) equality, c) transparency, d) predictability e) fairness.	

Analyzing the principles of civil service at the national level for each of the countries studied, we notice that they embrace the principles of the European administrative space.

2.6.2. Career

On European level, two civil service systems (Bossaert et al, 2002) are known, “post” type and “career” type (Bulgaria, Romania, Republic of Moldova, Slovenia). Most European states have chosen the career model, linked to tradition, a certain political system, way of thinking and culture of the national civil service.

The argument for choosing that model consists in reducing genuinely the influence of the political factor on the professional career in the public system and creating the premises in view to introduce the permanent evaluation system of civil servants, promotion based on performance criterion and merit (Matei, L., 2006). In practice, the two systems cannot be found in a “pure” form, they are subject to reforms of “contractual flexibility, mobility in the middle of career between the public and the private sector, open competition for the top positions, reform of recruitment procedures, harmonisation of pension systems, introducing a performance management system and remuneration reform” (Matei, A. and Matei, L., 2007).

The increase of accountability, delegation of authority, professional training and perspectives of career development within the (financial) limits of public administration may be instruments for developing the corps of professionals in the public administration.

The studies reveal that the public service could be motivational when the society is perceiving it as honest, fair, non-politicized, supporting the general interest, thus “an oriented public service” (Perry and Wise, 1990).

2.6.3. Professionalism and integrity

Professionalism and integrity in public service lead to trust and predictability in public administration.

The legal procedures may solve the problems, drawing up clear deadlines in view to solve a recruitment and promotion scheme based on merit, not on political patronage or alliances of different types. The respect for professional standards and legal aspects contributes to achieving the balance between the concept of (professional) independence and the concept of loyalty.

Civil service in the analysed states presents on one hand common characteristics and on the other hand, specific characteristics, individualising the states.

In the first category it is worth to mention:

- 1) existence of the legislative, regulatory framework of civil service (Annex 6), statuses of civil servants, acknowledging the attributes framed in public law, such as civil service law, other public laws or government regulations or in labour law (when we talk about collective contracts).

Table 6

Aspects of the content of civil service laws

No.	State	Job duties & responsibilities	Tenure & security	Disciplinary arrangements	Rewards & wage	Assessment of civil servants
1	Bulgaria	x	x	x	x	x
2	Romania	x	x	x	x	x
3	Republic of Moldova	x	x	x	x	x
4	Republic of Macedonia	x		x	x	x

Source: “The Scope of the Civil Service in OECD and Selected CEE Countries”.

Civil Service Law, defining the responsibilities, tasks, protects professional quality and ensures continuity of public service in the context of political changes or instability.

- 2) mixture of three criteria for delimitating the civil service, criteria also in practice in Central and Eastern European countries: a) office in state; b) qualifications required by civil service; c) separation between politics and administration, that is political positions and professional positions (Cardona, 2000);
- 3) civil servants’ recruitment and career, by procedures based on merit, competition and transparent procedures;
- 4) regulatory constraints on political membership of the civil servant;
- 5) policy on salaries, remuneration and assessment – transparent procedures.

The second category empowers us to assert:

- 1) there is the practice of adopting simultaneously specific laws for certain civil service positions for police, border police agents, teachers, doctors, custom officers as well as for civil service positions at local level. (Romania)
- 2) degree of centralization/decentralization of activities specific for civil service management (training, assessment, recruitment, promotion etc.)
- 3) responsibilities and institutional character concerning human resource management in the public sector.

Conclusions

Focused especially on the analysis of the context of administrative reforms, on their aim related to the principles of the European Administrative Space as well as on the characteristics of civil service development, the analysis triggers some relevant conclusions.

- Geopolitical specificity of the public administration reforms determines directly their level, thoroughness and characteristics. The analysed target group comprises states belonging to Western Balkans (Slovenia, Croatia, Macedonia, Montenegro, Albania, Bosnia and Herzegovina and Serbia) or the former Soviet Union (Belarus, Ukraine, Armenia and Moldova) as well as two recent European Union Member States (Romania and Bulgaria). For every country, conclusions were drawn aiming the evolutions on national level and especially the comparative ones. The endemic characteristics of each group of states trigger the conclusion of emergent national administrations that are self-determining and whose evolutions should consider the historical and geopolitical context.
- An analysis of the South-Eastern European trends on Europeanization can be obtained by studying the behaviour of the analyzed group of states, which present different situations in relation to the European integration process: Member States (MS), Candidate States (CS), Potential Candidate States (PCS) and Other States (OS).

The behaviour of each group of states will be modelled through statistical averages.

In our opinion, in relation to the available data, the most important indicators on Europeanization will be: Democracy (Dem), Government (Gov) and Public Integrity and Corruption (Cor).

Table 7 presents the statistical correlations for the group of states mentioned under the “*Democracy*” indicator.

Table 7

Statistical correlations between the groups of states for the Democracy indicator

		MS_Dem	CS_Dem	PCS_Dem	OS_Dem	AV_Dem
MS_Dem	Pearson Correlation	1	. 734(*)	. 810(**)	-. 217	. 828(**)
	Sig. (2-tailed)		. 010	. 002	. 522	. 002
	N	11	11	11	11	11
CS_Dem	Pearson Correlation	. 734(*)	1	. 607(*)	. 197	. 739(**)
	Sig. (2-tailed)	. 010		. 048	. 562	. 009
	N	11	11	11	11	11
PCS_Dem	Pearson Correlation	. 810(**)	. 607(*)	1	-. 022	. 970(**)
	Sig. (2-tailed)	. 002	. 048		. 949	. 000
	N	11	11	11	11	11
OS_Dem	Pearson Correlation	-. 217	. 197	-. 022	1	. 165
	Sig. (2-tailed)	. 522	. 562	. 949		. 627
	N	11	11	11	11	11
AV_Dem	Pearson Correlation	. 828(**)	. 739(**)	. 970(**)	. 165	1
	Sig. (2-tailed)	. 002	. 009	. 000	. 627	
	N	11	11	11	11	11

* Correlation is significant at the 0. 05 level (2-tailed).

** Correlation is significant at the 0. 01 level (2-tailed).

It can be noted that for this indicator the correlations are strong between the MS, CS and PCS as well as with the sample's average, which indicates a positive trend specific to the administrative convergence. The trend is contradictory for the "other states" (OS) group for which the correlations with the first three groups are negative (-0. 022) – (-0. 217) and a weak positive correlations (0. 165) with the sample's average.

For the "Governance" indicator the correlations are presented in Table 8.

Table 8

Statistical correlations between the groups of states for the "Governance" indicator

		MS_Gov	CS_Gov	PCS_Gov	OS_Gov	AV_Gov
MS_Gov	Pearson Correlation	1	. 461	. 565	-. 709(*)	. 599
	Sig. (2-tailed)		. 153	. 070	. 015	. 052
	N	11	11	11	11	11
CS_Gov	Pearson Correlation	. 461	1	-. 403	-. 093	-. 192
	Sig. (2-tailed)	. 153		. 219	. 785	. 572
	N	11	11	11	11	11
PCS_Gov	Pearson Correlation	. 565	-. 403	1	-. 768(**)	. 696(*)
	Sig. (2-tailed)	. 070	. 219		. 006	. 017
	N	11	11	11	11	11
OS_Gov	Pearson Correlation	-. 709(*)	-. 093	-. 768(**)	1	-. 254
	Sig. (2-tailed)	. 015	. 785	. 006		. 451
	N	11	11	11	11	11
AV_Gov	Pearson Correlation	. 599	-. 192	. 696(*)	-. 254	1
	Sig. (2-tailed)	. 052	. 572	. 017	. 451	
	N	11	11	11	11	11

* Correlation is significant at the 0. 05 level (2-tailed).

** Correlation is significant at the 0. 01 level (2-tailed).

Like in the other case, we note a trend of a positive nature, convergent, for the MS and PCS, and a negative trend, divergent, between these groups of states and the OS group, as well as for the CS that have negative correlations both with the PCS (-0.403) and with the AV. Gov (-0.192). Naturally, the correlations with the sample's average are very strong. Unlike the "Democracy" indicator, in this case the OS group has stronger negative correlations going up to -0.768.

In the case of the "Public integrity and Corruption" indicator the previous conclusions are once more emphasized, meaning that the MS, CS and PCS groups have convergent trends, with strong correlations, and the OS group has a divergent trend with values going to -0.845 (MS/OS).

Table 9

Statistical correlations between the groups of states for the "Public integrity and Corruption" indicator

		MS_Cor	CS_Cor	PCS_Cor	OS_Cor	AV_Cor
MS_Cor	Pearson Correlation	1	.461	.763(**)	-.845(**)	.792(**)
	Sig. (2-tailed)		.153	.006	.001	.004
	N	11	11	11	11	11
CS_Cor	Pearson Correlation	.461	1	.553	-.167	.740(**)
	Sig. (2-tailed)	.153		.078	.623	.009
	N	11	11	11	11	11
PCS_Cor	Pearson Correlation	.763(**)	.553	1	-.690(*)	.965(**)
	Sig. (2-tailed)	.006	.078		.019	.000
	N	11	11	11	11	11
OS_Cor	Pearson Correlation	-.845(**)	-.167	-.690(*)	1	-.612(*)
	Sig. (2-tailed)	.001	.623	.019		.045
	N	11	11	11	11	11
AV_Cor	Pearson Correlation	.792(**)	.740(**)	.965(**)	-.612(*)	1
	Sig. (2-tailed)	.004	.009	.000	.045	
	N	11	11	11	11	11

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Eloquent views on the trends correlated between the three basic processes of Europeanization – democracy, governance and public integrity and corruption, can be obtained through the regression analysis.

Table 10 a,b,c,d,e: Regression characteristics for the processes of "Governance", "Democracy" and "Public Integrity and Corruption"

a) Member States (MS)

Model		Unstandardized Coefficients		Standardized Coefficients	t	
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	-.184	.425		-.433	.676
	MS_Dem	1.375	.427	1.117	3.219	.012
	MS_Cor	-.183	.329	-.193	-.557	.593

a. Dependent Variable: MS_Gov

b) *Candidate States (CS)*

Model		Unstandardized Coefficients		Standardized Coefficients	t		Sig.
		B	Std. Error	Beta	B	Std. Error	
1	(Constant)	2.481	1.781		1.393		.201
	CS_Dem	.262	.740	.209	.354		.732
	CS_Cor	.051	.352	.085	.145		.888

a. Dependent Variable: CS_Gov

c) *Potential Candidate States (PCS)*

Model		Unstandardized Coefficients		Standardized Coefficients	t		Sig.
		B	Std. Error	Beta	B	Std. Error	
1	(Constant)	1.578	.246		6.406		.000
	PCS_Dem	1.097	.146	1.339	7.496		.000
	PCS_Cor	-.312	.154	-.361	-2.023		.078

a. Dependent Variable: PCS_Gov

d) *Other States (OS)*

Model		Unstandardized Coefficients		Standardized Coefficients	t		Sig.
		B	Std. Error	Beta	B	Std. Error	
1	(Constant)	-13.681	7.184		-1.904		.093
	OS_Dem	.846	.719	.304	1.176		.273
	OS_Cor	2.507	1.112	.584	2.255		.054

a. Dependent Variable: OS_Gov

e) *Average of the sample (AV)*

Model		Unstandardized Coefficients		Standardized Coefficients	t		Sig.
		B	Std. Error	Beta	B	Std. Error	
1	(Constant)	3.780	.404		9.350		.000
	AV_Dem	.591	.162	1.497	3.646		.007
	AV_Cor	-.380	.166	-.938	-2.285		.052

a. Dependent Variable: AV_Gov

For both the Member States (MS) and Potential Candidate States (PCS) the dependence of the governance processes on the democracy processes is direct, strong, with improper coefficients. At the same time, for the same groups of states the dependency against the public

integrity and corruption processes is negative, which supports the fact that a decrease of the corruption level will lead to an increase of the governance efficiency. For the candidate state, the results are not so relevant, as the dependency coefficient with Dem is improper and low, and with Cor is positive and very low, which contradicts a convergent trend of the governance and public integrity and corruption processes.

For the OS group the trends are contradictory, divergent, as the dependency coefficient between Gov and Cor is 2. 507. The average of the sample generally confirms the convergent trends of those three processes and, as a consequence, of strengthening the grounds of expanding the Europeanization process.

- The regulatory and legislative fundamental issues of the reforms are based, in all states, on constitutional provisions as well as laws and adjacent documents, describing concrete aspects of designing and implementing the reforms. The pace and thoroughness of the reforms are different in every state and correlated with the overall development of the social reform.
- Generally, the reform strategies have similar structures concerning their fundamental aspects. Thus, in most cases analysed, the aspects on decentralization, civil service and mechanisms for making and implementing the public policies represent pillars of the administrative reforms.
- The principles of European Administrative Space find an adequate reflection in the reform strategies as well as in the mechanisms and good practices necessary to make them operational.
- Related to the stage of the accession process to the European Union, for every state, the reform strategies were correlated with accession documents and strategies and the outcomes are expressed in country reports, annually presented, in most cases by the European Commission.
- For all analysed states and for other states in South-Eastern Europe, the European Administrative Space remains often a metaphor, an aim requiring further major efforts in view to make it operational.

Annex 1. Correlations

		BG_De m	RO_De m	SI_De m	HR_De m	MK_De m	AL_De m	BA_De m	ME_De m	RS_De m	AM_De m	BY_De m	MD_De m	UA_De m	AV_De m
BG_De m	Pearson	1	.807(**)	.013	.461	.495	.960(**)	.886(**)	.711(*)	.762(**)	-.815(**)	-.910(**)	-.834(**)	-.798(**)	-.874(**)
	Correlation														
	Sig. (2-tailed)		.003	.970	.154	.122	.000	.000	.014	.006	.002	.000	.001	.003	.000
RO_De m	Pearson	.807(**)	1	.033	-.030	.792(**)	.842(**)	.784(**)	.386	.449	.816(**)	.779(**)	.736(**)	.440	.562
	Correlation														
	Sig. (2-tailed)	.003		.923	.929	.004	.001	.004	.241	.166	.002	.005	.010	.176	.072
SI_De m	Pearson	.013	.033	1	.048	-.148	.046	.307	.303	.316	.193	-.379	-.172	.149	.265
	Correlation														
	Sig. (2-tailed)	.970	.923		.889	.665	.894	.359	.365	.343	.570	.251	.612	.662	.431
HR_De m	Pearson	.461	-.030	.048	1	-.318	.341	.324	.625(*)	.611(*)	-.240	-.439	-.342	.842(**)	.686(*)
	Correlation														
	Sig. (2-tailed)	.154	.929	.889		.341	.304	.332	.040	.046	.476	.177	.303	.001	.020
MK_De m	Pearson	.495	.792(**)	-.148	-.318	1	.496	.433	-.055	.004	-.640(*)	-.435	-.452	.096	.146
	Correlation														
	Sig. (2-tailed)	.122	.004	.665	.341		.121	.184	.872	.990	.034	.181	.163	.779	.668
AL_De m	Pearson	.960(**)	.842(**)	.046	.341	.496	1	.939(**)	.756(**)	.800(**)	.868(**)	.896(**)	.897(**)	.744(**)	.868(**)
	Correlation														
	Sig. (2-tailed)	.000	.001	.894	.304	.121		.000	.007	.003	.001	.000	.000	.009	.001
BA_De m	Pearson	.886(**)	.784(**)	.307	.324	.433	.939(**)	1	.851(**)	.884(**)	.817(**)	.926(**)	.959(**)	.743(**)	.905(**)
	Correlation														
	Sig. (2-tailed)	.000	.004	.359	.332	.184	.000		.001	.000	.002	.000	.000	.009	.000
ME_De m	Pearson	.711(*)	.386	.303	.625(*)	-.055	.756(**)	.851(**)	1	.992(**)	-.630(*)	.745(**)	.855(**)	.824(**)	.939(**)
	Correlation														
	Sig. (2-tailed)	.014	.241	.365	.040	.872	.007	.001		.000	.038	.008	.001	.002	.000
RS_De m	Pearson	.762(**)	.449	.316	.611(*)	.004	.800(**)	.884(**)	.992(**)	1	-.654(*)	.788(**)	.871(**)	.845(**)	.962(**)
	Correlation														
	Sig. (2-tailed)	.006	.166	.343	.046	.990	.003	.000	.000		.029	.004	.000	.001	.000
AM_De m	Pearson	-.815(**)	-.816(**)	.193	-.240	-.640(*)	-.868(**)	-.817(**)	-.630(*)	-.654(*)	1	.687(*)	.907(**)	-.624(*)	-.706(*)
	Correlation														
	Sig. (2-tailed)	.002	.002	.570	.476	.034	.001	.002	.038	.029		.020	.000	.040	.015
BY_De m	Pearson	.910(**)	.779(**)	-.379	-.439	-.435	.896(**)	.926(**)	.745(**)	.788(**)	.687(*)	1	.829(**)	.805(**)	.892(**)
	Correlation														
	Sig. (2-tailed)	.000	.005	.251	.177	.181	.000	.000	.008	.004	.020		.002	.003	.000
MD_De m	Pearson	-.834(**)	-.736(**)	-.172	-.342	-.452	.897(**)	.959(**)	.855(**)	.871(**)	.907(**)	.829(**)	1	-.734(*)	.872(**)
	Correlation														
	Sig. (2-tailed)	.001	.010	.612	.303	.163	.000	.000	.001	.000	.000	.002		.010	.000
UA_De m	Pearson	.798(**)	.440	.149	.842(**)	.096	.744(**)	.743(**)	.824(**)	.845(**)	-.624(*)	.805(**)	-.734(*)	1	.939(**)
	Correlation														
	Sig. (2-tailed)	.003	.176	.662	.001	.779	.009	.009	.002	.001	.040	.003	.010		.000
AV_De m	Pearson	.874(**)	.562	.265	.686(*)	.146	.868(**)	.905(**)	.939(**)	.962(**)	-.706(*)	.892(**)	.872(**)	.939(**)	1
	Correlation														
	Sig. (2-tailed)	.000	.072	.431	.020	.668	.001	.000	.000	.000	.015	.000	.000	.000	.000
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11

** Correlation is significant at the 0. 01 level (2-tailed).

* Correlation is significant at the 0. 05 level (2-tailed).

**Annex 2. Laws on public administration reform in some states
in Central and Eastern Europe**

No.	State	Laws
1	Romania	Constitution of 1991 (revised in 2003), Law on ministerial accountability no. 115/1999 Law on public administration 215/2001; Law no. 90 of 26 March 2001 on organization and functioning of the Government of Romania and ministries Law no. 544/2001 on free access to public interest information Law on public finances no. 500/2002 Government Ordinance no. 24/2002 on collecting the local taxes and charges by electronic means Law no. 52/2003 on decisional transparency in public administration Government Decision no. 1019/2003 on organization and functioning of prefectures Law no. 315/2004 on development regions Law framework on decentralization no. 195/2006; Law no. 51/2006 on community services of public utilities
2	Bulgaria	Constitution of the Republic of Bulgaria, 1991 Law on the Local Government and Local Administration, valid from Sept. 17th 1991 Regional Development Act, publ. SG, No. 26, 1999 Administrative-territorial System of the Republic of Bulgaria Act (ASRBA), publ. SG, No. 63, 1995, last amended - SG, No. 57, 2000 Local self-government and Local Administration Act (LSLAA), publ. SG, No. 77 from September 1991, last amended—SG, No. 1, 2001 Local Elections Act, publ. SG, No. 66, 1995, last amended—SG, No. 24, 2001 Access to Public Information Act, publ., SG, No. 55, 2000, last amended SG, No. 1, 2002 Administrative Procedure Code, 2006 Public Administration Act, Renewed SG issue 130 dated Nov 5th 1998, SG issue 78 dated Sept 28th 2007 Law on e-Government, May 2007
3	Republic of Moldova	Law on Government no. 64-XII, 31. 05. 90 Constitution of Republic of Moldova of 1994 Law of Republic of Moldova on local public administration no. 186-XIV of 6 November 1998 Law on Republic of Moldova on the normative deeds of the Government and other central and local government authorities, No. 317-XV, 18. 07. 2003 Law on regional development in Republic of Moldova no. 438-XVI, 28. 12. 2006 Law on transparency in decision-making process no. 239-XVI, 13. 11. 2008
4	Republic of Macedonia	Public Administration Act, 1990 Act for Election and Recall of National and Local Assemblies' Representatives, 1990 Constitution of the Republic of Macedonia, 1991 Decree on General Principles for Internal Organization of the Administrative Organs, 1991 Law on Access to Information, 2008
5	Republic of Belarus	Law on Local Self-government, 1991 Constitution of the Republic of Belarus of 1994 (with amendments adopted at the republican referendums of November 24, 1996 and of October 17, 2004)
6	Greece	The Constitution of Greece, 1975 Law of the Public Administration Inspectorate, 1997 Law no 2690 Ratification of the Administrative Procedure Code and other provisions, 1999
7	Republic of Croatia	Constitution of the Republic of Croatia, December 22, 1990 Law on the System of State Administration

No.	State	Laws
		Law on the Government of the Republic of Croatia Law on the Organization and Competence of Ministries State Administrative Organizations Law on Local and Regional Self-Government, 2001 Law on the Right of Access to Public Information, 2003 Law on Administrative Inspection, 2008 Law on General Administrative Procedures, 2009
8	Republic of Slovenia	The Constitution of the Republic of Slovenia, 1990 General Administrative Procedure Act, 1999 Public Administration Act, No. 020-05/01-22/3 Ljubljana, May 31st 2002 Public Agencies Act, No. 020-05/00-21/4 Ljubljana, May 31st 2002 Inspection Act, 2002 Decree on the procedure of filling a vacancy in state administration and judicial bodies, Uradhi list RS, No 22/04 Act on access to public information, published on March 22nd, 2003 together with changes and additions of the Act, 2005 Decree on the provision of public information, 2005 The Programme of Measures for Reduction of Administration Burdens, 10 November 2005 Elections and Referendum Campaign Act (ZVRK), No. 004-01/92-8/35, Ljubljana, 26 April 2007, EPA 1187-IV e-Government Strategy of the Republic of Slovenia for the period 2006 to 2010 (SEP-2010) "e-Government for effective public administration"
9	Montenegro	Law on State administration, 2003 The Constitution of Montenegro and the Constitutional Law for the Implementation of the Constitution of Montenegro, 2007 Public Administration Act, 2009
10	Ukraine	The Law of Ukraine on Access to Public Information, 1992 Constitution of Ukraine, 1996 Law on Local Self-Government in Ukraine, 1997 The Law of Ukraine On Local State Administrations, 1999 The Code of Administrative Proceedings of Ukraine, 2005

Annex 3. Correlations

		BG_Gov	RO_Gov	SI_Gov	HR_Gov	MK_Gov	AL_Gov	BA_Gov	ME_Gov	RS_Gov	AM_Gov	BY_Gov	MD_Gov	UA_Gov	AV_Gov
BG_Gov	Pearson Correlation	1	.081	.512	.772(**)	.010	.375	.552	.223	.532	-.626(*)	.869(**)	-.700(*)	.575	.456
	Sig. (2-tailed)		.813	.107	.005	.977	.256	.078	.509	.092	.040	.001	.016	.064	.159
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
RO_Gov	Pearson Correlation	.081	1	.082	-.232	.506	.365	.132	-.419	-.200	.335	-.151	.032	.497	.408
	Sig. (2-tailed)	.813		.811	.492	.113	.270	.699	.199	.556	.313	.658	.925	.120	.213
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
SI_Gov	Pearson Correlation	.512	.082	1	.303	-.114	.147	.824(**)	.631(*)	.814(**)	-.710(*)	.803(**)	.890(**)	-.129	.422
	Sig. (2-tailed)	.107	.811		.366	.738	.666	.002	.037	.002	.014	.003	.000	.705	.197
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
HR_Gov	Pearson Correlation	.772(**)	-.232	.303	1	-.416	.407	.520	.414	.547	-.483	-.671(*)	-.565	.211	.402
	Sig. (2-tailed)	.005	.492	.366		.203	.214	.101	.206	.081	.132	.024	.070	.533	.220
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
MK_Gov	Pearson Correlation	.010	.506	-.114	-.416	1	-.326	-.473	.795(**)	-.602	.181	.211	.044	.502	-.386
	Sig. (2-tailed)	.977	.113	.738	.203		.329	.142	.003	.050	.595	.534	.897	.116	.241
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
AL_Gov	Pearson Correlation	.375	.365	.147	.407	-.326	1	.558	.302	.319	.101	-.436	-.156	.329	.831(**)
	Sig. (2-tailed)	.256	.270	.666	.214	.329		.074	.367	.339	.769	.180	.648	.324	.002
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
BA_Gov	Pearson Correlation	.552	.132	.824(**)	.520	-.473	.558	1	.751(**)	.915(**)	-.563	.855(**)	.757(**)	-.088	.743(**)
	Sig. (2-tailed)	.078	.699	.002	.101	.142	.074		.008	.000	.071	.001	.007	.798	.009
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
ME_Gov	Pearson Correlation	.223	-.419	.631(*)	.414	.795(**)	.302	.751(**)	1	.887(**)	-.471	-.533	-.500	-.529	.514
	Sig. (2-tailed)	.509	.199	.037	.206	.003	.367	.008		.000	.144	.092	.117	.094	.105
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
RS_Gov	Pearson Correlation	.532	-.200	.814(**)	.547	-.602	.319	.915(**)	.887(**)	1	-.677(*)	.807(**)	.761(**)	-.262	.590
	Sig. (2-tailed)	.092	.556	.002	.081	.050	.339	.000	.000		.022	.003	.007	.436	.056
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
AM_Gov	Pearson Correlation	-.626(*)	.335	-.710(*)	-.483	.181	.101	-.563	-.471	-.677(*)	1	.678(*)	.792(**)	.066	.014
	Sig. (2-tailed)	.040	.313	.014	.132	.595	.769	.071	.144	.022		.022	.004	.847	.967
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
BY_Gov	Pearson Correlation	.869(**)	-.151	.803(**)	-.671(*)	.211	-.436	.855(**)	-.533	.807(**)	.678(*)	1	.815(**)	-.307	-.659(*)
	Sig. (2-tailed)	.001	.658	.003	.024	.534	.180	.001	.092	.003	.022		.002	.359	.027
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
MD_Gov	Pearson Correlation	-.700(*)	.032	.890(**)	-.565	.044	-.156	.757(**)	-.500	.761(**)	.792(**)	.815(**)	1	-.004	-.304
	Sig. (2-tailed)	.016	.925	.000	.070	.897	.648	.007	.117	.007	.004	.002		.990	.363
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
UA_Gov	Pearson Correlation	.575	.497	-.129	.211	.502	.329	-.088	-.529	-.262	.066	-.307	-.004	1	.225
	Sig. (2-tailed)	.064	.120	.705	.533	.116	.324	.798	.094	.436	.847	.359	.990		.506
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
AV_Gov	Pearson Correlation	.456	.408	.422	.402	-.386	.831(**)	.743(**)	.514	.590	.014	-.659(*)	-.304	.225	1
	Sig. (2-tailed)	.159	.213	.197	.220	.241	.002	.009	.105	.056	.967	.027	.363	.506	
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Annex 4. Correlations

		BG_Loc	RO_Loc	SI_Loc	HR_Loc	MK_Loc	AL_Loc	BA_Loc	ME_Loc	RS_Loc	AM_Loc	BY_Loc	MD_Loc	UA_Loc	AV_Loc
BG_Loc	Pearson Correlation	1	.(a)	.(a)	.(a)	1. 000(**)	.878(*)	.(a)	.632	.200	.(a)	-.447	.(a)	.(a)	.983(**)
	Sig. (2-tailed)		.	.	.	.000	.021	.	.178	.704	.	.374	.	.	.000
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
RO_Loc	Pearson Correlation	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)
	Sig. (2-tailed)	.	.	.	.	.	.	.	.	.	.	.	.	.	.
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
SI_Loc	Pearson Correlation	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)
	Sig. (2-tailed)	.	.	.	.	.	.	.	.	.	.	.	.	.	.
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
HR_Loc	Pearson Correlation	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)
	Sig. (2-tailed)	.	.	.	.	.	.	.	.	.	.	.	.	.	.
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
MK_Loc	Pearson Correlation	1. 000(**)	.(a)	.(a)	.(a)	1	.878(*)	.(a)	.632	.200	.(a)	-.447	.(a)	.(a)	.983(**)
	Sig. (2-tailed)	.000	.	.	.	.	.021	.	.178	.704	.	.374	.	.	.000
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
AL_Loc	Pearson Correlation	.878(*)	.(a)	.(a)	.(a)	.878(*)	1	.(a)	.463	-.293	.(a)	-.218	.(a)	.(a)	.885(*)
	Sig. (2-tailed)	.021	.	.	.	.021	.	.	.355	.573	.	.678	.	.	.019
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
BA_Loc	Pearson Correlation	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)
	Sig. (2-tailed)	.	.	.	.	.	.	.	.	.	.	.	.	.	.
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
ME_Loc	Pearson Correlation	.632	.(a)	.(a)	.(a)	.632	.463	.(a)	1	.316	.(a)	-.707	.(a)	.(a)	.657
	Sig. (2-tailed)	.178	.	.	.	.178	.355	.	.	.541	.	.116	.	.	.156
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
RS_Loc	Pearson Correlation	.200	.(a)	.(a)	.(a)	.200	-.293	.(a)	.316	1	.(a)	-.447	.(a)	.(a)	.151
	Sig. (2-tailed)	.704	.	.	.	.704	.573	.	.541	.	.	.374	.	.	.775
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
AM_Loc	Pearson Correlation	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)
	Sig. (2-tailed)	.	.	.	.	.	.	.	.	.	.	.	.	.	.
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
BY_Loc	Pearson Correlation	-.447	.(a)	.(a)	.(a)	-.447	-.218	.(a)	-.707	-.447	.(a)	1	.(a)	.(a)	-.338
	Sig. (2-tailed)	.374	.	.	.	.374	.678	.	.116	.374	.	.	.	.	.512
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
MD_Loc	Pearson Correlation	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)
	Sig. (2-tailed)	.	.	.	.	.	.	.	.	.	.	.	.	.	.
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
UA_Loc	Pearson Correlation	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)	.(a)
	Sig. (2-tailed)	.	.	.	.	.	.	.	.	.	.	.	.	.	.
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6
AV_Loc	Pearson Correlation	.983(**)	.(a)	.(a)	.(a)	.983(**)	.885(*)	.(a)	.657	.151	.(a)	-.338	.(a)	.(a)	1
	Sig. (2-tailed)	.000	.	.	.	.000	.019	.	.156	.775	.	.512	.	.	.
	N	6	6	6	6	6	6	6	6	6	6	6	6	6	6

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

a Cannot be computed because at least one of the variables is constant.

Annex 5. Correlations

		BG_Cor	RO_Cor	SI_Cor	HR_Cor	MK_Cor	AL_Cor	BA_Cor	ME_Cor	RS_Cor	AM_Cor	BY_Cor	MD_Cor	UA_Cor	AV_Cor
BG_Cor	Pearson Correlation	1	.671(*)	-.591	.314	.521	.750(**)	.964(**)	.633(*)	.892(**)	.165	.960(**)	.220	.833(**)	.899(**)
	Sig. (2-tailed)		.024	.055	.348	.101	.008	.000	.036	.000	.628	.000	.515	.001	.000
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
RO_Cor	Pearson Correlation	.671(*)	1	-.785(**)	.029	.857(**)	.520	.676(*)	.183	.546	.516	.759(**)	.690(*)	.559	.688(*)
	Sig. (2-tailed)	.024		.004	.933	.001	.101	.022	.591	.083	.104	.007	.019	.074	.019
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
SI_Cor	Pearson Correlation	-.591	-.785(**)	1	-.422	-.901(**)	-.643(*)	-.621(*)	-.466	-.678(*)	.833(**)	.649(*)	-.624(*)	-.505	-.793(**)
	Sig. (2-tailed)	.055	.004		.196	.000	.033	.041	.149	.022	.001	.031	.040	.113	.004
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
HR_Cor	Pearson Correlation	.314	.029	-.422	1	.303	.447	.271	.467	.448	.398	-.230	.020	.194	.486
	Sig. (2-tailed)	.348	.933	.196		.365	.168	.420	.148	.167	.226	.497	.954	.568	.129
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
MK_Cor	Pearson Correlation	.521	.857(**)	-.901(**)	.303	1	.417	.565	.233	.502	.762(**)	-.638(*)	.698(*)	.450	.679(*)
	Sig. (2-tailed)	.101	.001	.000	.365		.202	.070	.491	.115	.006	.035	.017	.165	.022
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
AL_Cor	Pearson Correlation	.750(**)	.520	-.643(*)	.447	.417	1	.741(**)	.818(**)	.907(**)	.457	-.647(*)	.023	.767(**)	.886(**)
	Sig. (2-tailed)	.008	.101	.033	.168	.202		.009	.002	.000	.157	.031	.947	.006	.000
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
BA_Cor	Pearson Correlation	.964(**)	.676(*)	-.621(*)	.271	.565	.741(**)	1	.685(*)	.916(**)	.265	.978(**)	.160	.920(**)	.923(**)
	Sig. (2-tailed)	.000	.022	.041	.420	.070	.009		.020	.000	.430	.000	.639	.000	.000
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
ME_Cor	Pearson Correlation	.633(*)	.183	-.466	.467	.233	.818(**)	.685(*)	1	.870(**)	.422	-.535	-.349	.753(**)	.801(**)
	Sig. (2-tailed)	.036	.591	.149	.148	.491	.002	.020		.001	.196	.090	.293	.007	.003
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
RS_Cor	Pearson Correlation	.892(**)	.546	-.678(*)	.448	.502	.907(**)	.916(**)	.870(**)	1	.415	.841(**)	.021	.861(**)	.968(**)
	Sig. (2-tailed)	.000	.083	.022	.167	.115	.000	.000	.001		.205	.001	.952	.001	.000
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
AM_Cor	Pearson Correlation	.165	.516	-.833(**)	.398	.762(**)	.457	.265	.422	.415	1	-.243	.356	.289	.540
	Sig. (2-tailed)	.628	.104	.001	.226	.006	.157	.430	.196	.205		.471	.282	.389	.086
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
BY_Cor	Pearson Correlation	.960(**)	.759(**)	.649(*)	-.230	-.638(*)	-.647(*)	.978(**)	-.535	.841(**)	-.243	1	-.325	.843(**)	.877(**)
	Sig. (2-tailed)	.000	.007	.031	.497	.035	.031	.000	.090	.001	.471		.329	.001	.000
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
MD_Cor	Pearson Correlation	.220	.690(*)	-.624(*)	.020	.698(*)	.023	.160	-.349	.021	.356	-.325	1	-.039	.192
	Sig. (2-tailed)	.515	.019	.040	.954	.017	.947	.639	.293	.952	.282	.329		.910	.571
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
UA_Cor	Pearson Correlation	.833(**)	.559	-.505	.194	.450	.767(**)	.920(**)	.753(**)	.861(**)	.289	.843(**)	-.039	1	.865(**)
	Sig. (2-tailed)	.001	.074	.113	.568	.165	.006	.000	.007	.001	.389	.001	.910		.001
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11
AV_Cor	Pearson Correlation	.899(**)	.688(*)	-.793(**)	.486	.679(*)	.886(**)	.923(**)	.801(**)	.968(**)	.540	.877(**)	.192	.865(**)	1
	Sig. (2-tailed)	.000	.019	.004	.129	.022	.000	.000	.003	.000	.086	.000	.571	.001	
	N	11	11	11	11	11	11	11	11	11	11	11	11	11	11

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Annex 6. Laws on civil services and civil servants in some states in Central and Eastern Europe

No.	State	Laws on civil services and civil servants
1	Romania	Status of Civil Servants, Law of 1999 Law no. 161/2003 on some measures ensuring transparency in exercising civil service positions and businesses, preventing and sanctioning corruption Deontological Code for Civil Servants of 2004 Law no. 340/2004 on Prefect and Prefect institution Government Decision no. 522/2007 on the civil servants' professional record Emergency Ordinance no. 56/2004 on creating the special status of the civil servant, called public manager Decision no. 1344/2007 on the rules of organization and operation of the discipline committees Decision no. 611/2008 for approving the rules on organization and development of civil servants' career Government Decision no. 553/2009 on measures concerning the registry of civil service positions and civil servants Law framework no. 330/2009 on unitary remuneration of the staff paid from public funds Order of NACS President no. 547/ 14. 04. 2010 on professional examination of civil servants from the reserve corps of civil servants
2	Bulgaria	Civil Servant's Code of Conduct, December 2000 Civil Servant Act, publ., SG, No. 67 1999, last amended—SG, No. 110 2001 Regulation for the Administrative Service (mod. – SG, issue 47/2008, valid from June 1st 2008), approved by a Government decree № 246 from Sept. 13th 2006. (mod. SG, is. 78/26. 09. 2006, ann. is. 47/20. 05. 2008)
3	Republic of Moldova	Law on civil service and status of civil servants no. 158-XVI, 04. 07. 2008 Law on conflict of interests no. 16-XVI, 15. 02. 2008 Law on Code of Conduct of the civil servant no. 25-XVI, 22. 02. 2008
4	Republic of Macedonia	Law on Civil Servants, 2000 Codes of Ethics for Civil Servants of 2002 Regulation of June 25, 2004 on Means and Procedure of Evaluation of Civil Servants Regulation of October 4, 2005 on the Criteria and Standards Procedure for the Selection and Employment of Civil Servants Law on the Civil Service
5	Republic of Belarus	Law on Civil Service, 2003
6	Greece	Code of Civil Servants, Law 2683/1999
7	Republic of Croatia	Act on Civil Servants and Civil Service Employees from 2001 Civil Servants Act, 2005 Civil Service Training Plan, 2008 Law on Civil Service Employees in Local and Regional Self-governments, 2008 Code of Ethics for Civil Servants Law on Civil Servants and Employees and on the Salaries Regulation on job titles and complexity coefficients in the civil service Regulation on jobs and special working conditions in the civil service Collective Agreement for Civil Servants and Civil Service Employees Draft Proposal of the Act on the Salaries of Civil Servants
8	Republic of Slovenia	Code of Conduct for Civil Servants, 2001 Public Sector Wage System Act, No. 430-03/02-17/3 Ljubljana, 26 April 2002-06-29 Civil Servants Act, No. 020-05/98-20/8 Ljubljana, 11th June 2002
9	Montenegro	Law on Civil Service and State Employees, 2004 Regulation on Allowances and Other Incomes of Civil Servants and State Employees (adopted in 2005) Amendments to the Law on Salaries of Civil Service and State Employees (adopted in December 2007) Law on Preventing Conflict of Interest, 2008 Regulation on Supplements to the Salary of Civil Servants and State Employees
10	Ukraine	Law on Civil Service, 1993

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Chapter 1

European Administrative Space – from Concept to Reality

CONVERGENCE RÉGIONALE ET FONDS STRUCTURELS EUROPÉENS

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Résumé

Dans cet article nous analysons l'impact des fonds structurels sur le processus de convergence des régions européennes. Les effets de la convergence ont été observés jusqu'à présent en utilisant la méthode de l'économétrie spatiale laquelle explique l'impact des fonds structurels sur des régions ciblées ainsi que sur leurs voisins. Les résultats de la recherche indiquent l'existence d'une certaine convergence, mais la conséquence de l'impact des fonds structurels est une question qui reste ouverte. En effet, les résultats des différentes recherches sont contradictoires. Il y a de nombreuses études dans lesquelles on se questionne même sur l'effet des fonds structurels et cela est aussi une question qui reste ouverte, alors que l'attitude de la Commission est positive. L'ambivalence relative aux fonds structurels ressort de l'évaluation de ses effets à court terme, c'est-à-dire de ses effets à long terme.

Un problème particulier représente l'effet de débordement géographique (spillover) parce que les entreprises incluses dans les investissements, dans les régions ciblées, ont très souvent leurs sièges dans des régions avec une puissance économique dominante, ce qui fait diminuer l'effet multiplicateur sur les régions sous-développées.

Mots-clés: fonds structurels européens, convergence, économétrie spatiale, débordement géographique.

1. Introduction

Pour la période 2006-2013, la politique régionale de l'Union européenne dispose d'un budget de 347 milliards d'euros (Fonds structurels et Fonds de cohésion), soit un tiers du budget européen et elle représente le deuxième poste du budget communautaire. Les fonds ont été créés et développés par un élargissement successif vers les États périphériques dont le niveau de vie est nettement inférieur, avec l'objectif d'aider les régions moins développées lesquelles accusent un retard dans l'implémentation d'un marché intérieur unique et l'adoption d'une monnaie unique. Les plus importants instruments de la politique régionale de l'Union européenne sont les fonds structurels. Les fonds structurels soutiennent l'agriculture et le développement rural, la promotion de l'emploi, les investissements dans le cadre de la formation professionnelle et de l'enseignement, alors que différentes mesures ont un impact

sur le développement du capital humain, sur les investissements en infrastructures, sur les transports et la protection de l'environnement.

Un grand nombre d'oeuvres qui s'occupe de l'évaluation de la politique régionale a été rédigé à partir de la deuxième moitié des années 1990. D'après Ederveen (2002), les études sur l'impact des politiques régionales peuvent être classées selon trois catégories: modèles de simulation, étude de cas et études de cas élaborées sur la base des modèles économétriques. Certaines études ne montrent pas un impact significatif des fonds structurels (Garcia-Mila, McGuire, 2001) ou bien elles aboutissent à des conclusions selon lesquelles leur impact est faible (de la Fuente, Vives, 2005 ou Rodriguez-Pose, Fratesi, 2002, 2004). Les effets peuvent être établis après une certaine période ou bien pour un État. D'après Ederveen et al. (2006) les fonds structurels sont efficaces dans les États dont les institutions fonctionnent bien. Tous les auteurs sont d'accord sur l'importance du capital humain lequel, d'après leurs études, contribue de manière plus significative à la réduction des disparités régionales que les investissements en infrastructures (Barro, Sala-I-Martin, 1995; de la Fuente, Vives, 1995; Rodriguez-Pose, Fratesi (2002, 2004).

C'est dans ce contexte que cet article cherche à évaluer l'impact des fonds structurels sur le processus de convergence des régions européennes. En outre, dans l'article on dirige l'attention vers les effets de débordement géographique ainsi que vers le risque potentiel des moyens endogènes quand on analyse leurs effets. Avant tout, il faut prendre en considération le fait que les régions de l'Union européenne ne sont pas des entités isolées (Dell'erba 2005a et 2005b; Fingleton, 2003; Fingleton et Lopez-Bozo 2006).

L'article cherche à évaluer la dépendance du taux de croissance d'une région de ses voisins. Nous analysons l'impact de l'allocation des moyens financiers mis à la disposition des fonds structurels sur le taux de croissance des régions ciblées ainsi que de leurs voisins. En manque de tableaux d'échange inter-régionaux, il reste la possibilité d'utiliser l'économétrie spatiale. Cet article adopte un point de vue particulier. On prend en considération le caractère endogène des fonds structurels lesquels sous-entendent certains critères utilisés pour l'allocation. Plus de 70% des moyens financiers mis à la disposition des fonds structurels est consacré aux régions de l'Objectif 1, surnommées "régions pauvres"

La notion de "région pauvre" se rapporte au fait que le PIB moyen par habitant, durant les trois dernières années et avant le début d'un certain programme d'aide, était inférieur à 75% de la moyenne européenne. Ces régions ont même bénéficié d'une somme proportionnelle à leur programme de développement. Ça explique le fait que cette variable peut être endogène dans notre modèle seulement d'un point de vue théorique. Il est nécessaire de tester la probabilité du caractère endogène, même quand il est possible de la calculer pour le processus d'évaluation.

2. Aides régionales et développement inégal

La Commission européenne considère que les grandes inégalités régionales sont inacceptables pour des raisons politiques. L'élargissement graduelle de l'Union européenne vers les régions périphériques et moins développées a amené aux grandes disparités dans le cadre de l'Union Européenne. C'est pour cette raison qu'il fallait apporter une aide particulière, laquelle représente un tiers du budget, aux régions moins développées. Les fonds structurels constituent le plus important instrument financier de la politique régionale européenne dont le

budget s'élève à 347 milliards d'euros pour la période 2006-2013. Les quatre pays à moindre développement économique (Espagne, Portugal, Irlande et Grèce), dont le PIB moyen par habitant était inférieur à 90% de la moyenne européenne, ont bénéficié d'encore 17 milliards d'euros, somme qui avait été mise à disposition pour la cohésion, pour la période 1994-1999. Comme on peut supposer, la majorité de ces moyens financiers a été consacrée aux régions périphériques et pauvres.

2.1. Fonds de cohésion en Europe du Sud-Est

Pour les pays de l'Europe du Sud-Est, membres de l'Union européenne, les fonds de cohésion représentent une importante source de financement de l'infrastructure de transport, avec plus de 25,5% de participation. L'exception sont certaines régions grecques où les fonds de cohésion participent au financement de ces projets avec en moyenne 12-25,5%.

La Grèce en tant que pays de la soi-disant "Vieille Europe", pour la période 2007-2013 dispose de 20,4 milliards d'euros. Le 75% des moyens financiers est prévu pour les infrastructures de transport, pour la protection de l'environnement, pour la croissance soutenable ainsi que pour l'innovation et les dépenses R&D. Bien que la Grèce ait atteint un degré de développement plus haut par rapport à celui de la Bulgarie et de la Roumanie, elle bénéficie aussi des moyens financiers affectés à la politique de cohésion. Dans la période 2000-2006, la Grèce a enregistré un taux de croissance du PIB de 4,5%, dont 2,8% s'est réalisé par la contribution de la politique de cohésion.

En général, le budget de 19,7 milliards d'euros consacré à la Roumanie pour la période 2007-2013 et la politique de cohésion de l'UE représentent une source de financement extrêmement importante en tant que soutien financier à la Roumanie. Les Fonds de cohésion comprennent 6,5 milliards d'euros pour la période courante de budget, dont le 70% représente les investissements réalisés dans les infrastructures de transports.

La politique de cohésion de l'UE en Bulgarie est soutenue par 6,9 milliards d'euros pour la période 2007-2013. Les Fonds de cohésion ont consacré à la Bulgarie 2,3 milliards d'euros lesquelles avec le Fonds national représentent au total 8,3 milliards d'euros d'investissements pour la période courante.

En même temps, la Croatie bénéficie des instruments d'aide de préadhésion (IPA) lesquels comprennent un peu plus de 900 millions d'euros. À la fin de l'année 2009, la Commission a prévu pour la Croatie en tant que membre de plein droit 3,5 milliards d'euros au cours des premières deux années, mais le terme pour devenir membre de l'UE était le 1^{er} janvier 2012. Puisqu'il est certain que ce terme ne pourra pas être réalisé, des changements sont possibles dans le cadre du montant des allocations de l'UE consacrées à la politique de cohésion en Croatie. Cependant, le montant susdit est plusieurs fois plus grand que celui des instruments d'aide de préadhésion (IPA) consacrés à la Croatie.

2.2. Aides régionales et croissance économique

Il existe deux points de vue théoriques concernant les aides au développement économique régional et la localisation des activités économiques: les modèles de croissance et les modèles géo-économiques. Le modèle de croissance néoclassique (Solow) prévoit la convergence des revenus dans les régions avec des économies similaires. Pour cette raison, quand les moyens régionaux assurent le financement du capital physique dans des régions pauvres qui manquent

de capital, on stimule provisoirement la croissance au-dessus de l'état stationnaire habituel. La réduction de la productivité marginale du capital rend possible une plus rapide convergence des économies vers l'état stationnaire où le taux de croissance du revenu par habitant est déterminé par la technologie. Cependant, toutes les économies ne convergent pas vers le même niveau de revenu par habitant. Par conséquent, le taux d'investissement plus haut dans des régions pauvres peut avoir un impact sur le niveau du revenu par habitant à l'état stationnaire, mais il ne peut qu'augmenter provisoirement le taux de croissance au cours de la transition et jusqu'au moment où l'économie atteint le nouvel état stationnaire. Les théories de la croissance endogène sont au contraire très importantes pour déterminer le taux de croissance à long terme. Aschauer (1989) et Barro (1990) estiment que si l'infrastructure publique représente l'input à la fonction de production, la production du capital privé augmente, ce qui contribue à l'accumulation du capital et à la croissance. Quand ces investissements assurent le financement des infrastructures de transport inter-régionales on enregistre une réduction des frais de transport ce qui peut avoir un impact sur la localisation industrielle et contribuer à l'agglomération des régions riches. Cependant, d'après la géographie économique, les infrastructures de transport n'ont pas d'impact provisoire sur la région dans laquelle elles s'implémentent, et surtout quand elles sont utilisées en tant qu'instrument de développement (Martin et Rogers, 1995; Vickerman, 1996). Vickerman (1999) soutient que les nouvelles infrastructures de transport doivent être construites dans les régions riches, où la demande est majeure. La relation entre la profitabilité et l'accessibilité du développement économique dans les régions périphériques exige encore d'importantes recherches lesquelles dépendent de la demande de transport ainsi que des différences de productivité d'une région. D'après les recherches faites, les infrastructures de transport inter-régionales seront toujours plus utiles au centre qu'en périphérie (Vickerman et al. 1999). On peut conclure que les infrastructures de transport inter-régionales ne peuvent pas toujours être un instrument suffisant pour réduire les différences inter-régionales.

Le financement des infrastructures de transport dans une région pauvre est toujours utile, mais rien n'assure que cette région pourra atteindre le niveau de développement d'une région développée. Puisque les effets de débordement géographique sont limités aux entités locales, il existe une limite dans le cadre des frais de transports au-dessous duquel se développe un processus d'agglomération. Donc, les régions pauvres offrent très peu. Par conséquent, il n'y aura pas de réallocation d'entreprise. On peut conclure que les régions riches appartenant au même État profiteront au maximum du proces d'intégration.

Le problème de l'impacte réel des fonds structurels sur le développement régional est encore plus renforcé par le fait que les estimations économétriques précédentes ont amené à des conclusions différentes.

Parmi les études qui avaient constaté les effets positifs des fonds structurels il faut souligner en particulier l'oeuvre de Beugelsdijk et Eijffinger (2005). Le problème de la distribution des moyens financiers a été souligné tout d'abord par Ederveen et al. (2002). Les auteurs se basent sur l'hypothèse que les personnes auxquelles on confie les moyens financiers doivent être qualifiées parce qu'au contraire les moyens financiers ne seront pas bien utilisés. Capelleri et al (2003) soulignent que l'efficacité des fonds structurels est plus élevée quand l'allocation régionale représente un environnement économique sain (bas taux de chômage, participation de R&D élevée), alors que l'efficacité des fonds structurels est moins élevée dans les régions moins développées (haut taux de chômage, participation de R&D peu élevée).

Rodriguez-Pose et Fratesi (2004) se sont concentrés seulement sur les régions Objectif 1 puisqu'elles reçoivent les plus fortes aides pour la cohésion. Leur approche à l'innovation de la recherche comprend un écart de temps de sept ans afin d'estimer si les moyens utilisés pour les investissements ont produit la croissance attendue. Ils ont conclu que les aides dirigées vers des projets d'infrastructure ne produisent pas une croissance positive. D'après leurs recherches, les meilleurs résultats sur le moyen et le long terme sont obtenus par les investissements dans le cadre de l'éducation et de l'instruction et dans le cadre du capital humain (Durantori et Monastriotis), alors que les pires effets à court terme sont obtenus par les investissements agricoles.

Ederveen et al (2006) observent l'efficacité des fonds structurels et soulignent que les moyens financiers mis à la disposition des fonds structurels sont inefficaces s'ils ne sont pas attribués aux pays dont les institutions fonctionnent bien (ouverture et qualité des institutions). Les résultats de ces recherches concordent avec les recherches faites par Burnside et Dollar (2000) qui s'étaient concentrés sur l'attribution des aides aux pays en voie de développement. Leurs observations se rapportent aux 13 pays de l'UE15, Allemagne et Luxembourg exclus.

Garcia-Solanes et Maria-Dolores (2001) soutiennent pleinement l'attribution continue des moyens financiers. D'après les résultats de leurs recherches, l'effet des moyens financiers est toujours positif, soit au niveau national qu'au niveau régional. Cependant, il faut mentionner que le niveau du PIB par habitant n'est qu'une variable exogène qu'ils ont ajouté à leur modèle.

Ederveen et al (2002) ont constaté que l'impact des fonds structurels varie par rapport au type de convergence observée. En effet, plus que le pays est optimiste à l'égard du processus de convergence, moins efficace est la dépense des moyens financiers mis à la disposition des fonds structurels et vice versa. Ils considèrent que les fonds structurels sont inefficaces pour trois raisons. Premièrement, les gouvernements régionaux n'utilisent pas les moyens financiers conformément aux propositions de l'UE ce qui n'a pas un impact efficace sur la stimulation de la croissance. Deuxièmement, les gouvernements des États membres peuvent utiliser les moyens financiers même pour la réalisation de projets non rentables afin de satisfaire les critères de la cohésion. Enfin, ils ont calculé qu'en moyenne, chaque euro de l'UE attire 1 sur 7 euros de soutiens régionaux de l'État dans le cas où il s'agit des investissements de l'UE faits dans le domaine du développement régional. Il y a encore deux défauts mentionnés par Dell'erba (2005a). Premièrement, il n'est pas indispensable que l'entreprise ait le siège dans la région ciblée laquelle active le projet financé par les fonds structurels de façon que la valeur ajoutée soit réalisée dans une autre région. Deuxièmement, un projet ne se réalise jamais sans une aide nationale additionnelle. C'est le principe d'additionnalité qui empêche les régions de présenter des projets inachevés. Cependant, ce système harmonise et apporte l'équilibre: les régions périphériques peuvent redoubler au maximum les aides de l'UE, alors que les plus riches régions de l'Espagne et de l'Europe centrale peuvent attirer 2,5 - 6,4 fois plus d'aides par rapport aux dispositions prescrites par les fonds structurels (Dell'erba, 2005a). Le montant des investissements peut être plus élevé dans les plus riches régions aussi.

Le développement des régions lesquelles se classifient par rapport aux objectifs a été observé par Fayalle et Lecuyer (2000). Ils ont constaté que dans un pays qui reçoit des soutiens ce sont les régions les plus riches lesquelles profitent le plus des fonds structurels. Le motif de cette situation est la pratique et la tendance des projets et des fonds structurels qui désignent les régions où l'offre est plus riche ou bien le fait que les producteurs des régions riches peuvent

approvisionner de leurs produits plus facilement les régions moins développées, puisque les infrastructures dans les régions moins développées ont été construites par les moyens financiers des fonds structurels.

D'après Bussoletti et Esposti (2008) les moyens financiers mis à la disposition des fonds structurels ont un impact mineur sur la croissance et l'augmentation des salariés dans le secteur agricole.

Face à toutes ces recherches, l'attitude officielle de la Commission européenne (European Commission, 2010:2) remarque que la politique de cohésion a contribué dans une large mesure à la croissance économique et au bien-être dans l'UE. Elle a aussi réduit les disparités économiques, sociales et territoriales. Le cinquième rapport sur la cohésion économique, sociale et territoriale a constaté que cette politique a aidé à ouvrir de nouveaux postes de travail, augmenter le capital humain, construire des infrastructures et améliorer la protection de l'environnement, surtout dans les régions moins développées, alors que ces disparités auraient été beaucoup plus grandes en absence des politiques de cohésion. Cependant, les effets sociaux de la crise et le besoin d'innovation à cause des grands défis posés par la globalisation représentent pour la Commission une motivation pour "réaliser une ambitieuse réforme de la politique de cohésion".

Les recherches décrites au dessus ainsi que les effets des élargissement de 2004 et 2007 ont eu un impact sur le changement de la politique régionale de l'UE laquelle a été dans une large mesure dirigée vers les nouveaux États membres. Dans le chapitre qui suit nous présentons les propositions fondamentales de la politique régionale de l'UE du XXI^e siècle qui se basent sur l'augmentation de la convergence.

3. Evolution de la politique régionale de L'UE

Après le grand élargissement de 2004, une réforme qui a valorisé les expériences de l'élargissement a été mise en place. En effet, l'élargissement a approfondi les inégalités de développement dans l'UE: il y a eu une augmentation d'habitants de 28% alors que le PIB par habitant a augmenté seulement de 6%. Le PIB par habitant en Lettonie était par exemple 40% inférieur de l'UE-25, alors qu'au Luxembourg il était 206,7% supérieur de l'UE-25. Ensuite, 92% de la population des nouveaux États membres vive dans des régions où le PIB par habitant est inférieur à 75% de la moyenne de l'UE-25. Par conséquent, il y a eu de nouveaux défis à l'égard de la gestion de la politique régionale, surtout dans les pays en transition. En même temps il y a eu le soi-disant "effet statistique de l'élargissement". L'élargissement a provoqué l'augmentation nominale du degré de développement de certaines régions lesquelles ont dépassé 75% de la moyenne de l'UE-25, ce qui c'est reflété sur 19 millions de personnes dans 14 régions (par exemple les régions de l'Allemagne de l'Est ainsi que quelques régions en Espagne et en Grande-Bretagne).

3.1. Les régions avec des problèmes

Après l'élargissement de 2004 et 2007, la politique régionale de l'UE s'est tournée vers les régions des nouveaux États membres où sont situés 2/3 des régions moins développées, soutenues par une politique régionale commune. Dans le même temps, une des tâches de l'Union Européenne restait celle de soutenir les régions les moins favorisées dans les pays de l'UE-15, en particulier en Grèce, au Portugal et en Espagne parce que dans la plupart des cas

elles n'avaient pas achevé le processus de convergence. À côté de tout ça, l'Union européenne essaie d'assurer un traitement adéquat dans les régions qui se confrontent avec des difficultés structurelles spécifiques comme la restructuration industrielle, les espaces urbains et les espaces ruraux, les espaces qui dépendent de l'agriculture ou de la pêche, et en particulier dans les régions qui enregistrent une chute démographique.

La réforme des fonds structurels de l'UE est liée à l'Agenda 2000 pour la période 2000-2006 et elle a regroupé les régions avec des problèmes en trois groupes:

- (1) régions avec des difficultés de développement
- (2) zones avec des basses activités industrielles
- (3) espaces essentiellement agricoles.

Les caractéristiques commune de ces trois types de région sont l'énorme dépendance d'un certain nombre d'activités économiques traditionnelles lesquelles n'assurent pas une productivité satisfaisante et ne génèrent pas un taux d'emploi plus élevé, c'est-à-dire des revenus satisfaisants. Dans ces régions, le PIB par habitant était inférieur à la moyenne de l'Union Européenne, le taux de chômage était élevé et constant, alors qu'il y avait une émigration marquée.

Lors de la réforme des fonds structurels, les régions moins développées ont été nommées "régions avec préférence numéro 1" et elles étaient définies comme régions dont le PIB par habitant était inférieur à la moyenne de l'Union Européenne. Ces régions comprenaient la Grèce, le Portugal, l'Irlande, une grande partie de l'Espagne et de l'Italie, ensuite la Corse et les pays d'outre-mer, l'Irlande du Nord, les Highlands et les îles écossaises, les nouvelles régions allemandes, l'Hainaut belge, le Burgenland et certaines régions de la Scandinavie lesquelles sont très peu peuplées. Malgré leur diversification géographique, ces régions ont des défauts communs:

- infrastructures insuffisantes ou inadéquates, soit qu'il s'agit des infrastructures de transport, des infrastructures énergétiques ou bien des infrastructures de télécommunication
- vieille et faible infrastructure industrielle dont les méthodes sont inadéquates, alors que la production n'est pas adaptée au marché
- agriculture laquelle domine avec sa vieille structure
- la population des villages quitte la région et part vers les villes
- taux de chômage élevé, surtout dans le cadre des jeunes et des ouvriers dont les qualifications professionnelles sont faibles ou très basses.

Les zones industrielles en baisse ont été nommées "régions avec préférence numéro 2" et elles étaient définies comme espaces où une importante partie de la population était employée dans le secteur industriel qui est en baisse: métallurgie, mines de charbon, mines de fer, chantiers navals, usines de textile. Dans la plupart des cas, la chute de la production dans ces branches s'explique par l'épuisement des ressources naturelles, par la concurrence des produits de substitution et par la concurrence des pays tiers dans le cadre des matières premières, ensuite par la main-d'oeuvre bon marché et par l'énorme capacité de production par rapport à

la consommation, que ce soit au niveau interne qu'externe. Ces régions ont généralement une densité de population moyenne élevée. Quelquefois elle dépasse 1. 000 habitats par km². L'élément principal de l'intervention dans ces régions est le marché de la main-d'oeuvre ainsi que la réduction du chômage, ce qui représente le but principal de la politique régionale.

Lors de la réforme des fonds structurels, les "régions rurales" ont été nommées "régions avec précedence numéro 5b". Elles sont situées dans huit États membres, en dehors des ex-régions moins développées. La faible diversification de l'industrie et des services ainsi que l'impossibilité de créer de nouveaux postes de travail ont résulté par une réduction de la population dans ces régions au cours des quelques dernières décennies. À l'époque, ces régions représentaient environ 1/5 du territoire de l'Union Européenne, mais avec seulement 8% de sa population. Ces espaces sont caractérisés par une densité de population peu élevée, dans certains cas 20 habitants par km². En outre, ce sont souvent des régions insulaires ou des régions périphériques par rapport aux centres économiques. Quelquefois il s'agit de territoires de montagne avec beaucoup d'obstacles qui limitent l'accès au grand marché intérieur de l'UE.

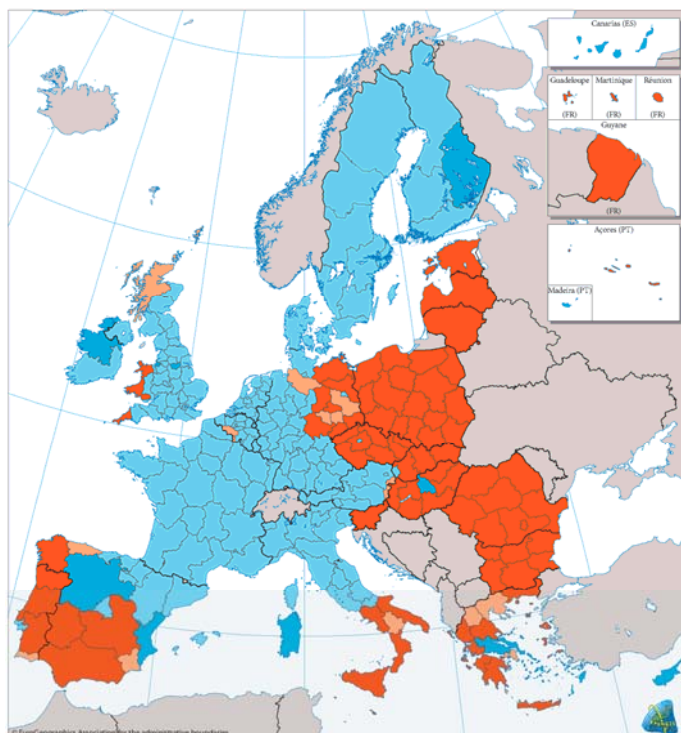
3.2. Nouvelle politique de cohésion et instruments de cohésion financière

Conformément à la nouvelle politique de cohésion pour la période 2007-2013, l'UE regroupe les régions en trois catégories, par rapport au niveau de sous-développement et par rapport à la forme de soutien nécessaire dans un certain espace (Figure 19-3):

- Objectif 1 - «**Convergence**» - destiné aux régions moins développées (PIB par habitant inférieur à 75% de la moyenne européenne) ainsi que dans les pays où le PIB par habitant est inférieur à 90% de la moyenne européenne (donc, ces pays ont satisfait aux conditions pour bénéficier du Fond de cohésion)
- Objectif 2 - «**Concurrence régionale et embauchement**» - Toutes les régions de l'UE peuvent l'utiliser, alors que la somme pour laquelle elles réalisent le droit dépend du taux de chômage, du chômage dans les secteurs de l'économie qui ont moins de perspectives, du niveau d'éducation et de formation ainsi que de la densité de population.
- Objectif 3 - «**Coopération territoriale européenne**» - destiné à la coopération transfrontalière, frontalière et transnationale des régions dans le cadre de l'UE, lié aux questions communes et spécifiques du développement soutenable.

Les dimensions de la région à laquelle est attribuée le soutien financier varient par rapport aux objectifs. Les projets de développement régional soutenus par les fonds structurels de l'Union européenne sont aussi soutenus par les gouvernements nationaux. L'Union européenne distribue les tâches suivantes aux États membres ainsi qu'aux pays candidats à l'adhésion: établir le cadre législatif qui comprend la planification budgétaire et le cofinancement des projets de développement régional ainsi que l'harmonisation avec les politiques de l'UE. La politique régionale exige un niveau élevé d'harmonisation avec les autres politiques communes, par exemple avec la politique sociale, la politique de la protection de l'environnement, la politique de la protection de la concurrence du marché, etc. En outre, sur la base de l'organisation de son territoire, l'État doit établir les régions statistiques. Ensuite, l'Union européenne établit le niveau et la forme de soutien pour chaque région. La deuxième tâche est celle du fonctionnement efficace des institutions dans les États membres lesquels

gèrent les moyens financiers de ces fonds, à partir de leur programmation et du contrôle jusqu'à l'évaluation finale des résultats des projets réalisés. Les programmes les plus efficaces sont créés conformément au capital humain de la région ainsi qu'aux possibilités de ses avantages du marché. Par conséquent, pour le développement régional soutenable à long terme il est nécessaire de disposer d'une administration publique caractérisée par la capacité de planification stratégique ainsi que par la capacité technique et administrative d'élaboration de la documentation nécessaire.



Remarques:

- Les régions en rouge appartiennent à l'Objectif 1 - environ 200 milliards d'euro est destiné à ces régions, pour une période de 7 ans
- Les régions en rouge claire sont en phase de transition vers l'Objectif 2, lequel comprend les régions en bleu (environ 15 milliards d'euros)
- Environ 70 milliards d'euro sont prévus pour le Fond de cohésion, alors que 7,75 milliards d'euro sont prévus pour la coopération territoriale.
- a za teritorijalnu suradnju 7,75 milijardi eura.

Source: Commission européenne, Regional Policy – Inforegio, «Eligible areas in the EU under the Convergence Objective and the European Competitiveness and Employment Objective», septembre 2008 (http://ec.europa.eu/regional_policy/atlas2007/index_en.htm).

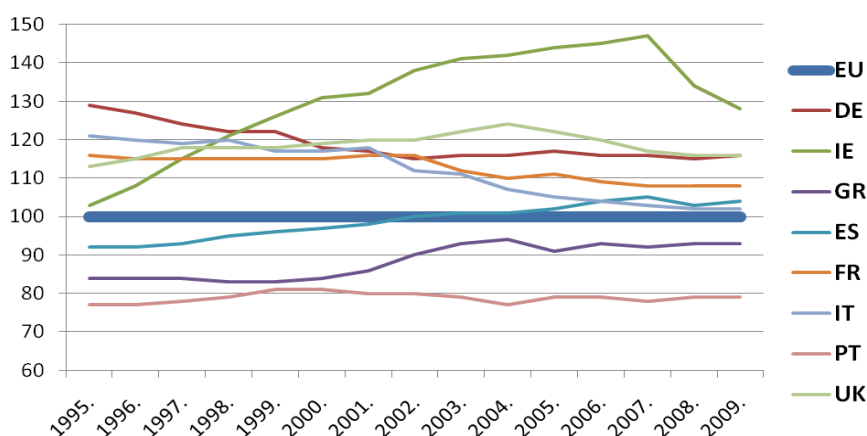
Figure 1. Allocation de fonds structurels d'après le type de région pour la période 2007-2013

Le financement des projets de développement régional dans le cadre de la nouvelle politique de cohésion pour la période 2007 - 2013 (environ 350 milliards d'euros) se réalise à travers trois fonds: le Fonds européen de développement régional, le Fonds social européen et le Fonds de cohésion. La nouvelle politique de cohésion doit prendre de nouvelles mesures pour résoudre les inégalités régionales parce que l'augmentation des disparités parmi les régions européennes représente un grave problème de développement pour les régions moins développées. Cela signifie qu'après l'élargissement de l'Union européenne les disparités de développement entre les régions les plus riches et les régions les plus pauvres ont augmenté. Par conséquent, la cohésion économique et sociale est devenue plus faible. L'Union européenne n'a jamais, de son histoire, eu des régions dont le PIB par habitant s'élevait à 25% de la moyenne du PIB de l'UE. C'est pour cette raison que la nouvelle politique de cohésion se

trouve au devant de nouveaux défis: l'augmentation de la cohésion interne et la préservation de la protection sociale en Europe face aux assauts des économie asiatiques en croissance rapide.

3.3. La convergence dans l'Europe du Sud-Est

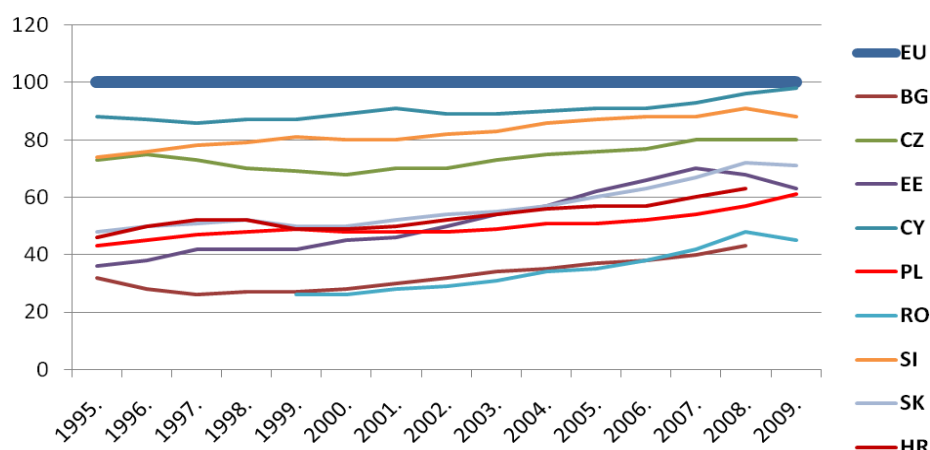
La convergence réelle sous-entend la diminution des différences au niveau du développement (par ex. la similitude du PIB par habitant, du niveau des salaires et des prix), alors que le facteur le plus important de la convergence et de la croissance soutenable est le facteur humain. Les graphiques 1 et 2 montrent les mouvements parallèles du PIB par habitant dans les "vieux" pays élus et dans les "nouveaux" membres de l'UE.



Source: Eurostat, 2010

Graphique 1. La convergence au niveau du PIB par habitant pour les membres EU15 (EU27 = 100)

La Grèce a réalisé un progrès significatif dans le cadre de la convergence réelle pour la période 1999-2004, mais depuis 2004 et jusqu'à 2009 elle enregistre une stagnation, malgré le niveau relativement haut, supérieur à 90% de la moyenne européenne (Graphique 1). Cependant, la raison de cette situation dans le cadre de la convergence n'est pas dans la croissance du PIB par habitant, mais dans le sous-disant "effet statistique de l'élargissement".



Source: Eurostat, 2010 .

Graphique 2. La convergence au niveau du PIB par habitant pour les nouveaux membres et pour la Croatie (EU27 = 100)

À la différence de la Grèce, la Roumanie, la Bulgarie et la Croatie enregistrent une tendance positive à la convergence par rapport à la moyenne de l'UE (Graphique 2). Les indicateurs de la convergence pour la Roumanie et la Bulgarie manifestent dans une large mesure une correspondance, malgré les données récentes pour la Roumanie soient négatives. Cependant, la crise économique mondiale a eu un impact plus fort dans les pays lesquels manquent de production concurrentielles. Pour cette raison, ces données n'étonnent pas. La solution des problèmes structurels des économies de ces pays pourra assurer un nouvel impact positif sur le développement. À la différence de ces pays, la Croatie a été dans la période 2007-2008 au niveau supérieur à 60% du PIB par habitant, ce qui rend possible une corrélation entre la Slovaquie, la Pologne et l'Estonie. Ces données ne sont pas un garantie pour être satisfaits de la Croatie, puisque la crise en Croatie est arrivée avec un écart de temps. Considérant tout ce qui a été dit, la crise économique renforcée par des spécifiques problèmes structurels nationaux a amené au mouvement négatif de la convergence à la fin de la première décennie du 21^e siècle. Cela est surtout évident à cause du rapide rétablissement des pays qui ont une production concurrentielle (l'Allemagne avant tout) ce qui, au début de la deuxième décennie du 21^e siècle, renforce l'abîme entre le pays plus développés et les pays moins développés de l'UE, c'est-à-dire de la Croatie en tant que candidat.

4. Impact des fonds structurels européens sur la convergence régionale

Toutes les analyses présentées dans le deuxième chapitre offrent des critiques tournées vers les impacts des fonds structurels sur la convergence régionale. Selon Martin et Rogers (1995) ainsi que Vickerman (1996), les infrastructures de transport n'ont pas d'impact provisoire sur la région dans laquelle elles s'implémentent, et surtout quand elles sont utilisées en tant qu'instrument de développement. C'est logique parce qu'il s'agit des investissements à long

terme et le temps de retour est aussi long. C'est aussi le cas des principales destinations des fonds de cohésion (environnement, capital humain, innovation et recherche technologique).

Malgré l'opinion généralement acceptée selon laquelle les effets de la politique de cohésion seront visibles sur du long terme, la Commission européenne (2010b) estime que ses effets sont positifs soit à court terme qu'à long terme. D'après l'estimation conservatrice faite sur base du modèle HERMIN, la politique de cohésion, entre 2000 et 2006, contribuera à la croissance du PIB par habitant de 2,1 euro sur chaque euro d'investissement. Selon le modèle QUEST, le retour sur investissement, au cours de 2009, a été de 1,2 euro sur chaque euro d'investissement, alors que jusqu'à 2020 le retour d'investissement est estimé à 4,2 euros sur chaque euro d'investissement.

La structure des investissements des fonds de cohésion détermine la nécessité d'observer les effets à long terme et ne peut pas être liée aux périodes budgétaires de l'UE. La comparaison entre les taux de croissance économique dans les régions de l'Objectif 1 et dans les autres régions de l'UE mène à la conclusion que la croissance dans les régions de l'Objectif 1 au niveau NUTS2 est supérieure à 0,6 - 0,9% (Busillo et al., 2010). Cependant, les taux de croissance les plus élevés sont immanents aux États moins développés et ce sont justement les États de l'Objectif 1.

Les recherches préliminaires sur la Roumanie donnent des prévisions optimistes selon lesquelles les programmes de la politique de cohésion contribueront à augmenter le PIB par habitant de 15% dans la durée de 2007 à 2013 en créant 200. 000 nouveaux postes de travail.

Les prévisions pour la Bulgarie sont semblables à celles pour la Roumanie. Sur la base des programmes européens de la politique de cohésion, on prévoit la croissance du PIB par habitant de 15% jusqu'à 2020. En outre, on prévoit que la politique de cohésion contribuera à augmenter le PIB par habitant à 51% de la moyenne européenne jusqu'à 2013. Durant la même période, le taux d'emploi augmentera de 51% (en 2005) à 64%. La contribution à la croissance de la R&D sera supérieure. Selon les prévisions, on estime qu'elle s'élèvera de 0,4% à 1,15%.

Pour la période 2006-2013, les fonds de cohésions européens ont prévu pour la Grèce 3,7 milliards d'euros. Les investissements prévus en Grèce, avec le financement du gouvernement grec, s'élèvent à 3,6 milliards d'euros en R&D et 1,6 milliard d'euros en infrastructures informatiques.

Les prévisions pour la Croatie sont beaucoup plus complexes et dépendent de la date de l'entrée de la Croatie dans l'Union européenne, c'est-à-dire des possibilités d'utiliser les fonds structurels. Du point de vue financier, les fonds structurels sont beaucoup plus abondants. Ce qui fait la différence entre la Croatie d'une part et la Roumanie et la Bulgarie d'autre part, c'est le degré de convergence beaucoup plus élevé, surtout dans la région du Nord-Ouest NUTS2 dont le PIB par habitant s'élève à 2/3 de la moyenne européenne. Malgré la concentration des plus importants sujets économiques dans cette région, toutes les principales régions croates

pourront utiliser l'aide au développement provenant de la politique européenne de cohésion, pendant au moins une décennie.

5. Conclusion

L'objectif de cette intervention était de souligner l'impact des fonds structurels sur le processus de convergence entre des régions européennes, avec un accent particulier sur l'Europe du Sud-Est.

On se pose la question sur l'efficacité des fonds structurels parce que les fonds structurels sont destinés, en premier lieu, aux régions moins développées. Dans l'UE existe encore de grandes différences entre les régions. Puisque la plupart des fonds structurels est destinée à la construction des infrastructures de transport, leur impact sur le développement n'est pas tout à fait clair, mais on le remarque très bien à travers les effets de débordement géographique sur l'allocation spatiale.

La Commission européenne conteste les résultats d'un nombre significatif de recherches soutenant que les moyens financiers de la politique de cohésion ont un effet positif à court terme et non pas seulement à long terme. Cependant, cette attitude doit être observée avec des réserves, respectant les termes habituels du retour sur les investissements, par exemple dans les infrastructures de transport lesquelles ne peuvent pas se réaliser à court terme.

La diminution de l'abîme dans le cadre du développement entre la Roumanie, la Bulgarie et la Croatie par rapport à la moyenne de l'UE est incontestable, alors que le cas de la Grèce est spécifique. Malgré le fait que la Grèce est membre de l'UE depuis plusieurs dizaines d'années, elle n'a pas réalisé le progrès pour s'approcher à la moyenne du PIB par habitant dans l'UE, ce que la Roumanie, la Bulgarie et la Croatie s'attendent. La crise économique actuelle est une opportunité idéale pour corriger les politiques économiques nationales des pays membres afin qu'ils puissent atteindre leur objectif le plus vite possible: l'atteinte de la moyenne des paramètres macroéconomiques de l'UE27.

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RELEVANCE OF “WESTERN EUROPEAN PUBLIC ADMINISTRATION REFORMS” ON TRANSITION COUNTRIES – ‘WHO LEARNS WHAT FROM WHOM?’

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Abstract

Prevailing opinions by OECD advisers addresses the process of changes in PA and the efforts towards ‘harmonization’ between the domestic patterns and the new transferred principles of modernization as NPM - an universal panacea for the problems of public administrations in transition countries, without paying substantial attention to the relevant implementation gaps for some levels as well as areas of reform. Aiming to verify the ‘convergence’ of NPM principles in different national contexts, the ‘lessons learned’ from different awarding initiatives supporting innovation exchange programs between the central governments and other joint initiatives between Italy and Romania as examples of cooperation programs for modernization of the public sector are analyzed.

The study reviews, beyond certifying the quite different institutional backgrounds and administrative cultures in both countries: 1) the markedly features of the public sector innovation programs, drivers and reform trends; 2) the ‘common steps’ and ‘who learns what from whom?’ in last two decades of rapid ‘public management innovation strategy’, exchanged between the OECD- EU countries and the reformers in post-communist countries.

Although, the importance of moving away from traditional structures towards a more efficient and accountable management system as well as the challenges arising from dichotomy between Western convergence and transition country-specific restructuring of the public sector are of primary importance.

Keywords: *Public Administration reforms, learning transfer, modernization, Italy, Romania.*

1. Introduction

For more than two decades in Western European countries, and even more frequently in all transition countries, we have been witnessing waves of public management reforms. Public sector is confronted with different kinds of change processes mainly aiming to promote better government and governance and run on very different principles and drivers. The notion of public management reform is by and large reserved for the politically driven top-down directed large-scale projects of changes in PA systems. The field of public administration - its development and, in particular, its reforms which is predominantly driven by principles

stemming from ‘classical/traditional’ administrative patterns or/and ‘lessons learned’ from NPM doctrines.

The experiences from the process of public sector organization restructuring in the last two decades reveal the loss of predominance of NPM as the paradigm of reference for developing reforms. Despite the variation in choosing reform strategy between countries, current administrative reform trends still seem to share some patterns of reform; is certainly recognized ‘the context -dependency’ importance in the reforms implementation (OECD, 2005) and widely accepted that the national strategies varied in their approaches, as well as in the reform tools that have been employed in each national setting (Ongaro, 2010). Similarly, a considerable amount of recent initiatives have been inspired by processes of cross-national learning, lesson-drawing, and transfer (Pollitt, 2003; Dolowitz and Marsh, 2000; Evans, 2004; Rose, 2005). Although neither of these trends (cross-national transfers) is new (Hood, 2000) they do seem to be among the most remarkable features of current administrative reforms.

Many studies on reform policy transfer on NPM have focused on cross-national borrowing ideas and tools for implementing reforms. Recently, are some studies that have also investigated transfers from developed to developing countries, as well as transfers between developing countries (Lana & Evans, 2004) and from developing to developed countries (Nedley, 2004). In the last two decades some studies were done on policy transfer in new democracies of Central and Eastern Europe (CEE) (Ivanova and Evans, 2004; Randma-Liiv, 2007; Tavits, 2003).

The current paper aims to contribute to the existing literature on reform policy transfer in general and to the literature of new emerging literature on European union countries in particular. We encounter lack of comparative analysis at the EU level, particularly between a founder EU(Italy) and a New EU member country (Romania). In such terms, to a certain degree, we are proposing a new trajectory of comparison that try to complete the existing gap at the level of cross-national analysis in terms of modernization trends, with respect to their distinct historical development, the motives, scope, role models and actors of the underlying transfer processes through different joint projects based on the approaches of “lessons drawings and learning exchanges”.

The paper readdress the relevant implementation gaps for some levels as well as areas of reform regarding the NPM model analyzing a range of articles and implemented/proposed projects, which sample the emerging themes in the field of trajectories of reforms in Italy and Romania

Starting from the “Lesson-Drawing” approach developed by Richard Rose in 90s as an answer to incomplete success of NPM in many countries (1993, 2005), we try to measure the “learning oriented” approach of both countries, through the evidences of different implemented projects and as well as joined programs of modernization, to understand where do countries learn from, what do they learned, and how do they use that learning in policy design. On the one hand, we try to answer the basic question of ‘whom learns from whom’, or mainly who can learned from whom, taking over viewing the recent initiatives and programs of innovation developed at the national levels in both countries but also the joined initiatives of ‘best practices transfer’. The study, in such case, offers a better chance to understand the distinctive roles played by international organizations or countries (externals drivers in Romania) and public sector organization- national bureaucrats (internal drivers, government, in Italy) in adopting NPM model; the mechanisms through which “reform ideas travel”; why particular policies (in this case, an administrative reform tool) become attractive; and what happens once a reform is transported to a different administrative setting (particularly attention to the rewarding initiative ‘100 projects in Romania’ implemented after its success in Italy).

2. Competing main paradigms and drivers of innovation: between theory and practice

The large body of academic works goes hand-in-hand with-and indeed has been nurtured by-the practical relevance and increasing number of experiences with the NPM (Cepiku and Meneguzzo, 2011, p. 19-25). The main drivers in NPM model transfer in both our case study can be certified by reviewing the requirements and recommendations of international organizations on the countries experiences; we can mention that the, at the crossroad of the '90s communist fall, they were able to deliver not only financial aid towards transition countries, but also technical assistance to administrative transformation by using latest innovations of the West. From its success, researchers and academics called NPM as the best theory for policy implementation but without paying substantial attention to the relevant implementation gaps, varying with the national contexts, levels as well as areas of reform.

First of all, at the level of OECD countries, from early '90 a consequent growth of a managerial, rather administrative approach to the provision of public services was introduced, and most of the research in field relates to the continuing process of modernization of public sector under the scope of re-defining the role of the public administration, introducing logics, strategies and instruments connected to the concepts of public management, public entrepreneurship and managerial practices. The main driven was particularly encounter by the necessity of arising performance in public sector, in terms of internal and external efficiency and of capacities to answer to the needs, increasing the level of trust in the public action. Thinking at the particular case of Italy, a laggard on NPM implementation, the drivers towards its implementations were mainly internal, from government, and other 'lessons learned' from OECD countries experiences. On the other hand, the popularity of NPM at the beginning of 90's determined its exportation, mainly through international organization but also trough bilateral projects, in transition countries, like Romania, as an instrument for public administration development in the framework of technical assistance contracts. Wide spectrum of NPM ideas were interpreted by the developing countries through the perspective of local problems. In addition, wide spectrum and volume of NPM ideas allowed searching for the most appropriate solution according to local political and public administration traditions.

According to OECD, NPM became a catalyst in the Public Administration reform agenda in the EU space. Summarizing the main evidences are in following areas: *the push for the introduction and development of interventions to redefine the role of governments and government*: a) budgetary pressures; b) difficulties in meeting the demand and the needs of users; c) internationalization of issues that previously were exclusively attributable to national governments;

-the main areas of application of NPM logic: a) reform and simplification of regulatory; b) decentralization of responsibilities within the government on the basis of organizational units; c) performance evaluation, benchmarking and improvement of monitoring and control functions; d) downsizing of public sector organizations and introduction of new managerial formulas; e) the search for more efficient and lower costs for the provision of services, contracting out, market mechanisms like, share users; f) guidance to clients through' introduction of explicit standards of quality in public services; g) integration of ethics in the process of administrative reform; h) improvement of public information and accountability to citizens (OECD, 1996).

Table 1

NPM- main limitations to its practical implementation	
NPM model	Critics and limitations to the model effective implementation
<ul style="list-style-type: none"> • Inward focus on (private sector) management techniques. • Input and output control. • Fragmentated state. • Competition and market place • Client empowerment through redress and market mechanisms. • Political-administration split within & between (agencification) organization. 	<ul style="list-style-type: none"> Enhanced fragmentation in already weak coordination systems. Contract based top management systems. Concepts of accountability doesn't fit reality for less developed states. Under evaluates the need to build policy making capacity. The context dependency value for its transferability.

The most preeminent merit of NPM has been to bring out innovative ways and means to reform Public Administration. In general NPM manages to conserve the contents and direction of change through wide application to different national, regional and local levels in which PA changes occur (Finger, 2002). The NPM — and public administration (PA) in general — are context-dependent phenomena (Pollitt and Bouckaert, 2004; Cepiku and Meneguzzo, 2007) but frequently the model do not account the context dependency aspect, the fragmentation of policy making, and public service delivery-in its effective implementation. In such a context it is necessary to distinguish, though the evidence of specific projects implementation, between the limitations of the model and flaws in the implementation in different countries. These should also take into account its unstable nature and the varying transferability over time and places.

The European Administrative space can be defined mainly weberian but the EU recommendations, as an all, has a strong NPM impact, the main focus relating to improvements of internal audit and public administration transparency. Also the most practical feature of NPM – agencies – is in the centre of EU attention.

Box 1: Looking Beyond 'Lisbon Agenda' –NPM survival

- PA has been neglected or reduced to policy, finance, and a simple strife for 'modernization' and 'innovation' in the LA.
 - Most of the discourses on PA reforms generally follow the old-fashioned approach of the NPM.
- Source:** Drechsler, 2005.

Many of the shared problems definitions at the level of EU countries were generated by sclerotic traditional and weberian bureaucracies. Currently the most discussed 'post-NPM' model is the so-called Neo-Weberian State (NWS), a fortuous metaphor describing a model that co-opts the positive elements of NPM, but on a Weberian foundation (Pollitt and Bouckaert, 2004, pp. 96-102). Following the principles of Neo-Weberian paradigm of innovation, the State is still considered to be the main facilitator of solutions to problems such as globalization, technological change, shifting demographics and environmental threat. Despite legitimacy problems, the role and functioning of representative democracy has not suffered any major change. The same holds for the role and perception of the civil service and the principles of the *Rechtstaat* model. The traditional Weberian elements have thus been preserved. However, there are also some new elements. For example, there has been a shift from an internal orientation towards bureaucratic rules to an external orientation towards meeting citizens' needs and wishes. New devices have been introduced to improve the role of representative democracy, both regarding the early consultation with citizens and

representation of citizens' views (Pollitt, Van Thiel and Homburg, 2007, p. 3). The Neo-Weberian State is characterized by the instrumental rationality of Weberian bureaucracy, to achieve economic and financial gains through 'downsizing', tax-reduction programs and privatization programs designed to achieve new efficiencies (Dunn and Miller, 2007, p. 355). In the management of resources within government, a modernization of the relevant laws has been implemented to encourage a greater orientation on the achievement of results rather than merely the correct following of procedure (*ex ante* to *ex post controls*). In sum, the NWS has led to some changes, but often changes are mitigated by existing structures and traditions, and are more concerned with democratization and modernization than with 'entrepreneurial government' or imitating private sector practices. However, the expectations are that this "Neo-Weberian" administration would connect the advantages of bureaucratic model to the assets of NPM. Quite frequently, the "old" methods of steering (legal rules and hierarchy) are being weakened before the "new" managerial ones function (economic incentives and decentralized management).

Table 2

NWS model from theory to practice	
Neo –Weberian model	Looking beyond NPM in NWS
<ul style="list-style-type: none"> • External orientation towards citizen's needs • Central role of professional managers • Unitary state and collaboration • Public service ethos • Supplementation of democracy with consultation and participation • Political administration separation and emphasis on professionalization of the later 	<ul style="list-style-type: none"> Networking Less hierarchic, more participative and more collaborative model of PA Strong cooperation and exchanges of knowledge between different public levels Quality management models and management by objectives (CAF, etc) Cost effective administration and task oriented budgets E-government (e-administration)

3. Comparative overview on the innovative PA reform projects in Italy and Romania

The current chapter tries to highlight the present reform strategy and planning agenda in the both EU countries, through the perspective of few innovative projects implemented in last couple of years following the main pillars of modernization. The following section summarizes the steps of innovative reforms under "Brunetta Reform Strategy" (Brunetta, 2009) in Italy and similar initiatives in Romania later, thinking to give a short overview on the main trends of reforms. A detailed list of projects implemented and recognized in 2009 are cited below for improving public service delivery in Italy and Romania in various sectors and at various levels of government organization.

In the next table a short overview on the Italy and Romania reforms and the critical aspects are highlighted. We focus mainly on the performance raised during last decades in the field of public service delivery, where NPM models had a larger role to play though its actual success is yet to be seen. Additionally, we also introduce the relevant NWS element (e-governance), as constituted in the reform agenda of both countries.

Table 3

Summary overview of PA reforms in Romania and Italy

Components/ Countries	Italy	Romania
Market-type Mechanism	i) Induced competition among; ii) Privatization; iii) Contracting out/in; iv) Public-private and public-public partnerships.	i) Privatization of some public services; ii) Contracting-in/out; iii) Public Private partnerships.
Critics & Limitations	i) Perverse effects; ii) Long term perspectives not realized; iii) Significant differences among different administrations; iv) Most of the instruments were only formally adopted.	i) Lack of strategic visions on promoting the market-type mechanisms; ii) Significant differences between various public entities; iii) Implementation gap especially at local authority level.
Service & citizen orientation	i) Creation of administrations' offices for relations with citizens (URP); ii) Transparency freedom of information iii) Creation of ombudsman at regional level; iv) Quality initiatives (CAF/EFQM, customer satisfaction surveys, etc.); v) Citizens' charters.	i) Introduction of Citizen Information Centers (CIC) ii) Transparency and freedom of information; iii) Creation of Ombudsman at national and regional level; iv) Quality initiatives (CAF/ EFQM, quality awards, etc.).
Critics & Limitations	i) Pursued mainly through a greater professionalization instead of market-type mechanisms; ii) Fragmented initiatives; stop-and-go approach.	i) Citizens information structures not generalized at local levels; ii) Lack of citizen participation; iii) fragmented initiatives.
e- governance	i) Several e-government plans implemented.	i) Measures and promotion of e-administration were conceived and approved in 2001.
Critics & Limitations	i) Access to citizens restricted; ii) Back-office reorganizations did not occur.	i) Financial resources necessary to support the strategy were not adequately evaluated.

The public modernization in Europe (Demmke et al., 2006, p. 18) is strongly driven by economic and budgetary pressures. Expenditures limits such as the Maastricht criteria seems to be of higher relevance for public administration modernization. Also current reforms seems to be strongly driven by technological developments. This is also reflected in the central role of e-government on the current modernization agenda in all EU public administration. EU legislation and integration also seem to be relevant-although not a very strong-driver for reform.

Reform programs introduced more recently by the new Italian Minister for Public Administration and Innovation continue along the lines of the NewWeberianism. PA reform is based on two action plans - the so-called "Industrial Plan for PA" and the e-government 2012 plan — and the strategy is in its second year of implementation (Cepiku and Meneguzzo, 2011, p. 22).

In 2009 October 'Brunetta Reform' was introduced in Italian Public Administration reform agenda focusing on : i) modernization of Public Administration; ii) innovation and digitalization within the public administration and the country more broadly and iii) the relationship between public administration and citizens and businesses (OECD, 2010, p. 20).

In Italy, after two decades of innovations reforms, *administrative transparency* remained unsatisfactory. This failure is even more pronounced in the areas of citizen relations and process management. We can track the failures of transparency reform to several important factors, the most influential including: fiscal and budgetary pressures; loss of citizens' trust; an ageing society; changes in the electoral system; and, political vision and leadership.

Basically the **first pillar**¹ of Italian reform, “**Modernization of the Public Administration**”, builds a different approach dealing with the principles of meritocracy and rewards, performance evaluation, collective bargaining, managerial responsibility and disciplinary sanctions, transparency and integrity. The Industrial Plan (Italy, 2008) identifies transparency and customer satisfaction as two key and innovative elements of the reform. As practical support to the initiative we identify the so called instruments in support of transparency process in “**Transparency Operation**”, launched by the Public Administration Department in May 2008, as a first step towards a more transparent administration and are meant to thwart inefficiency and to reward merit.

In Romania the **transparency** in the public sector organizations is considered almost nonexistent. In 2001, developing the legislation on e-government² was a noteworthy step for the principle of transparency at the administrative system level. However, a law in this respect was lacking, this lack being constantly mentioned by the Commission reports in 2000, 2001 and 2002. The year 2003 is the year when Romania adopted the Law 52/2003 on decisional transparency, a measure welcomed by the European Commission report for that year (Meneguzzo et al., 2010, pp. 18-24). As far as the **openness** is concerned, adopting in 1998 the National Strategy for Computerization and Rapid Implementation of the Information Society is appreciated by the Commission, but Romania is still confronted with problems of proper dissemination of information, problems of citizens’ involvement in decision making, particularly of Roma community. The 2001 Law on free access to information improves the situation³.

The **second pillar**⁴ of public administration reform strategy in Italy is “**innovation and digitalization within the public administration and the country**”. The first component of this process is driven by the use of innovation within the public administration. Specifically, the Italian policy on digitalization encompasses three different but interrelated aspects: i) ICT adoption inside each public entity; ii) interoperability within the public sector, and iii) enhanced online public services and administrative burden reduction for firms and citizens. These not only aim at increasing the efficiency and effectiveness in public service delivery, but also at a more comprehensive objective of enhancing transparency and accountability.

Nowadays, the reform mainly aims to complete the process of eliminating paper in the flow of public documents (“dematerialization”), together with a more strategic and sophisticated use of ICT to support the reengineering of internal processes and the adoption of the performance management cycle; to develop needs-based online services and elimination of red tape, thus reducing administrative burden for firms and citizens.

Box 2: The e-Gov 2012 Plan

- Internal efficiency in e-government
- Enhancement of online services, interoperability, co-operation and communication instruments such as web 2.0, public administration quality and customer satisfaction.
- The improvement of transparency and efficiency in the Public administration, the development of the Public Connectivity System (SPC) and innovation to enhance citizen-public administrative relationship are defined as broader priorities of the plan.
- E-Gov 2012 Plan is consistent with the need to recover from the economic crisis, and aims to reduce the widening gap between Italy and the most developed EU countries in the e-government sector

¹ See OECD, Study on Modernizing the Public Administration: Italy, 2010.

² Government’s Decision 1006/2001, published in Official Bulletin 660/19. 10. 2001.

³ Law 544/2001, published in Official Bulletin 663/23. 10. 2001, subsequently modified and completed.

⁴ Idem.

In **Romania** were present different implementation of *electronic projects*, to bring administration closer to citizens, reducing bureaucracy, for example – ‘e-Administration’. The Romanian Government launched a broad campaign for the implementation, development and promotion of digitalization of Romania, namely **eRomania Strategy**, which, on short and medium term, aims to achieve 300 electronic services operational by the end of 2011, interconnection and full computerization of the Romanian Government and all public institutions so that the access of citizen; provides an ambitious vision about the information future of Romania for short and medium term; decentralizes the services, to make the governance act efficient and to decrease costs. The main objective of eRomania is the citizens’ time: how long it takes for the general public to get informed, to obtain documents necessary to live in Romania and in EU, to pay relevant duties and taxes.

Table 4

Romania ICT spending

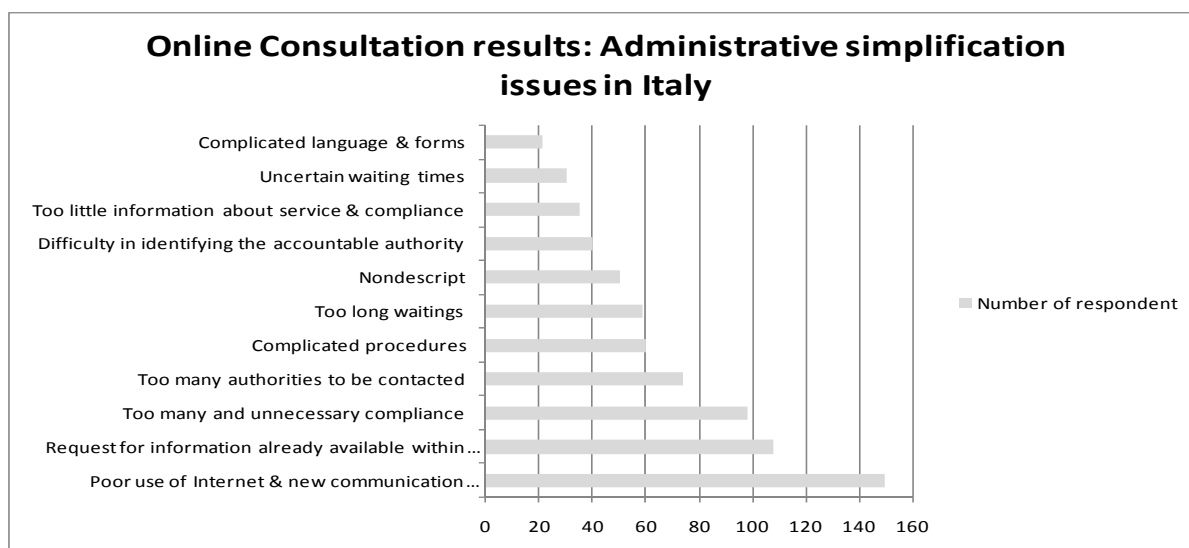
Romania ICT spending										
Years	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
ICT spending/ GDP (%)	3. 1	2. 8	2. 9	3. 5	3. 6	3. 7	4. 1	3. 6	3. 5	3. 5

Source: Ministry of Communications & Social Information, Government of Romania.

The aim of the **third pillar**⁵ in Italy (i. e. citizen relationships), is to design a new digital administration aiming to citizens involvement in decision-making processes. Several studies focus on impacts in terms of improved satisfaction, quality of information and services provided. The introduction of new channels for delivering services (websites, call centers, etc.) can help government respond to citizens needs. International comparative indicators indicated that, by the end of 1997, Italy still was one of the most regulated countries in the OECD, a result of decades of anti-competitive regulatory practices. Regulatory reform received a great attention, especially since 1997 within the framework of the Bassanini reforms. By the end of 2000, broad efforts to liberalize the market and reduce regulatory burdens were producing the first results (Cepiku and Meneguzzo, 2007, p. 15).

Regarding the **Simplification and online consultation**, in November 2009 Italian minister for public administration and innovation launched “Beuracracia: Diamoci Un Taglio”, an online consultation design to involve citizens, businesses and their associations in the administrative simplification process. This initiative is a new way within the Italian context to simplify bureaucracy: it aims to collect comments and proposals directly from users through an online questionnaire. The Italian government introduced this bottom up approach to administrative simplification to the OECD guiding principles. Beuracracia: Diamoci Un Taglio is permanently accessible to all potentially involved parties i. e. Experts and professionals, Academicians, managers, Researchers etc. . The results of the initiative show that citizens are using this opportunity to actively participate in the reform process of public administration.

⁵ Idem.



Source: Presidenza del consiglio dei Ministri – Public Administration Department

Figure 1. Online consultation results- Administrative simplification issues in Italy

The figures above show two most serious problems concerning the Italian public administration: a) Poor use of ICT; b) request for information already available within the administration. Both problems deal with the need of the citizens and Businesses to speed up and increase the effectiveness of the Digitalization processes; the limited use of ICTs and the limited integration and inter operability among public agencies are seen as critical efforts to reduce bureaucracy.

Box. 3: Italian Projects involved in improving Customer Care and Citizen Engagement

Friendly Networks (Reti Amiche)

The friendly networks project (Reti Amiche) is a network of delivery channels in the private sector that gives citizen easier access to public services. The project reduces delivery cost of distribution channels of public services. At the same time, the effectiveness of collaboration between private companies and public administration realizes a “User Driven” design of the front office interface for e-government services. The delivery of personalized transactions, with the support of the **one stop shop model**, enhances the accessibility of the services by citizens. Actually 60,000 in 2009 and 1,00,000 in 2010 points of access to services has been established.

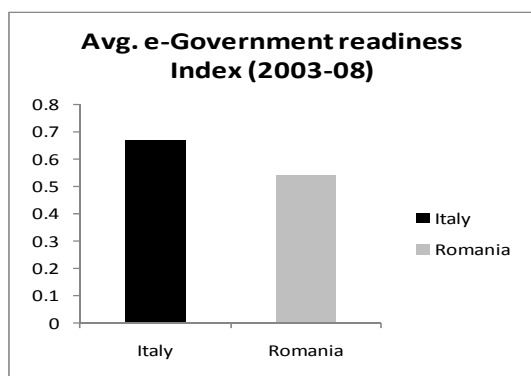
In Romania, *the citizen involvement* in the decision making process together with parties directly concerned and the economic and social actors is regulated by the Economic and Social Committee development. Regarding the improving of Citizen participation -a strategy on the implementation of the **one stop shop** in the public administration was put into practice. In its first stage the one stop shop is designed to deal with identity cards, voting cards, vehicle registry certificates, registry plates, driving licences and passports, services which are delivered by structures subordinated to the Ministry of Administration and Interior, in order to evaluate to what degree this system responds to citizens’ expectations.

To study the effects of citizen’s involvement in both countries, we have analysed the indices that were built by UN to measure the *e-administration performance*. The Department of Economic and Social Affairs of the United Nations defines e-government as: utilizing the internet and the world-wide-web for delivering government information and services to citizens (UN and ASPA, 2001). Based on the standard methodology used by UN, the eGI (e-Government Index) captures two sub-indicators: a) E-government readiness, calculated on basis of: web measure index, telecommunication infrastructure index and human capital

index; b) E-participation index, calculated on basis of the assessment of 21 services and facilities grouped under the categories: e-consultation and e-decision making.

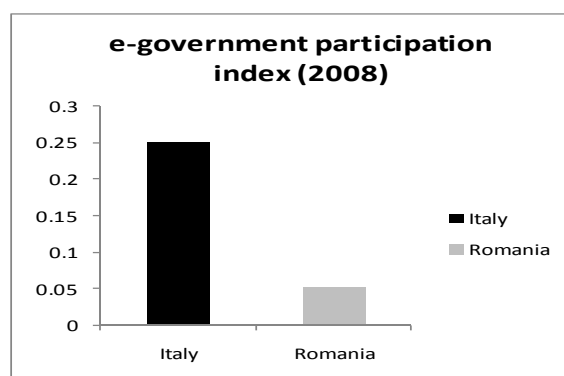
The web measure index provides the countries analyzed with a comparative ranking of their ability to deliver online services to their citizens (UN, 2008). Romania measures an e-government readiness index at 0.527, whereas Italy slightly better the index with 0.675. Romania is at the beginning of its e-government experience compared to Italy. Nevertheless, it is interesting to note that, in spite of reduced contributions of web measure index (0.4147) and infrastructure index (0.2992) at the e-government index, the human capital index has a high value (0.9047). This gives a quite encouraging perspective for public administrators to utilize its potent human resource in future.

The e-participation index: captures the dimensions of the interaction between government and citizens (G2C), by assessing the extent to which government proactively solicits citizens' input (UN, 2008). The three dimensions of e-participation index are: e-information; e-consultation; e-decision making. The e-government participation index for 2008 for Italy is quite high compared to Romania. Romania was measured as one of the lowest among the transition countries.



Source: UN, 2008.

Figure 2. E-government readiness



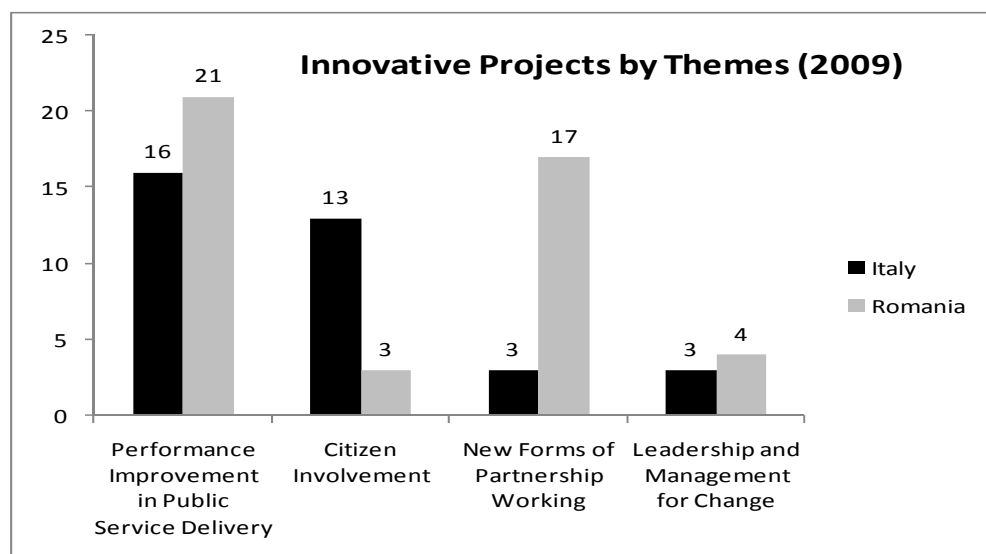
Source: UN, 2008.

Figure 3. E-government participation

Lastly, we consider that common trends of modernization of the public sector has been a reform objective for majority of EU countries, and transition countries, main drivers corresponding to six axes: open government, enhancing public sector performance, modernizing accountability and control, reallocating and restructuring, using market-type mechanisms to provide government services, and organizing and motivating public servants (OECD, 2005b).

According by EPSA award competition in 2009⁶ innovative programs of reforms initiated by common goals and objectives by European countries can be broadly classified into four themes - Performance improvement in Public service delivery; Citizens involvement; New forms of partnership working; Leadership and Management for change. Based on these themes, Italy and Romania presented various projects; performance improvement in public service delivery and citizen involvement projects were prioritized in Italy; Romania focused mainly in performance improvement and new forms of partnership working like PPP. Both countries distinctly have assigned lesser number of projects to Leadership and management change. Number of projects implemented in 2009 is shown in the graph below.

⁶ The second edition -European Public Sector Award (EPSA)- organized by the European Institute of Public Administration (EIPA) in 2009.



Source: elaborated on the base of data from EPSA, 2009.

Figure 4. Innovative projects in Italy and Romania

3.1. Absorbing and implementing best practices between Italy and Romania

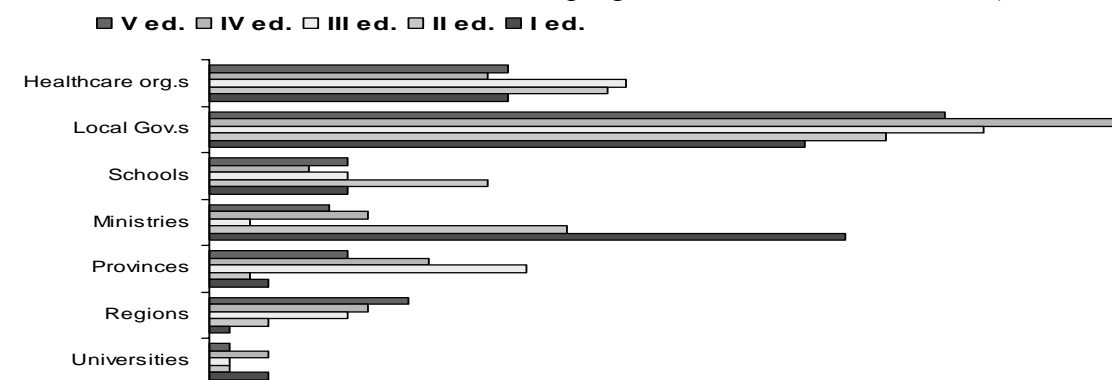
3.1.1. Markedly aspects in innovation policy in Italy and Romania

The Italian experience of designing and implementing innovation policy for the public sector represent an example of how to link the general reform of the public administration to the explicit policy. It also represents a good practice of linking the policy design to the policy implementation. This kind of efforts has to be continuous. The continuity is also showed by the fact that any of the framed programs, neither 100 projects or finalized projects has been dismantled, but they evolved and were joined by other initiatives in order to keep the pace of the international and, overall, of the local/central governments needs.

Since 1993, Italy has developed incentive systems to the implementation of innovations in the management and policies of public services offered, promoted directly from public authorities (see the experience of one hundred projects of the Department of Public Administration). The model of reference that has been made is that of Quality Award and awards for innovation at the international level.

Thus was born the need of a balance between assistance, coordinated by the central government and an integral part of modernization processes ‘managed by law’, and innovation processes initiated and managed from below, as an important indicator of the capacity of local public entrepreneurship (Meneguzzo, 1997, p. 43). In Italy we found examples of initiatives for innovation by NPM led by central government (top down), but also on the other hand, leaving full autonomy to individual initiative of municipalities, agencies and local enterprises (bottom up). The approach ‘bottom up’ seems to have produced in the Italian context, positive results, and this approach has been rather successful in the two subsystems of the local government, exploiting and capitalizing on the experience of the ‘Quality Award’ in the public sector, directly managed by the Department Civil Service. The choice of ‘bottom up’ requires the implementation by the central systems of incentives to innovation in public organizations, based on the transfer of financial resources and the provision of real services (Meneguzzo, 1997, pp. 47-49).

The modernization rate in Italy at central government, local governments, and national and local public enterprises levels are quite dissimilar. The administrative and institutional dualism and the different speeds in the modernization processes, the specificities of public administration, in terms of political-administrative relationships have influenced the adoption of different modernization tools and the implementation of reforms. An indicator of the differences in terms of innovation capacity between different types of public administrations is the win rates in the national award: “100 progetti al servizio dei cittadini” (see the figure)⁷.



Source: Cepiku and Meneguzzo, 2007.

Figure 5. Projects awarded in different editions of reform implementation

On the other hand, Romania has started to build public administration basically under the pressure of international organization and as a result of policy transfer, ideas of the new public management theory were introduced in public administration. The traditional bureaucratic administrative burdens are quite strong and the NPM elements success in the last decades is relative. Development of Romanian public administration was determined mainly by external pressure, less by internally changing view on role of public administration in the modern state, from here even the importance to understand the administrative convergence between the external models and its adaptability to the re-structuring public sector administration. The modernization processes through reforms implementation and performance at central government, local governments, national and local public enterprises is quite dissimilar. As in other European states, the Romanian public administration reform was conceived on some core pillars: decentralization, civil service and public policy-making (Matei, 2009a, 2009b).

Studies on Romanian public administration (Matei, 2009, p. 151) assume that the public sector sized as a multiform sector is the ‘generator’ of weak performance, the public services are not innovative, not enough flexible, they are over regulated, too slow and they are not customer or citizen-oriented: the organizational structures typical for the public sector -such as the forms of hierarchical organizations, the bureaucratic structures-are rigid. The need to introduce the theories and practices used in the private sector in view to increase the quality of the public services, to reduce the budgetary allowance for the public services, to be citizens friendly, to increase efficiency and effectiveness of the public sector is supported by ‘best practices’ from developed countries.

⁷ “A hundred projects at the service of citizens” is an award aimed at promoting and spreading government innovation, directly managed by the Ministry for the Public Administration since 1994 (Meneguzzo and Lega 1999).

Box 4: The Research, Development and Innovation (RDI)

Its activity in Romania comprises at the present moment over 50 scientific and technical areas, mostly running in the public sector (over 60%). Legal documents stipulate the raising of the public funds allotted to RDI to 1% of GDP till 2010. The following objective is of 3% of GDP in 2015, comprising 1% public funds and 2% private funds.

Source: [www. financiarul. ro](http://www.financiarul.ro)

3.1.2 ‘100 de Proiecte Pentru Romania’

The following chapter describes the implementation of the awarding 100 projects in Romania after the success story of Italy, and how the prizes for the innovation in the public sector influences the process of PA modernization in both countries. Our research drafts the different phase-wise implementation in both countries and also highlights and makes a comparative table with each elements of NPM.

The mechanisms analyzed for understanding the process “who learns what from whom” are the quality and innovation awards, benchmarking projects and partnership agreements. Base on the joined projects between those two countries we understood that it is also useful to encourage adaptation rather than adoption, foster integration of monitoring and evaluation, taking into account cultural considerations when designing transfer plans, and celebrate incremental successes (UN, 2006); documenting successful practices through case studies in order to raise the awareness among different governments, and different levels of government within a country, about the existing innovations, i. e. solutions that are available and have already been tried and have succeeded.

The rationale for absorbing and implementing best practices from Italy to Romania can be gauged by analyzing the success of the “Awarding 100 Projects serving the Citizens”. The experience of 100 project aims at promoting and spreading government innovation. Although the 100 projects at the service of citizens program may be associated with some previous initiatives due to involvement of private sector (quality projects), it has been directly managed by the ministry for public administration and internal consulting staff ever since its launch in 1994. Secondly, the program is not only rewarding the best experiences, but rather at recognizing the value and merits of the people who work to improve government efficiency (front-line workers or street-level bureaucracy). The third element of differentiation can be traced to the concept of exemplarity used to select and evaluate the participating projects. In the Italian experience, exemplarity is not meant as absolute innovation but rather as a projects capacity to solve particularly negative or backward situations-

The selection and evaluation procedure for the 724 projects submitted to public function department was based on an international benchmarking with the awarding initiatives. An analysis on the database of the 724 projects submitted, divided up according to the managerial focus, emphasizes a major role of organization and process re-engineering as well as human resource management (43% of submitted projects), followed by corporate communication and public marketing (22% of the submitted projects), from ICT (11% of the submitted projects), quality (9% of the submitted projects), planning & control (6%). Other peculiar aspects of 100 projects III edition, directly linked to the underlying Italian NPM model, are: a) The difference in terms of innovation capacity among regional, municipal and central administration, confirming the pluralistic character of the Italian public administration system; b) The difference in terms of innovative capacity between public organizations operating in highly competitive areas and public organizations located in less developed areas (Cepiku et al., 2008, 59-91).

The rewarding initiative **“100 de proiecte pentru Romania”** (**“100 Projects for Romania”**) is an example of cooperation between Italy and Romania regarding the implementation of activities within the scope of the national programs for modernization and innovation of the public sector. The Twinning PHARE Project code RO 01/IB/OT/01 was implemented in 2002-2004⁸ and provided an unique opportunity to translate the Italian model of **“Cento Progetti al Servizio dei Cittadini”** (**“One hundred projects serving the citizens”**) into the Romanian context. There were both similarities and differences between the two initiatives that were aimed to reward quality and innovation in the public sector. Both initiatives were intended to identify excellent projects on the basis of criteria which, although declined differently in the two countries, were guided by the following common values: 1) integration and cooperation between the public administrations; 2) building partnerships with public and private subjects; 3) listening the clients and enhancing stakeholders participation; 4) encouraging assessment and performance evaluation; 5) promoting transparency. One more element that has united the Italian and Romanian experience is that both initiatives have had a dual general purpose: 1) to recognize and to promote good practices so that they could set an example and a learning opportunity for other public administrations; 2) to contribute to build consensus around the public sector reforms.

“Cento Progetti al Servizio dei Cittadini” took place in Italy from 1994 to 2004, in a period in which the country was characterized by a strong impulse to the introduction of institutional and administrative reforms. In all, there were five editions of the prize. Each of them, even maintaining a common perspective, has sought to support in different ways the ongoing reforms capturing and representing the complexity and richness of the innovations taking place in the Italian administrative system.

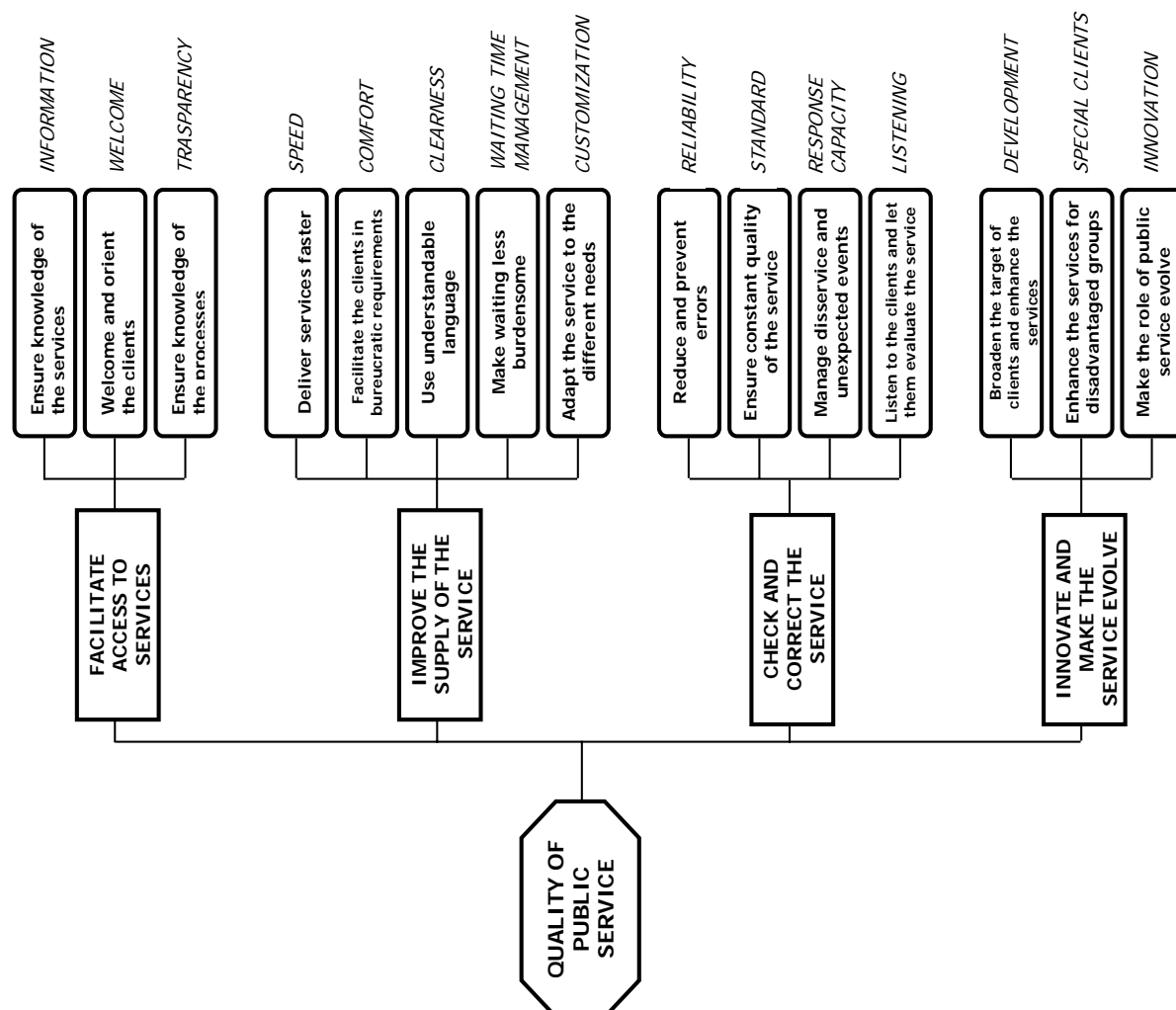
The first edition of **“Cento Progetti al Servizio dei Cittadini”**, held in 1994, was a big success. The applications received were more than 1,800 and, in addition to the quantity and quality of the projects, a very important result achieved was that the rewarding initiative created a mobilization effect of the public administration staff. With the award, the Italian Dipartimento della Funzione Pubblica (Department of Public Administration) intended to demonstrate that improvement, based on capacity and initiative of those who work directly with the clients, is possible. In particular, the first edition of the prize, entitled **“How to improve public offices”**, set out to achieve the following objectives: 1) to acquire knowledge - at the central level - of the improvement initiatives and projects carried out by the offices of public administration operating at direct contact with the clients; 2) to identify case studies to be proposed as a reference model for other offices and personnel; 3) to promote civil servants and citizen awareness of such cases.

Particular emphasis was given both to the concept of quality of public services and to the spread of the solutions adopted in the projects implemented by the award-winning organizations. The **“tree-model”** (see below) of public service quality drawn up for the prize aroused the interest of several national and international training and research centers, to the point that, in 1996, this model was used in the framework of the 27th Conference of Directors General of Public Administration as a tool to compare and evaluate the initiatives to improve the quality of public services carried out in different EU countries.

The second edition of **“Cento Progetti al Servizio dei Cittadini”**, entitled **“To promote innovation in public administration”** was held in 1997 and, while retaining the spirit of the first edition, it better stated its objectives, giving more emphasis to the dissemination of good practices and to the exchange of experiences among different public administrations.

⁸ Partners of the project were Romania, Italy and France.

Unlike the first edition, in which even project ideas for service improvement were admitted to the awarding competition, at the second edition have been admitted only projects already completed or nearing completion. This choice has led to a reduction of the applications which gradually decreased in the later editions of the prize.



Source: *Cento progetti al servizio dei cittadini*, 1^a edizione, 1995.

Figure 6. The “tree-model” of public service quality

The second edition of the prize represents a major step forward compared to the first one, because the selection criteria were defined more precisely and were sorted by priority, with the aim to award those projects that were starting by ascertainable situations, that were relevant to the clients (citizens and enterprises) and that were easily replicable in other contexts. The basic idea was that initiatives representing innovative and effective solutions and which could be a stimulus to other administrations should be rewarded. Compared to the first edition of the award, a more mature idea of how disseminate good practices takes place. The diffusion of an innovation, in fact, does not simply mean to replicate it in another context. It means, instead, that the new solutions carried out elsewhere should be reinterpreted and translated in the “language” of the organization that adopts them, identifying the essential prerequisites and conditions for their effective implementation. This new logic led the agents of innovation dissemination (in the case of Italy, the Dipartimento della Funzione Pubblica and the research and training institutions related to it) to play a more complex role, which was

no longer limited to support with marketing the good practices to be disseminated, but expanded in the direction of the accompaniment and support of the innovation processes of the public administrations.

From the third edition of the prize on, the results achievement is considered as an essential component of a project that could be recognized as good practice. Thus, the nature itself of the prize awarded to the winners changed. The small economic contribution for project completion, given to the winner in the first and second edition, disappeared giving way to the mere attribution of a certificate of award and to the opportunity to use the logo “Cento Progetti al Servizio dei Cittadini Winner” for public and institutional communication purposes.

The third edition of the award, whose subtitle was “**Innovation in support of reforms**”, took place between 1999 and 2000. The stated objectives and criteria of selection placed emphasis on three major themes of the ongoing reform: 1) administrative decentralization; 2) administrative simplification; 3) improved governance. Thus were rewarded not only projects directly targeted to the end customer of public services, but also projects aimed to the organizational development.

The fourth edition took place in 2002 and was entitled “For a widespread and sustainable innovation” and was intended to pursue objectives consistent with the five priorities identified by the “Cantieri” program⁹, namely: 1) improving the relationship with citizens and enterprises, 2) increasing capacity to develop, implement and evaluate effective public policies, 3) strengthening the management strategic capacity; 4) developing the framework conditions that promote change by creating a network of relations with public and private partners; 5) improving the organizational climate and internal relationships in the public offices.

Also **the fifth and last edition** of “Cento Progetti al Servizio dei Cittadini” was carried out, in 2003-2004, within the framework of the “Cantieri” program, from which goals and basic assumptions were assumed. Entitled “For an innovation that creates value”, the fifth edition has been designed: 1) to identify and develop projects that create value for citizens; 2) to interact positively with the environment by promoting participation, cooperation and partnerships; 3) to contribute to more effectively meet the needs of collective interest. This edition of the prize introduced an important innovation regarding the evaluation criteria, which is a prelude to the subsequent evolution of the reward initiatives in Italy: to be considered good practice, candidate projects must be fully integrated within the public administration activity both by the functional and organizational viewpoint.

As had already happened in Italy, also in Romania the decision to carry out the rewarding initiative called “**100 de proiecte pentru Romania**” was born both from the will to make visible the complex and laborious ongoing process of reform and from the need to mobilize the public administration professional resources orienting them towards innovation and continuous improvement. The Romanian Ministry of Administration and Interior (MAI) launched the competition on 23 April 2003 as part of a Twinning Program between Romania, Italy and France. The completion of the project under the Twinning Program allowed not only to give an international cut to the initiative increasing its prestige, but also to capitalize on the lessons learned during the previous ten years in Italy. However, the Romanian experience was not reduced to a mere imitation of the Italian award, but both the process of implementation of

⁹ “Cantieri” is a program of actions to support public administrations in the reform process, initiated by the Dipartimento della Funzione Pubblica in 2002 and carried out in partnership with national institutions that offer services for public administration innovation.

the initiative and the reference criteria for the awards have been refined to fully respond to the objectives of the ongoing reforms in that country. Thus, the competition became part of the reform agenda of the Romanian public administration, with the aim of promoting: 1) local initiative, 2) development of new ideas, 3) partnerships and dissemination of good practices. The organization of the competition, as well as the establishment of procedures for project selection and evaluation, have been treated by a working group set up ad hoc by UCRAP - Unitatea Centrala pentru Reforma Administratiei Publice¹⁰ (Central Unit for the Reform of Public Administration) with the support of Italian experts, who provided assistance in all phases of the project.

The stated objectives of the award were: 1) improving the effectiveness of local authorities to promote modernization initiatives and to improve the quality of the services delivered to the clients (citizens and enterprises), 2) developing partnerships to improve relations between the local authorities, the citizens and the economic environment, 3) disseminating good practices and successful models through a special promotion program.

The main focus of the prize was related to the attention paid by local governments to improve the quality of services provided to citizens and enterprises. Therefore, the competition aroused considerable interest. In total the local administrations submitted 322 projects, 55% of those were presented by municipalities, 12% by Judet Councils and 33% by Prefectures.

The 100 winning projects were grouped into seven categories: 1) Relation between local authorities, citizens and the economic environment; 2) Simplification of administrative procedures; 3) Collection and management of financial resources; 4) Access to public services, consultation and involvement of citizens in government activities; 5) Human resource management; 6) Communication; 7) Internal organization.

The prize awarded was a "Degree of Excellence" and the right for the winner administrations to use the logo "100 Proiecte Winner" in all their communications. The managers of the top ten ranked projects also were allowed to participate in a study tour of a week to visit some of the winner administrations of the homonymous Italian competition. As with the Italian prize, the winning projects were presented in a catalog. The winning projects were not awarded with financial rewards, but their inclusion in the database of the experiences of modernization guaranteed them a faster track to access to national and EU funding.

The classification of projects and their selection were carried out in three steps: 1) Verification of the eligibility of the candidate projects; 2) Technical assessment and ranking of the first 150 projects, 3) Final selection and appointment of the winning projects.

The "Cento Progetti al Servizio dei Cittadini" season in Italy lasted a decade. In Romania, instead, the award was made in a single edition between 2003 and 2004 and was the first comprehensive initiative aimed at rewarding modernization in the public administration sector. In those years, both in Italy and in Romania, as it was happening in many other European countries, the basic objectives, the selection criteria and procedures for the dissemination of the initiatives of the reward initiatives to support the processes of modernization of Public Administration, were focused on the cornerstones of the NPM¹¹. The following table, based on the analysis of the objectives and selection criteria and procedures for the dissemination of good practices, provides a summary overview of the influence of

¹⁰ UCRAP is a specialized structure of the Ministry of Administration and Interior in charge of the implementation of initiatives to support reform and modernization of the Romanian public administration.

¹¹ E. Borgonovi, *Principi e sistemi aziendali per le amministrazioni pubbliche*, Egea, 2004, p. 96; M. Meneguzzo, *Ripensare la modernizzazione amministrativa e il New Public Management. L'esperienza italiana: innovazione dal basso e sviluppo della governance locale*, in *Azienda Pubblica*, n. 6, 1997.

some relevant issues of the NPM on the rewarding initiative “100 Projects” in Italy and Romania.

The rewarding initiatives that have been carried out in subsequent years have not awarded innovation and quality of individual projects carried out by public managers, but intended to assess the capacity of the entire administration as a whole to pursue continuous improvement of processes, results and outcomes. In Italy, therefore, the Dipartimento della Funzione Pubblica launched the prizes “Qualità PPAA” and “Premiamo i risultati”, which are based on evaluation criteria derived by the Common Assessment Framework (CAF)¹² model. In Romania, instead, the awarding initiative “Premiile de excelente Administratie. ro” is based on the rating by the clients (citizens and enterprises) for the results achieved by the public administrations.

Table 5

Influence of some relevant issues of the NPM on the rewarding initiative “100 Projects” in Italy and Romania

	1st-2nd ed. Italy	3rd-4th-5th ed. Italy	1st ed. Romania
Downsizing and organizational streamlining	Low	Low	Low
Creation of autonomous units	Low	Mid	Low
Outsourcing	Low	Low	Low
Separation between guidance/control/management	Low	Mid	Low
New systems of planning and control	Low	Mid	Mid
New monitoring and reporting systems	Low	Mid	Mid
Personnel management systems focused on results	Low	High	Mid
Organizational design based on processes	Low	Mid	Low
Streamlining and simplification of procedures	High	High	High
Diffusion of technological innovation	Low	Mid	Mid
Access and communication	High	Mid	High

4. Conclusions

Both countries (Italy and Romania) experienced rapid spread of innovation in PA inspired by the so-called ‘New Public Management’ (NPM) paradigm. In rhetoric and practice, these countries have adopted measures inspired by its philosophy. Just as in many other countries, Italy and Romania have chosen mixed strategies of public sector reform, and these choices have changed over time. However, it seems that the span of reform has been rather broader than narrow.

Moreover, all the “modernization processes” were always dragged by laws. So far, in fact, just a few of the variables of New Public Management have been applied, such as, for instance, the introduction of market mechanisms and of a sort of competition among different public institutions or the review of the organizational structures. Consequently, an assessment of state of art of managerial reforms in Italy can be made not regarding the classical variables on which New Public Management draws in an international perspective (Hood, 1991) but rather considering management techniques that can however be led to these variables (Cepiku and Meneguzzo, 2007, p. 23).

Italy which started relatively late compared to many other countries, but took advantage of the lessons already learned by others in creating an ambitious reform programmes in recent years. Empirical evidence on the content and strategies of reform is provided and Italian

¹² The CAF is a free total quality management (TQM) tool to assist public-sector organizations across Europe in using quality management techniques to improve their performance.

specificities are highlighted. In Italy, the wide-ranging agenda of reforms has suffered an 'implementation gap', characterizing legalistic countries. In Italy, reform political agendas were clearly inspired by the NPM model introducing some of its key features such as market-type mechanisms and performance management. The modernization rate of central government, local governments, national and local public enterprises, executive agencies, etc. has been quite dissimilar.

A valuable contribution, come from studying the links between innovation and the public sector. Many innovation awarding and exchanging initiatives have been progressively linked to the e-government actions: a) because the e-government itself was the content of the innovation; b) because already existing experience of e-government worked as catalyzer of innovation; c) because the PA websites ensured visibility to the projects and worked as knowledge management and 'best practices' repository.

The innovation policy in Italy, indeed, evolved not only from the stage of innovation by emulation, but also from the stage of innovation by the transfer, when there is an active role in innovative organization but a passive role of the recipient organization. Also, the innovation diffusion didn't take the shape of a free market system of innovation exchange, based on the assumption that demand and supply of innovation will meet, being this is profitable for both the players. The new phase can be defined as "translation approach", and heavily relies on the role of translation agents that facilitate an innovation exchange, which is also actively pursued by the recipient administration.

To conclude more specifically, the efforts of ensuring more efficiency, effectiveness and accountability and increase participatory mechanisms, ICTs can be a powerful tool in view of a planned decentralization process especially in countries like Romania. Precisely, ICTs can support governments' capacity during the transition from a centralized to a decentralized system, strengthening the creation of effective governance structures. We already saw this in the innovative e-Gov 2012 and e-Romania strategy, central and local governments have created connectivity points those not connected to connect and enable them to benefit from introduction of e-government. Building domestic ICTs tools may contribute significantly to address the digital divide and give opportunities in terms of information access and social economic growth. Finally, ensuring that the society is ready and enabled to take full advantage of the new opportunities brought by the increased digitization will decrease the risk of wasting efforts and creating new forms of digital exclusion. Reaping the benefits of the public administration reform will require appropriate actions to foster a cultural change both in the public administration and in the greater society.

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A THEORETICAL INQUIRY: IS EUROPEAN ADMINISTRATION CONSENSUS-BASED?

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Abstract

European Union has been consistently described as a democratic polity, although arguments on its failure have been thoroughly analyzed (Featherstone, 1994; Follesdal & Hix, 2006). A. Lijphart's book on patterns of democracy (1999), for instance, supports the idea that EU is built upon consensual democratic principles. In his view, EU's policy-making takes place in coalition cabinets, the executive is rather well balanced with the legislative and the Euro MPs, directly elected on proportionality basis cluster in different political groups, just as they do in a regular national multiparty system. Additionally, interest groups are represented in a corporatist manner, governance is multilayered, and the Court of Justice is a strong control factor for the European law making. All these characteristics point to the Lijphart's assumption that EU is in fact, consensus-based in its organization.

If so, does the European administration fit to a similar consensus-based framing? What patterns of organization and functioning should the European administration follow in order to become consistent to consensualism? These two questions are to be addressed in this article. The aim set forward here is to: (1) develop a theoretical model for the consensus-based administration, (2) analyze the nature of the European administration, and (3) apply the consensus model to the European administration.

The expected result is a comprehensive translation of the legal definition of the European administration to consensualism, one able to offer a reliable basis for further analyzing EU and its administrative developments. In fact, the article attempts to open a discussion on the true values of the so-called European Administrative Space, one that borrows quite a lot of features of the globally spread democratic administrations.

Keywords: European administration, consensus democracy, administrative principle.

1. Democracy and public administration building

A long line of outstanding researches defined and redefined democracy, pointing out that it changed its face and expectations once the demos grew in size and gained political awareness. Dahl (1971; 1998), for instance, discusses the difference between the ideal and practical democracy, introducing six institutional guarantees as referential for a democratic system: effective participation; vote equality; enlightened understanding; agenda setting control; and, total inclusiveness. A modern democracy should hence present at least: officials elected (1) in free, correct and regular elections (2), by people endowed with inclusive citizenship (3), who enjoy the freedom of expression and associative autonomy (4, 5), and benefit from alternative sources of information (6)¹³. To the scope of this paper, we are to use this view on democracy and consider that a democratic system is capable of keeping itself open to the preferences previously formulated by its members in a free and regular manner and able to deliver the expected answers on impartial and non-discriminatory grounds (Iancu, 2010; Matei and Iancu, 2010).

This rather procedure-orientated approach of democracy is subject to several clear limitations: “the system” we refer to translates the institutions, bodies and agencies that work inside a national, sovereign territory to the benefit of a nation and its interests; “the members” include the individuals (and their associations) that are part of a nation, acknowledge the internal rules of the system where the nation lies and bear responsibilities and rights deriving from their belonging to the nation; and “the preferences” express the alternatives the members choose in the policymaking process.

Not withholding these limits, we consider this definition usable in order to better operationalise the concept of “democratic public administration”. On this issue, D. Levitan argued that the administrative apparatus was more than a simple tool of the governors for implementing a political ideology, as the success of any government depended upon the well functioning of its public administration. In fact, he added that “a system of government could not be considered as a democratic system, even though its theoretical foundation were the principles included by political theorists in their statement of the democratic dogma, if it is not accompanied by administrative machinery for the realization of the principles.” (Levitan, 1943:355). A similar standing point belongs to G. Peters who, debating upon the political/administrative dichotomy, gives reassurances that the failure of a government rests frequently in the recalcitrance of the public administration: “in general, the assumption in implementation studies appears to be that if the civil service would behave as they should, then government might be able to function properly as well” (Peters, 1990:10). Be it responsible or not for the success or failure of a government, if engaged in a democratic institutional setting, the public administration should be organized and function in such way as to offer its citizens the possibility to freely and regularly formulate their preferences and receive impartial and non-discriminatory answers to their official requests. How would a democratic public administration look like? How would it be organized?

¹³ The term used by R. Dahl for such a system is poliarchy [R. Dahl and C. Lindblom (1953) *Politics, Economics and Welfare* (Chicago: University of Chicago Press)]. However, introducing this concept here would have suggested that a large part of the pluralist school had become the bone structure of my argument; this actually is beyond my present intentions, and as such, when discussing Dahl’s definition of democracy, I will solely refer to it as the modern, representative system I described above, in the body text.

D. H. Rosenbloom (1989:457) offers a possible answer when talking of an incumbent link between the constitutional principles and the public administration organization. He argues that in the US case, public administration follows the principles of rule of law¹⁴, non-discrimination and equity, the fundamental rights and liberties, as well as the procedural rights (such as the right to address a public authority if aggrieved in a legitimate interest or to have access to the justification of an administrative action). Going back in the history of administrative sciences, one can find L. Urwick's opinion (1957) who considers efficiency a general principle of any national public administration. In return, B. Kingsbury et al. (2005) focuses on the international arena (*inter alia*, International Monetary Fund, World Bank, European Court of Human Rights) and presents transparency, participation, legality, and effectiveness as principles for an administrative organization. And although the list of examples may very well continue, are the principles presented above, democratic? If to consider that US is a democracy and the above international organizations plea for democracy, the answer would be yes. However, a more appropriate sample of democratic countries is needed. And as using countries as nominal categories for describing systems of public may not be the most efficient means of understanding why those systems function as they do (Peters, 1990: 5), I will follow H. Simon's suggestion (1945) and identify the experiences that transcend the national boundaries by focusing on the democratic public administration systems in the European Union and the principles of organization they share.

Identifying the latter is a realistic objective. For achieving it, following an *in extenso* research of the doctrine¹⁵, I selected three criteria one could consider necessary and sufficient for generating the representative administrative systems and their subsequent relevant list of principles:

1. EU membership criterion: if the interest of this paper is to link the EU accession criterion to the reforms of the CEE countries and Croatia, then I believe it is important to see how the public administrations of the member states look like. The assumption would be that the EU expectations towards the candidates might not be more than the existent members can provide;
2. Consolidated democracy criterion: as belonging to the EU means achieving and consolidating the democracy, this particular criterion may seem, at first glance, a bit redundant. However, due to the focus acknowledged by this paper, repeating the selection and limit it to the case of the EU15 seemed necessary.
3. Criterion of implementing the norms and regulations of the European Charter of Local Self-Government. The Charter is relevant here because it is considered a European guideline for the organization and management of local governments (Delcamp, 1994; 1996; Marcou, 1999). In addition and fortunately enough, all the 15 member states of the EU I consider relevant had signed and ratified the text of the Council of Europe.

¹⁴ A similar opinion is shared by König (1992:157).

¹⁵ *Inter alia*, Toonen (1992), Knill and Lenschow (1998), Capano (2003), Cassese (2003), Kassim (2003a) and (2003b), Christensen and Laegreid (2004), Ziller (2004), Benz (2005), Kickert and Toonen (2006).

Deriving from the three points above, the research sample we used in order to identify the principles a democratic public administration should follow, was formed out of the EU 15 member states, all democratic systems with administrations organized according to the regulations provided by the European Charter of Local Self-Government. This selection served as basis for a further documentation, a stage where an important role was played by the OECD - SIGMA papers (1998; 1999), true “sets of common administrative standards, defined by law and consolidated by practice through accountability procedures and mechanisms”. According to them, the national experiences of the EU member states have generated a European Administrative Space that comprises of principles that regulate: a) the predictability of public administration: the public administration’s predictability: the rule of law, legal competency, proportionality, professionalism and civil service integrity, etc; b) the transparency: openness, justification of administrative actions, etc.; c) the administrative accountability; and d) the efficiency and effectiveness of a public administration.

The final result of our inquiry was a list of seven principles whose presence we consider necessary (in a minimal way) for the democratic organization of an administrative system. These seven principles are:

1. local self-government and decentralization – the public administration is organized at different levels of government and has the obligation to respond to the preferences formulated by its citizens in local policymaking.
2. openness and decisional transparency – the public administration formulates the policies and informs and advises the citizens on the alternative paths of actions, the intended consequences and the results achieved, while granting them the possibility to participate to the actual policymaking process.
3. partnership and cooperation – the public administration is involved in the policymaking and acknowledges the right of the citizens to be partners in policymaking.
4. non-discrimination – the public administration interacts with all its citizens, regardless of their age, sex, race, ethnicity, religion, etc.
5. accountability – the public administration is subject to exterior and interior scrutiny.
6. efficiency and effectiveness – the public administration aims at achieving more and better results with less resources.
7. rule of law and legality – the public administration respects the norms according to which the citizens may freely formulate and express their preferences and acknowledges that it should equally and non-discriminatory provide answers to the claims that are raised from the public.

Table 1

Principles for organizing and functioning of a democratic public administration

In a country-sized unit, for the opportunity of the citizens to [...]:	The following institutional guarantees are necessary [...]:	And can be translated in the following principles of functioning and organization of a democratic public administration [...]:
I. Formulate their preferences	1. Freedom of association	local self-government and decentralization
	2. Freedom of expression	
	3. Right to vote and be elected	
	4. Alternative sources of information	
II. Make their preferences public	1. Freedom of association	openness and transparency
	2. Freedom of expression	
	3. Right to elect and be elected	
	4. Free and correct elections	
	5. Alternative sources of information	
III. Let their Government answer to the preferences, in an impartially and non-discriminatory manner	1. Freedom of association	partnership and cooperation
	2. Freedom of expression	
	3. Right to elect and be elected	
	4. Free and correct elections	
	5. Alternative sources of information	
	* Rule of law (as a guarantee for the governmental dependency on votes and other forms of preferences' manifestation)	
		non-discrimination
		accountability
		rule of law

Earlier in this section we agreed on defining democracy as the system that is capable of keeping itself open to the preferences previously formulated by its members in a free and regular manner and able to deliver the expected answers on impartial and non-discriminatory grounds. And, as the levers that facilitate the openness of such a system to the preferences of its citizens belong to the public administration, then the latter has all the chances of being democratically organized. Table 1 develops on this conclusion and points to seven principles that we considered necessary for the democratic organization of a public administration. Deliberately, the principles in the table did not follow the pattern set forward by R. Dahl; it is

up to us to clarify the links we made wherever the OECD-SIGMA documents or the European Charter hadn't already done that.

Public administration does not operate in a vacuum, but rather inside strict societal norms, a certain political culture and a specific territorial mentality. For a community, the public administration may offer the means to change the desired political ends. Undoubtedly, regulating the freedom of speech or the right to vote does not imply the well functioning of an entire system: after all, as effort does not guarantee excellence, the freedom of speech does not guarantee the existence of an audience (Berkeley, 1991:35). Still, under a general obligation of the public administration to allow the implication and participation of citizens to policymaking, such an audience could be guaranteed. As such, the principles of openness (to evaluations of different stakeholders), transparency (through justification of decisions taken) and partnership and cooperation (inter-administrative and intra-societal) become procedural guarantees for the opportunity of formulation and expression of preferences. Just as accountability and the rule of law do.

Considering that the public administration names the national institutions, bodies and agencies that aims at policymaking through receiving the citizens' preferences, introducing them on the public agenda, formulate the policies, (sometimes) adopting them, implement the policies and assess them, then the democratic public administration gets all the above done by following the lead of the seven principles already presented. And if these seven principles link the minimal democracy to a minimal democratic public administration, and if the EU members states claim to have taken all these principles into consideration, is it possible to argue that the European institutions, bodies and agencies are also democratically organized? The section below provides an overview in this respect.

2. Democracy in the European Union

There is an extensive literature dedicated to democracy and the European Union¹⁶ (), yet for the purpose of this paper, we will merely concentrate on the writings of A. Lijphart (1999). In his interpretation, stemming from R. Dahl's works on the matter, the European democracy exists and takes a consensus shape, rather than a majoritarian one. That, in effect means that while being a plural society, the Union favors, *inter alia*, multi-party coalitions and proportional representation, and enjoys a certain constitutional rigidity in a decentralizing policy-making framework.

According to Lijphart's argument, the main institutional rules and practices of modern democracies, such as the organization and operation of executives, legislatures, party systems, electoral systems, and the relationships between central and lower-level governments, can be measured on scales from majoritarianism at one end to consensus on the other. In this two-dimensional map of democracy, EU tends to get closer to the consensus end, and thus exhibit more of: (1) executive power sharing in broad coalition cabinets, (2) balanced with the legislative power, (3) multiparty system, (4) proportional representation, (5) interest group corporatism, (6) federal and decentralized government, (7) strong bicameralism, (8) constitutional rigidity, (9) judicial review, (10) central bank independence (Lijphart, 1999).

¹⁶ Featherstone (1994), Pollack (1995), Beetham and Lord (1998), Eriksen and Fossum (2002), Hix (2005), Follesdal and Hix (2006).

As such, the European Commission is a broad coalition that unites the left, center and right of the political spectrum in Europe and acts more as an equal partner to the Parliament (Lijphart, 1999:42-43). The latter, directly elected since 1979 on some variant proportional representation, is highly fragmented between the seven political groups that appear less cohesive and disciplined than the parties in the national parliaments (Lijphart, 1999:44). Compared with other international organizations, the supranational EU is highly unified and centralized, but compared with national states, it is obviously still more “confederal” than federal, as well as extremely decentralized (Lijphart, 1999:44). EU’s constitutive treaties are rather rigid (because being international treaties, they can be changed only with the consent of all of the signatories), its European Court of Justice is quite active and creative in judicial reviewing and European law-making and the European Central Bank is “the most independent central bank in the world” (The Economist, 08. 11. 1997, quoted by A. Lijphart, 1999:46). Finally, the degree of European corporatism is bound to increase with the deepening of the integration process (Lijphart, 1999:44).

How is then the administration of the EU built? What principles does it recognize, and are they possible to compare to the ones presented already in this paper? To provide a suitable answer to this inquiry, we attempt a correlation between the seven principles of a democratic administration as already described, and the actual organization of the consensus European administration. The main implication of our analysis is to define a set of consensus principles for the organization and functioning of the European administration.

3. European democratic administration

“When I use a word,” Humpty Dumpty said, in a rather a scornful tone, “it means just what I choose it to mean—neither more nor less.”

“The question is,” said Alice, “whether you *can* make words mean so many different things.”

“The question is,” said Humpty Dumpty, “which is to be master—that’s all.”

(Carroll, 1872)

The EU administration is exactly one of these words with (too) many bosses and (too) many meanings (usually, contradictory). For instance, part of the legal-administrative doctrine¹⁷ sees the EU administration as a rather heterogeneous set of principles and practices that supports the achievement of the goals and missions of different European institutions, bodies and agencies¹⁸. Ziller (2000) on the other hand, speaks of a homogenous ensemble of administrative EU principles and practices. “European” (in the EU official documents) or “of the European Union” (in the national texts), the same administration is commonly referred to as part of a “European space”. Constitutional¹⁹, legal²⁰ or political²¹ (but not economic, as the Treaty of Lisbon regulates “the area”), the European space seems to have been perceived as a

¹⁷ Represented, *inter alia*, by Cassese (2004), Moderne (2004) and Rivero (2004).

¹⁸ This is a quotation of the article 254a of the Treaty of Lisbon that speaks of the European administration as being represented by the “institutions, bodies, offices and agencies”. I found it important to keep it as such in the body text of my article, in order to maintain the European jargon.

¹⁹ As advocated by Hoffmann (2006).

²⁰ At D’Orta (2003), Cassese (2006) and Goetz (2006).

²¹ Schmidt (2003).

metaphor of relationship and integration (quite the opposite from its common sense, neutral to the idea of interaction).

In direct correlation to the administrative dimension of the European space, Bennett (1991) for instance identifies the tendency of different countries to compare their institutional models and cooperate so as to harmonize their legislation by means of a trans-national dialogue. Following this path, Toonen (1992:110-114) projects the image of a “Europe of administrations”, a “space that valorizes pluralism and diversity”. In a more legalist view, Nizzo (2000:2) observes that the national administrations override the limits imposed by the sovereignty tradition and become “realities that communicate” in a “common space”. In the same vein, Hoffmann (2006:6) argues in favor of the de-territorialization of the public powers and the vertical and horizontal openness of national legal systems to the EU influence in a “space of interaction”; and refers to the cases *Van Gen den Loos*²² and *Costa versus ENEL*²³ and the *Cassis de Dijon* Decision^{24,25}. Finally, Trondal (2007:9) supports the idea of an “interconnected European administrative spaces”, and Fournier (1998:122-125) speaks of a forthcoming “European Administrative Space”, built on the administrative traditions of member states, with the spirit of overcoming them. What EU administration should name then? In light of the above, EU administration is to represent the national and European institutions, bodies and agencies involved in the European policymaking and their subsequent practices. Going further with the question, is the EU administration democratic?

If so, the EU acquis should present (at least) the similar seven principles we found relevant in the case of the national public administration. Searching the European acquis for the presence of the principles of transparency, openness or decentralization in over 90. 000 pages²⁶ (the approximate volume of the relevant acquis for the fifth enlargement) may seem close to finding a needle in a hay stack. However, it is not impossible: I have further limited my sample to:

1. EC Treaties [according to EUR-LEX: Original Treaties of the European Communities and those following up to Amsterdam Treaty]; Accession Treaties for new member states; other treaties and protocols];
2. EC Legislation [according to EUR-LEX: secondary legislation represented by regulations, directives, decisions and other acts; and international agreements signed with non-member states and international organizations and acts if the bodies created by means of international agreements). A special attention was given to secondary legislation comprised in the European Parliaments’ collection: “Enlargement of the European Union” (three volumes)

The details of the research are presented in Box 1.

²² Case 26/62, [1962] ECR 1, paragraphs 10, 12 și 13.

²³ Case 6/64, [1964] ECR 1141, paragraph 3.

²⁴ Case 120/78 Rewe Central AG [1979] ECR 649, paragraphs 8 and 14.

²⁵ One can add here the *Algera* Decision (7/56, 3/57-7/57 [1957] ECR) that represented the starting point for the judicial practice of the ECJ in the matter of general administrative law.

²⁶ For purposes of future comparative analyses between Member States and Candidate countries, we have concentrated here upon the body of the European acquis, as used in the past European enlargement.

Box 1: Analysis of the EU acquis

1. For the EC Treaties and Legislation, I have employed the general search system provided by EUR-LEX (English version). The selection criteria that were applied were:

Criterion	Sub criterion/Category/Subcategory/Option
„Type of document”	„All Treaties”/-/-/-
	„All Legislation”/-/-/-
„EUROVOC Keywords”	„Politics (04)”/„Executive power and public service (0436)”/„public administration”; „administrative law”; „administrative structures”; „executive bodies”; „local and regional authorities”/„Title and text”
„Search term” ¹	local autonom*; decentralis*; decentralisati*; subsidiar*; free aces*; openes*; open*; transparen*; partnership; parteneria*; cooperati*; discriminat*; proportional*; accountab*; efficien*; efficac*; rule of law/-/„Title and text”

The use of the criteria was crossed referential (as in the example: *Eurovoc: public administration >>> Title and text: open* >>> Eurovoc: public administration >>> Type of document: All legislation*; or *Eurovoc: public administration >>> Title and text: proportionalit* >>> Eurovoc: public administration >>> Type of document: All legislation*). Following the identification of the documents, all the texts were analyzed as to establish their “level of relevance” (the level of relevance meant the degree to which the principles were used in direct connection to the EU administration practice or were possible to extend on the EU administration practice).

2. For the Green and White Papers, I have searched all the documents, noting only the actual presence of the seven principles.

The documentary analysis took place in two stages: May-July 2005 and May – August 2006. The final revision of the results was conducted in October 2010.

The results of the analysis confirmed the initial hypothesis: in the process of making the European policies, the European institutions, bodies and agencies formulate the policies in the limits set forward by the Treaties; un-discriminatory inform, consult and accept the participation of the European citizens to policymaking; and are politically and legally accountable for their actions, be it (not) accomplished objectives or (not) intended results. EU administration is therefore organized according to the same seven principles found relevant in the case of a minimal democratic public administration and consequently, may be considered democratic:

3.1. Local self-government and decentralization in EU administration

Mainly referred to in direct connection to the issues of regional policy, multi-level governance or the efficient allocation of structural funds²⁷, local self-government and decentralization were normally considered as fortunate instances for the administrative reforms of the member states and candidate countries (in the European Parliament Resolution on Agenda 2000 and in the Council Regulation 1659/98 regarding decentralized cooperation). At its turn, the Committee of Regions suggested, in its Opinion on Devolution in the EU and the place of local and regional self-government in the draft Constitutional Treaty that the relations between the central state and local and regional authorities should be based on the principles of cooperation and solidarity (paragraph 1. 5). In this vein it further recommended the development of local and regional autonomy by means of decentralization (paragraph 2. 1). A

²⁷ In the Report on *Decentralization. Better involvement of national, regional and local actors* (2001 – Working Group 3b, White Paper on European Governance).

similar approach is to be found in the Own-initiative Opinion on Competitiveness and decentralization, where still the Committee of Regions states that: “it is essential that local and regional authorities have the necessary powers and administrative and budgetary resources to play their natural role of promoting and managing competitiveness, innovation and cohesion policies, for the benefit of regional and local development [. . .]. Decentralization that is geared to the specific characteristics of each member state, enhances autonomy and local and regional democracy” (Preamble and article 1. 3. 1).

3.2. Openness and transparency in EU administration

The Council Decision of 20 December 1993 on public access to Council documents and the Conclusions of the Presidency of the European Council in Copenhagen (1993, paragraph 15) are two of the documents in which openness and simplification of administrative procedures are considered essential practices of the EU. Actually, the access to administrative information (as a form of openness) offers the perspective of a transparent policymaking process and thus consolidates the democracy in public administration institutions²⁸. The creation of the Committee of the Regions and the Economic and Social Committee, of the Ombudsman, and the e-government platforms may be examples of serving the principles in discussion. Finally, but less relevant for the EU acquis, the draft of the Constitutional Treaty proposed a more implicit recognition of the openness in articles I-46 and I-50: „decisions are taken in the most open way and as close as possible to the citizen” (Article I-46) and „in order to promote good governance and to assure the civil society participation, the Union’s institutions, organisms and agencies work to respect the higher degree of openness (Article I-50)²⁹.

On the other hand, „The lack of transparency of public sector information throughout Europe forms a substantial barrier for citizens and business alike that want to exercise the rights granted by the EC Treaty and benefit of the advantages of the internal market” [In Green Paper „Public Sector Information: A Key Resource for Europe”, 1998, paragraph 120]³⁰. And since the public access to EC documents does not solve the problem of the internal procedures’ transparency or that of the making and analyzing of decisional processes (where the role of the administration is rather important), the Union has launched the initiatives

²⁸ *Inter alia*, in the Treaty of Amsterdam, article 255; the Commission Decision of 8 February 1994 on public access to Commission documents, pp. 58-61; the Conclusions of the Presidency of the European Councils in Madrid, 1995 (in Preamble) and Helsinki, 1999 (in paragraphs I-21 and I-22); the Green Paper „Public Sector Information: A Key Resource for Europe”, 1998; the Council Decision on the improvement of information on the Council’s legislative activities and the public register of Council documents, 2000, paragraph 1; the Laeken Declaration on the Future of Europe, 2001, p. 22; the Commission Communication “General Principles and Minimal Standards for the Consultation of interest parties by the Communication”, (Chapter V); the Commission Communication on the role of e-government in the future of Europe; the Opinion of the Committee of the Regions on “More democracy, transparency and efficiency in the European Union”, 2003; the European Code for Good Administrative Behavior, 2005, articles 22 and 23; the Rules for access to Europol documents, 2007, paragraph 3; and in the Opinion of the Committee of Regions on SEC (2005) 1300, 2007.

²⁹ Pertinent information regarding the participation of the civil society to the European decision-making process is to be found in M. Kröger’s *Report of the Working Group „Consultation and Participation of Civil Society”* (2001), White Paper on European Governance, work area no. 2: Handling the Process of Producing and Implementing Community Rules.

³⁰ Main regulations regarding the access to information of the public sector in Member States of the European Union are also provided for by COM (1998) 585.

aimed at regulating the lobby activities for the public (Vilella, 1999:215)³¹. Other acts which respond to the need to prove the EU's interest in the decisional transparency issue are: the Commission Directive on the transparency of financial relations between the Members states and public enterprises, 1980, with amendments; the Council Directive on the coordination of the procedures to the award of public works contracts 1999; the Council Directive on coordination of the procedures to the award of public works contracts, 1993; the Council Directive on coordination of the procedures to award of public works contracts, 1993; the Council Directive on coordination of the procedures to award of public supply, 1993; the Green Paper „Public Sector Information: A Key Resource for Europe”, 1998; the Commission Communication “Services of general interest in Europe”, 2000; the „European Transparency Initiative”, 2005; and the Green Paper „European Transparency Initiative”, 2006.

3.3. *Partnership and cooperation in EU administration*

One of the principles fundamental to the establishing of the European Communities is the principle of cooperation. Article 3. 1 of the consolidated version of the Treaty establishing the European Community states actually the need to achieve a policy in the field of cooperation for development (letter r and Title 20), by associating countries and sea territories as to intensify commercial exchanges and to promote common efforts for economic and social development (letter s and articles 182-188). In this regard, bringing national legislations closer as a measure of the common market (letter h) became, next to the creation of trans-European networks in the field of transports, telecommunications and energy (article 154), an activity necessary to the development of the internal market and strengthening of the economic and social cohesion. Economic, political, judicial, cultural, or administrative, cooperation is also a pillar of the European communication policy [in White Paper on a European Communication Policy, 2006, p. 12]. It is also seen as essential to the interaction between different tiers of administration in the Commission Communication on e-government's role in the future Europe, p. 6; and in the Commission Communication “Services of general interest in Europe”, 2000, paragraph 54. In the same regard, Article I-1 and 2 from the Opinion of the Committee of Regions on “Strategies for promoting cross-border and interregional cooperation in an enlarged EU – a basic document setting out guidelines for the future”, 2002, are worth mentioning: „Cross-border, inter-territorial and transnational cooperation is a top priority for the EU as it strives to achieve integration and to curb the economic and social fragmentation brought about by national frontiers”³².

The regulations of the first article apply to: a) infra-national authorities of the member states; b) infra-national authorities of member states and candidate countries; c) infra-national authorities of the member states, candidate countries, and those neighboring the enlarged

³¹ Relevant in this particular context is also the overview of the European transparency as performed by H. Summa in *Report of the Working Group „Evaluation and Transparency”* (2001), White Paper on European Governance, work area no. 2: Handling the Process of Producing and Implementing Community Rules, p. 16 *et seq.*

³² According to the same act (and article I-7), cross-border cooperation implies bi-, tri- or multilateral cooperation between local and regional authorities (semi-public and private players may also be involved in this context) operating in geographically contiguous areas (this applies also in the case of areas separated by sea); inter-territorial cooperation implies bi-, tri- or multilateral cooperation between local and regional authorities (semi-public players may also be involved in this context) operating in non-contiguous areas; transnational cooperation implies cooperation between national, regional and local authorities in respect of programs and projects [if larger contiguous areas are covered and players from at least two EU Member States and / or non-EU states are involved].

Union at South and East”. Directly linked to the cooperation principle, the intra-administrative partnership demonstrated by the existence of European administrative networks is responsible for introducing the concept of European Grouping of Territorial Cooperation in the common European legal vocabulary (entities with legal personality, aimed at facilitating and promoting cross-border cooperation, transnational and inter-territorial cooperation inside the EU, by increasing the economic and social cohesion³³). The principle of partnership is at its turn fundamental to the building of the EU; it is whether a possible form for increasing the efficiency of public sector (in Green Paper on Public-Private Partnerships and Community Law on Public Contracts and Concessions, 2004) or a form of inter-state cooperation between local and regional authorities on one hand and local and regional partners on the other (in the Opinion of the Committee of the Regions 384/2001 rev. 2, paragraph 2. 1.).

3.4. Non-discrimination in EU administration

Non-discrimination is a principle regulated by primary legislation. The consolidated version of the Treaty establishing the European Community pleads for instance in favor of respecting the non-discrimination rule in the organization and functioning of the European institutions (article 13). Non-discrimination as a principle is also to be found in article 5 of the European Code on Good Administrative Behavior and permits the free access to administration for all members of a community, with no distinction grounded on nationality, sex, race, ethnicity, religion or religion beliefs, disabilities, age or sexual orientation. Other relevant documents for the non-discrimination principle are to be found also in: Council Directive on the coordination of the laws, regulations and administrative provisions relating to the application of review procedures to the award of public supply and public works contracts, 1989; the Council Regulation on establishing the European Centre for Monitoring Racism and Xenophobia, 1997; the European Parliament Resolution on the implications of EU's enlargement for the field of cooperation in justice and internal affairs, 1998, paragraph A; the European Parliament Resolution on the results of the European Council in Helsinki, 1999, p. 2); the EC Directive on implementing equal treatment principle between people of different race and ethnicity, 2000; and in the Guide to the obligations of officials and other servants of the European Parliament (Code of conduct), 2000.

3.5. Accountability in EU administration

General principle of consultation next to participation, openness, efficacy and coherence (in the Commission Communication “General Principals and Minimal Standards for the Consultation of interest parties by the Communication” – 2002, Chapter V), accountability fundaments the European Commission [in the White Paper on Reforming the Commission, 2000] and the EU overall reforms: “Roles in the legislative and executive processes needs to be more clear. Each institution of the EU needs to justify and become accountable for its role inside Europe. The European Council recalls its commitment in support of reforming the Commission's administration, especially financial and personnel management, in order to enhance efficiency, transparency and accountability and thus ensure the highest standards of public administration” (Conclusions of the European Council in Helsinki, 1999, paragraph I-21). Accountability is also stated in: the Council Decision on the improvement of

³³ Article 1. 1;2 of the European Parliament and Council Regulation on „European Grouping of Territorial Cooperation”, 2006.

information on the Council's legislative activities and the public register of Council, 2000, paragraph 1; the Opinion of the Committee of the Regions on „The European Transparency Initiative”, 2007; and the Rules for access to Europol documents, 2007, paragraph 3.

3.6. Efficiency and effectiveness in EU administration

Objectives of the European actions (in the Conclusions of the European Council in Helsinki, 1999, paragraph 1-21; and those of the European Council in Madrid, 1995, Preamble and paragraph 2; the Laeken Declaration on the Future of Europe, 2001, p. 22; the Commission Communication on the role of e-government in the future of Europe, 2003; and the Green Paper “Entrepreneurship in Europe” – 2003), efficiency and effectiveness must necessarily be preceded by independence, openness, clarity and proportionality of the administrative mandates (according to the White Paper on European Governance).

3.7. Rule of law in EU administration

The rule of law is a formal criterion for the enlargement policy and, according to article 6 of the Treaty of Maastricht, a principle fundamental to the European construction. The White Paper on Preparing the Associated Countries of the CEE for accession to the internal market of the European Union (paragraph 2. 30) and the European Parliament Resolution on the Reunion of the European Council in Madrid, 1996 speak in the same vein.

4. Final remarks

The seven principles presented above speak of an administration that respects the minimal guarantees for any democratic system, *be it consensus or majoritarian*. This final remark is of relevance given our declared interest in correlating the organization of a democratic public administration to that of a consensus European administration. Surely, one may consider obvious the link between the two. However, as little attention has been given to the actual connection between the nature of political institutions and the organization of administration, we consider our analysis an important starting point in the field. A consensus democracy, as we accepted to consider the European Union, is linked to a democratic organization of the public administration. The minimal principles for achieving this were briefly presented in the body of this paper. To what extent the EU can become more democratic (both in organization and in functioning of its administration) remains a topic of further reflection.

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UNDERSTANDING THE EUROPEAN ADMINISTRATIVE SPACE

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Abstract

Despite the fact that the European Administrative Space actually exists for quite a long time, the actual emancipation of the Commission from national governments has placed the development of such a space on a radically different trajectory. This new space seems to complement a basically intergovernmental order with highly visible elements of a Union administration that spans levels of governance, partly circumventing national ministries.

It has to be understood that the extent of administrative activity in the European administrative space can only be fully appreciated if the traditional external point of view is supplemented with an internal one. It leads to a view of the European administrative space not as being two superimposed territorial structures; rather, this space can be seen to have developed over time, on one hand, a de-territorialisation of the exercise of power, and on the other hand, the establishment of a network of integrated administration. The emergence of integrated administration has an impact on criteria for accountability.

The above analysis will lead us to some extremely interesting conclusions in order to better understand the full concept of the European Administrative Space.

It is widely accepted that public administration has always been a domestic affair for EU Member States. National public administrations have to implement EU directives and recommendations in such a way that European citizens are able to enjoy the rights granted to them by the EU Treaties, irrespective of the country in which they live; a fact, which on its own could well justify the interest of the EU in ensuring that each national administration has comparable quality and professionalism and therefore in the administrative capacities of their Member States (Cardona 1998 :3). In that sense, the prevalent view is that if the European Union ever aspired to become a democratic political entity, it would certainly need a common public sphere (Scharpf 1999).

On 2003 Carlo D'Orta attempted to give a definition of the European Administration Space (EAS), inspired by the general resolution adopted by the Ministers of the Public Function of the EU countries on the occasion of their 8th meeting (Strasbourg, 7 November 2000). According to him, the European Administrative Space can be understood as the “[e]nvironment – produced European policies and rules that imply an active role of the national administrations – in which the national administrations are called upon, in the name of uniformity of the rights of citizenship and enterprise within the European Union, to assure tendentially homogenous levels of service efficiency and quality” (2003 :10).

In other words, the horizontal governance systems of a country are expected to meet some requirements that are crucial for the reliable functioning of the entire administration. At this time, there is a relatively wide consensus on these key criteria, which by now can also be

considered as part of the *acquis communautaire*, and can be grouped into the following four categories (Cardona and Freibert 2007: 53):

1. *Rule of law*, i. e. legal certainty and predictability of administrative actions and decisions, which refers to the principle of legality as opposed to arbitrariness in public decision-making and to the need for respect of legitimate expectations of individuals;
1. *Openness and transparency*, aimed at ensuring the sound scrutiny of administrative processes and outcomes and its consistency with pre-established rules;
2. *Accountability* of public administration to other administrative, legislative or judicial authorities, aimed at ensuring compliance with the rule of law;
3. *Efficiency* in the use of public resources and *effectiveness* in accomplishing the policy goals established in legislation and in enforcing legislation.

As far as these principles are shared, one can speak of a common “European Administrative Space” (EAS). The EAS implies a common set of standards for action within public administration, which is defined by national law and enforced through relevant procedures and accountability mechanisms. In most EU Member States the above governance principles are established by the constitution, and transposed through a set of administrative legislation, such as civil servants acts, administrative procedures acts and administrative disputes acts, but also organic budget laws and laws and regulations on financial control systems, internal and external audit, public procurement, etc. (Cardona and Freibert op. cit.). Despite the fact that the main constitutional legal texts of the European Union do not provide for a model of public administration some important administrative law principles are already stated in the Treaty of Rome, such as the right to judicial review of administrative decisions issued by EU institutions (article 173) or the obligation to give reasons for EU administrative decisions (article 190). The European Ombudsman proposed a “Code of Good Administrative Behaviour” for EU institutions and bodies, which was adopted by the European Parliament in 2001.

On the other hand, Prof. Harwig Hofmann tried to give a more multidimensional definition of EAS, describing it as “[...] the area in which increasingly integrated administrations jointly exercise powers delegated to the EU in a system of shared sovereignty. Its development has been evolutionary and fluid. Its structures have been established on a case-by-case basis in different policy areas. Despite this differentiation, the phenomenon of administrative cooperation has led to an ‘integrated administration’ in the form of an intensive and often seamless cooperation between national and supranational administrative actors and activities. This article explores the reasons for and consequences of this development” (Hofmann 2008: 662).

According to Hofmann, the term “European Administrative Space” has been used to describe an increasing convergence of administrations and administrative practices at the EU level and various member states’ administrations to a “common European model” (Olsen 2003: 506) and the Europeanisation of the member states’ administrative structures (Page and Wouters 1995). It has also been used to describe the phenomenon of the coordinated implementation of EU law and the Europeanisation of national administrative law (OECD-PUMA 1998; Kadelbach 2002).

The aim of Hofmann's paper was to understand the geographic peculiarities of the European administrative space. Hofmann thus gave a brief reconstruction of the development of European laws' influence on the structure of its Member States. He pointed out the main actors exercising public authority in the administrative space. For Hofmann, the extent of administrative activity in the European administrative space can only be fully appreciated if the traditional external point of view is supplemented with an internal one. This allows us to take a look behind the implementation activity. It leads to a view of the European administrative space not as being two superimposed territorial structures; rather, this space can be seen to have developed over time, on one hand, a de-territorialisation of the exercise of power, and on the other hand, the establishment of a network of integrated administration. The emergence of integrated administration has an impact on criteria for accountability. Hofmann then sketched some of the major issues of accountability within the model of the European administrative space he developed.

The main conclusions of Hofmann were:

1. The European administrative space is a three dimensional concept with complex vertical, horizontal and diagonal relations of the actors therein.

As pointed above, the EAS cannot be reduced to a two-dimensional concept. EU law does not simply create another distinct territorial layer over the pre-existing member states' territories. Also, it does not lead to a harmonisation of administrative structures and practices throughout the EU and its member states. Instead, the EAS is the area in which increasingly integrated administrations jointly exercise powers delegated to the EU in a system of shared sovereignty. The notion of the European administrative space is linked to administrative action in the creation, administration and maintenance of EU policies as well as the Europeanised national policies. The EAS is thus a three-dimensional concept with complex vertical, horizontal and diagonal relations among the actors (Joerges 2006).

2. Despite differentiation in single policy areas, the phenomenon of administrative cooperation has led to an integrated administration, i. e. an intensive cooperation between administrative actors and activities from each level.

The EAS development has been evolutionary and fluid. Its structures have been developed on a case by-case basis in different policy areas. Moreover, the various forms of administrative cooperation differ according to the policy phases. Since the different policy phases cannot always be clearly distinguished, the different forms of cooperation are designed and have developed to facilitate the development of EU policies by working hand in hand with each other.

3. Integrated administration is what renders the EU system of government and governance unique and distinct from Member States' legal systems.

Despite differentiation in different policy areas, the phenomenon of administrative cooperation has led to an "integrated administration", i. e. an intensive and often seamless cooperation between national and supranational administrative actors and activities

At this point it is necessary to briefly present the importance of “temporality” that Prof. Klaus Goetz introduced. According to Goetz, temporality is central to the analysis of the evolving European administrative order and to European governance. Analyses of the European administrative space had up until Goetz' studies, focused on its territorial and functional dimensions (Goetz 2006). Goetz introduced two broad perspectives on temporality:

1. the “time of governing” perspective, which is concerned with understanding the development of temporal rules (such as time, sequence, speed, duration) that structure governmental-administrative action (Ekengren 2002).
2. the “governing with time” perspective, which inquires into the use of temporal rules and “temporal governing devices”, such as calendars, timetables or roadmaps.

Several crucial problems were addressed and put into question, specifically concerning: problems of synchronicity (see also Eder 2004); contestation over synchronisation; extensive recourse to temporal governing devices; administrative and judicial capacity, which have been dominant concerns; the emergence of and European administrative policy; the variation of time rules and temporal governing devices across countries.

His conclusion highlighted that “governing with time” may constitute a distinctive feature of European governance that responds to the weakness of conventional co-ordination and compliance mechanisms; and that its effects on “time of governing” may trigger important institutional shifts at both domestic and EU levels.

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STRENGTHENING THE PRACTICE OF GOOD GOVERNANCE IN CROATIA – ARE CIVIL SOCIETY ORGANIZATIONS CO-GOVERNORS IN POLICY MAKING?

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Abstract

In the times of demise of nation states, emergence of diverse social risks and the Europeanization of policy processes, civil society organizations are expected to take a role in policy – making and service delivery. Over time, the EU has developed different policies towards organized civil society. Even though civil society organizations were addressed already in the early EU treaties, the more comprehensive policy towards civil society has been developed over the last decade. The EU has delivered policy papers and developed different mechanisms for including the civil society organizations in the EU policy definition and implementation.

Such orientation towards including the civil society organizations in policy making is also noticeable in Croatia, underpinned by the Europeanization process. The EU principles of good governance are visible in different strategies and other documents, and have become an integral part of the public discourse on civil society. However, can we talk about civil society organizations as co-governors in Croatia?

This paper seeks to explore the role of civil society in policy making, both at national, as well as local levels in Croatia. After a brief overview of the development of policies on civil society at the EU level, and the implication of the Europeanization process for Croatian civil society, the paper presents the most topical empirical insights into the policy impact that civil society organizations exert, based on the research results from the Civil Society Index 2008-2010 in Croatia. The research results show the extent of the policy impact of organizations, policy areas where their impact is most visible, examples of good practices as well as identified obstacles for civil society's greater involvement, where the perception of civil society representatives and other stakeholders are juxtaposed.

Keywords: civil society organizations, policy impact, Europeanization, Croatia.

Introduction

Over years, policy makers in both national states, as well as in the European Union, has given greater attention to the civil society organizations (CSOs) or the third sector organizations, in seeking to identify and deal with a plethora of economic, social and political problems (Kendall, 2009). Considering the growth in the interest in civil society within different research fields and the increase of the discourse on civil society in the EU, as Freise (2008) puts it, it seems that civil society is considered to be a panacea for nearly all problems the EU is facing. The interest for those organizations have been driven by different factors, such as fall of communism and the rebirths of civil society in Central East Europe, market failure and state failure in meeting social welfare needs, persistent unemployment, poverty and social exclusion (Kendall, 2009).

Freise (2008) identifies and summarizes different strands of the civil society discourse at the EU level³⁴. Within a discourse on civil society as a remedy to 'democratic deficit', followed by the idea of 'bringing Europe closer to the people' and the promotion of participatory democracy, civil society is attributed a prominent role and was opened a space to take part in the formulation and implementation of sectoral policies (Kohler-Koch, 2008). A shift from 'government' to 'governance' has further stressed the importance of involvement of CSOs in governance, most notably, in the multi-level governance arrangements of the EU. Contrary to the 'government' approach, governance stresses the horizontal dimension of policy making where different private actors take part in policy arrangements alongside the government and public bodies. However, such system of decision making also bring some challenges: success depends on the capacity to have continued presence on all levels, on the endowment with financial and human resources, scientific expertise and other factors (Kohler-Koch, 2008; Zimmer, 2010).

The 'governance' discourse is also prominent within the EU foreign policy and enlargement processes. The promotion of so-called 'good' governance and democracy is also an important objective of the EU foreign policy in neighbouring countries. The strengthening of civil society is considered both as an end in itself and as a device to bring about political reform, where in the accession countries the emphasis is put on the *acquis*, and CSOs are to a greater extent involved in activities related to its fulfilling (Kohler-Koch, 2008; Stewart, 2008).

By promoting participation of CSOs in policy processes, the EU influences the national governments to involve civil society actors, even if the government is not willing to do so. This way, they gain experience with a new model of dialogue and cooperation. On the other hand, CSOs become more motivated to increase their capacities for cooperating with the government (Stewart, 2008).

Such orientation towards including the CSOs in policy making is also noticeable in Croatia, where the accession process has given additional impetus to the strengthening of domestic civil society. By employing the concept of good governance and by participating in the Open Method of Coordination (OMC), it is expected that Croatia develops new, modern model of policy-making, which includes all relevant stakeholders (Bežovan, Zrinščak, 2007b). As Radaelli (2000) argues, 'Europe' does not only affect formal structures, such as public administration and legal structures, but it also influences values, norms and discourses on national level. Such "cognitive Europeanization", as Lendvai (2004) names it, leads to the changes in the way policy makers construct, speak, discuss and act on social issues. According to Stubbs and Zrinščak (2010), the effects of the 'cognitive Europeanization' in Croatia were largely confined to the sphere of new civil society organizations, particularly those concerned with human rights, gender equality and the rights of national minorities, where many of them were able to gain support within the EU institutions themselves, and increase pressure on Croatian authorities to address particular problems in these areas.

The text that follows discusses the role of civil society in policy making in Croatia. After an overview of the developments of policies for civil society in the EU and Croatia, some

³⁴ Some of them envisage civil society as an answer to the democratic deficit, part of interest representation within the European lobbying system, external democracy promoter, counterbalance to marketization of welfare services, as well as to the strong welfare state, and other discourses (see Freise, 2008).

empirical insights into the policy impact that civil society organizations exert, based on the research results from the Civil Society Index 2008 – 2010 in Croatia will be presented.

Development of the policies for civil society in the European Union

The European dimension of civil society or the existence of what would be called the European civil society is often contested in the scholarly work. As Kendall (2009) notes, most European third sectors' activities are in fields closely related to the core of welfare states, that is, within nation states. Therefore, a generic third sector policy has been developing slowly, and could not be placed within one of the traditional vertical policies.

Kendall et al. (2009) define three phases of development of the European policy for civil society (or third sector, the term used by the authors). A phase from 1957 to 1985 they name "prehistory". Documents from that period contained no explicit reference to civil society. The Treaty of Rome established the EESC as an advisory body to other EU institutions, and albeit its role was often marginalized due to its limited power, since 1999 onwards, it began to claim a key role in relation to organized civil society. It is important to mention that this period also denounced first acknowledgement of voluntary work, pursued by the European Parliament in the early 1980s.

The next phase took place from 1985 until 1997, and was characterized by, as the authors name it "a frustrated policy engagement efforts". Policies for civil society mainly boiled down to the promotion of social economy, an initiative strongly advocated by J. Delors. Civil society was primarily seen as an instrument for strengthening the economic development and dealing with unemployment, stemming from the decline of traditional industry (Kendall et al., 2009). Here it is important to mention the European Commission's Communication *Promoting the Role of Voluntary Organizations and Foundations in Europe* from 1997. The importance of the document in this work is for it introduced the concept of 'civil dialogue', as "[...] a framework for considering collective relations with the sector" (Kendall et al., 2009:349). Civil dialogue in a way complements the well established social dialogue; however it is not in that way formalized and institutionalized. Instead, it refers to a wide range of interactions between CSOs and institutions rather than a unilateral relationship, within a so called 'soft' approach, characterized by non-binding character. Civil dialogue goes beyond information sharing and communication and is based on mutual recognition and responsiveness (Kendall et al., 2009; Fazi & Smith, 2006).

Finally, a third phase has taken place from 1997 onwards. Kendall et al. (2009) find the Amsterdam Treaty as a turning point in the development of the EU policies for civil society and strengthening the civil dialogue. That was the time of the institutionalization of relationships and stabilization of the horizontal third sector groups. Importantly, new Treaty provisions related to combating social exclusion, equal opportunities and later citizenship gave those new policies legal footing and enabled growth in financial support to civil society organizations.

Furthermore, the European Council in Lisbon in 2000 gave an explicit reference to civil society organizations, where they are seen as actors contributing to a new strategic goal of strengthening employment, economic reform and social cohesion. The EU strategy aimed at, inter alia, modernising the European social model, investing in people and combating social exclusion (European Council, 2000). For achieving it, a greater introduction of the open

method of coordination at all levels was foreseen, as the means of spreading best practice and achieving greater convergence towards the main EU goals (para. 37). As stated by the Council, civil society, together with other actors, is to be actively involved in different forms of partnerships, in line with the subsidiarity principle (para. 38).

Another important document needs to be mentioned at this point. In 2001 the European Commission launched the '*White Paper on European Governance*'. Albeit not confined to civil society organizations, it is significant because of its high status and levels of recognition for civil society in a broader context (Kendall et al., 2009:355). It signalled a new approach of a more participatory 'consultation regime' (Kohler-Koch, 2008). Recognizing the need for a 'reinforced culture of dialogue', it aimed at opening the process of the EU policy and decision making. Therefore, it defines principles and guidelines for cooperation between EU institutions and organized civil society. The White paper introduces five principles of good governance, namely, openness, participation, accountability, effectiveness and coherence³⁵. Those principles underpin democracy, and are applicable to different levels of governance: national, European, regional or local. The Paper also envisage a more proactive role of the EESC, proposing that it "[...] should be more active by developing opinions and exploratory reports in order to help shape policies at a much earlier stage than at present" (European Commission, 2001:15). The White paper also refers to EU enlargement, stating that the Union has encouraged the development of civil society in the applicant countries, as part of their preparation for membership (European Commission, 2001).

Policy framework for civil society in Croatia

This section briefly outlines the Croatian policy framework for civil society development. As it will be showed in a greater detail, those policies to a large extent rely on principles of good governance and promote greater inclusion of civil society in policy making.

In January 2001 Croatian Government adopted the *Programme of cooperation between the government of the Republic of Croatia and the non-governmental, non-for-profit sector in the Republic of Croatia*, as a framework for improving the cooperation between the public and the civil sector. It foresees the creation of effective mechanisms that would enhance the communication between the public administration and CSOs. Even though not legally binding, the Programme envisages the key guidelines which are to underpin the development of civil society. It sets the priorities on the cooperation between the government and civil society, most importantly those regarding the increase of the influence of CSOs in creation, implementation and monitoring public policies. That is to be achieved, among other things, by defining an obligation to hold consultations of all state administration bodies with the

³⁵ Openness assumes that EU institutions should work in a more open manner; they should actively communicate about what the EU does and the decisions it takes. The second principle assumes ensuring wide participation in policy making, from conception to implementation. Accountability is to ensure that roles in legislative and executive processes are clearer. Furthermore, policies must be effective and timely, where decisions are to be taken at the most appropriate level. Finally, coherence assures that policies and action must be coherent and easily understood (European Commission, 2001). The principles laid down here were further elaborated in the communication '*General principles and minimum standards for consultation of interested parties by the Commission*', adopted by the European Commission in 2002.

representatives of the civil sector in cases of deliberation of laws and programmes from their jurisdiction³⁶.

The *National Strategy for the Creation of an Enabling Environment for Civil Society Development from 2006 to 2011* and operational implementation plan, which was adopted by the Croatian Government, provides the guidelines for goals which are to be achieved by 2001, in order to improve legislative, financial and institutional framework enhancing civil society. It is based on the principles of pluralism, transparency and independence of civil sector. Following from that, it contains a goal to open the public institutions and political processes to the public. In this context, the strategy encourages the dialogue and partnership between civil society and the state. Public institutions should ensure openness of policy-making for that civil society could provide input at the stage when they can still influence the outcome³⁷.

However, Bežovan (2007) notes that the Strategy and its operational plan would have had greater impact if had been passed in the Croatian Parliament. It can be said that representatives of civil society organizations were adequately included in the preparation of the abovementioned documents.

Within the process of Croatia's accession to the EU, the Ministry of Health and Social Care and the European Commission have delivered *the Joint Inclusion Memorandum (JIM)*, which was signed in 2007. The document is aimed to give assistance to Croatia in the fight against poverty and social exclusion and in the preparation for fully fledged participation in the open method of coordination. The memorandum stipulates the need for strengthening the cooperation and partnership between civil society and the government, in all phases of social programmes-making. It is encouraged to use the expertise that associations have in development, implementation and evaluation of social programmes (Bežovan, 2007).

With an aim of introduction of basic principles and standards within public administration, in financing civil society organizations' programs and project of special interest for public good, in 2007 *Code of Good Practice, Standards and Benchmarks for the Allocation of Grants for Programmes and Projects of Associations* was delivered.

Code of Practice on Consultation with the Interested Public in Procedures of Adopting Laws, other Regulations and Acts, adopted by the Parliament in 2009, sets principles, standards and measures for consultation, with an aim of enabling the interaction between the government and public administration and citizens or representatives of the interested public. Such consultation is based on the principles of participation, trust, openness, responsibility and effectiveness. The code sets particular standards and measures in the process of consultation, largely in line with the minimum standards for consultations with the interested public, adopted by the European Commission³⁸. Finally, the Code is to be taken into account not only at the national level, but also at regional and local levels, in line with the jurisdiction of the regional and local self-governments³⁹.

³⁶ Programme of co-operation between the Government of the Republic of Croatia and the non-governmental, non-for-profit sector in the Republic of Croatia (2001).

³⁷ National Strategy for the Creation of an Enabling Environment for Civil Society Development from 2006 to 2011 and Operational Implementation Plan (2006)

³⁸ General principles and minimum standards for consultation of interested parties by the Commission (2002).

³⁹ Code of Practice on Consultation with the Interested Public in Procedures of Adopting Laws, other Regulations and Acts (2009).

Civil society organizations' policy impact in Croatia

Previous research findings

In Croatia, civil society development in 1990s was influenced by a considerably unfavourable political environment. It was largely under the influence of foreign organizations and donors, which provided important technical assistance to a number of organizations. The relationship between the state and civil society in that period was mostly perceived as being conflict. The state did not recognize the importance of civil society and civic initiatives, and failed to support civil society's development and sustainability. Moreover, it had a very negative and often hostile attitude toward civil society organizations, and civil society acted as opponent to the state (Bežovan, 2003a.). With exception of humanitarian work, partnerships and cooperation were rare. Such relationship started to change after 2000, which denounced some new cooperation forms; however, the communication was still found quite ineffective (Bežovan, Zrinščak, 2007a,b).

In the period that followed, an institutional framework for including civil society, such as different consultative committees, was built. They emerged mostly in the fields of protection of children, policies for disabled, gender equality, rights of minorities, consumer protection and others. However, the problem of instability of such arrangements due to the changes of the parties in power was also recognized (Bežovan, Zrinščak, 2007a).

Some earlier research stressed the following weaknesses that were hindering civil society development: problems of financial sustainability, lack of professionalism among CSOs, problems of transparency in the work and a narrow membership basis of organizations, poor networking and cooperation between CSOs, poor cooperation with the media and the lack of advocacy and lobbying skills in organizations (Bežovan, 2003a). Also, several researches warned of the negative attitude of citizens to civil society organizations. Such attitude is still recognizable in a part of the public (Bežovan, Zrinščak, 2007b).

Concerning the impact of civil society, the Civil Society Index⁴⁰ 2001 showed that this dimension reached a medium level of development. CSOs were only partly successful in promoting their members' interests and putting them on the public agenda. Civil society representatives were not regularly invited, or not invited at all, to take part in the preparation of legislation. Participation in the consultation in the process of delivery of new legislation was still a rather new and unknown practice in Croatia (Bežovan, 2003b). CSOs did not have a possibility to impact the Government's policies in a way that they meet the needs of the organizations' members. Notwithstanding some improvements which were evident, especially after the 2000 and the parliamentary elections, it was still common that civil society representatives use informal channels in order to obtain proposals for new legislation and that way try to advocate for their interests (Bežovan, 2003b). Within the assessment of the impact of CSOs, especially problematic was the cooperation in the policy implementation. The government was not proposing partnerships with CSOs and was not receptive for their suggestions. Even when certain improvements were reported, such as establishing new institutional arrangements related to civil society, they were usually explained by the influences coming from abroad (Bežovan, 2003a, b). In general, policy impact, assuming the role of CSOs in the preparation, delivery, implementation and evaluation of different policies,

⁴⁰ More on the Civil Society Index research later in the text.

was assessed as the most problematic aspect of the impact of civil society in general (Bežovan, 2003b). Furthermore, the weak structure of civil society as well as limited space for their work also undermined the civil society's greater impact (Bežovan, 2004). It was shown that CSOs working in the fields of social and health care as well as humanitarian organizations were better developed, enjoyed greater trust and exerted higher impact, compared to other CSOs (Bežovan, 2003c).

The Civil Society Index research that followed in 2003 (finished in 2005) only confirmed the problem of the low levels of impact of civil society. It was shown to be the weakest aspect of Croatian civil society. Civil society was assessed as rather inactive and unsuccessful in impacting policies, as well as in meeting the social needs. As examples of successful impact on policy making, organizations for human rights, rights of children and organizations for women's rights were recognized. CSOs considerably contributed to putting the issue of domestic violence on the public agenda and to delivering of respective policies and organizing services at local levels. (Bežovan, Zrinščak, 2007a,b). Certain improvements in this respect were however identified, such as particular examples of the involvement of CSO representatives in different committees or working groups (Bežovan, Zrinščak, 2007b). However, such working groups are often created in a non-transparent manner, where it is not possible to find out who the members are or what the outcomes of such partnerships are (Odras, 2009).

As some recent research suggests, although the level of informing the public has been raised over the last couple of years, there is still much space for improvements. For example, the Croatian Government does not publish drafts of legislation proposals online, so that CSOs and other interested public could comment on them. Furthermore, it is often not possible for CSOs to take part in policy making due to short deadlines. When assessing the cooperation with the Government and public administration, only 10% of CSOs found it very good or good. On the other hand, the cooperation with the Parliament appears to be somewhat better, where 40% of CSOs assessed it as very good or good (Odras, 2009).

Civil society Index Croatia 2008-2010

The Civil Society Index (CSI), a participatory action-research project assessing the state of civil society in countries around the world. It was first initiated in 2001 as a pilot, and since, it has been implemented in two phases: from 2003 to 2005 and from 2008 to 2010. The research has been initiated and coordinated by CIVICUS – World Alliance for Citizen Participation. Croatia has participated in the research from its pilot phase, where it has been undertaken by CERANEO – Centre for Development of Nonprofit Organizations.

This section presents some key findings regarding the policy impact of civil society organizations, based on the data from the recently finished CSI 2008-2010. The research is based on a comprehensive methodology for assessment of the state of civil society, as well as on a comprehensive understanding of civil society. Therefore, the research measures the following core dimensions: civic engagement, level of organizations, practice of values, perceived impact and external environment. The dimensions scores are derived from 28 sub-dimensions based on 67 quantitative indicators, on a 0 to 100 scale.

Data that is used here are based on two questionnaire surveys: (i) Organizational survey, which included a sample of civil society organizations in Croatia (N = 210), and (ii) External

perception survey, which included a sample of “other” stakeholders apart from CSOs, namely, central and local government (including different Government offices), parliament, ministries, public institutions, donors, academia, private sector, international governmental organizations, media and others (N = 63).

Therefore, the perception of civil society representatives and other stakeholders, concerning the impact that CSOs exert, could be juxtaposed. Alongside the quantitative indicators, the research findings are complemented by qualitative data gathered by the regional focus groups and case studies.

When it comes to the perception of impact of CSOs themselves (**‘internal perception’**), two aspects of the work of CSOs are assessed: whether they are active in influencing policies, and the outcome or success of this activity. The average score for this sub-dimension is 38. 4, which can be assessed as rather low. When asked about the impact of civil society as a whole on policy making in Croatia, there is a tendency for answers to report lower levels of impact. Specifically, only 5% of CSOs find high level of impact, where 42% perceive some tangible impact on policy making. However, 46% of CSOs think the impact is very limited, and 7% see no impact at all.

When CSOs were asked if their organisation in the previous two years pushed for any policies to be approved, 45. 9% reported such activity. However, there is majority of CSOs that apparently do not include this type of advocacy in their work. Among those CSOs who are active in advocating for policy change, they assess their performance as follows: on average, almost 7% of CSOs report there was no outcome of their activity, 7. 8% experienced rejection of their policy initiative, in almost 40% of the cases policy was still under discussion, and in 45. 7% of the cases policy was approved.

We can regard this policy impact as rather satisfactory, in terms of the relatively good acceptance of policy proposals. There were also a quite big number of cases where policy was still under discussion, and therefore had the potential to achieve a positive outcome. However, bearing in mind that less than half of the organisations reported activity in policy advocacy, it can be said that not many CSOs in Croatia participate in policy making. Success in at least one policy-related field was experienced by 22. 4% of all surveyed organisations.

What is worrying are those experiences where CSOs advocacy ended with no outcome, indicating that there are still problems of accountability among some sections of the political establishment. Those cases indicate that co-governance⁴¹, i. e. the practice or arrangement in which civil society organizations on equal footing participate in the planning and delivery of policies and services is not fully embedded in Croatia. When describing a dialogue between the state and civil society, 2% of the organizations find it non-existent, 52% as limited, 43% find medium level of dialogue, and only 3% of the organizations find it intensive. It is obvious that this issue remains an important challenge for civil society development.

Organizations name different examples of laws, strategies and other documents and policy fields, both at national and local levels, in which they exerted impact. By grouping the participants’ answers, it can be said that fields of policies in which CSOs were the most active include policies for youth and children, social policy in broader sense and policies for

⁴¹ For more on the concept of co-governance see for example: Pestoff and Brandsen (2008)

disabled. Also, notable activities were undertaken in the fields of gender equality and protection of women, environment protection, policies for greater transparency and fight against corruption, and human rights. A smaller number of organizations were included in the processes of the EU's policies, namely, the Joint Inclusion Memorandum (JIM) and IPA (Instrument of Accession Assistance) programming.

Civil society representatives also name and explain the obstacles for their greater involvement in policy making and cooperation with the government.

As some note, civil society is often included in policy making, but only formally. As experienced by some participants in the survey, politicians on power are not willing to cooperate and do not find civil society an important actor in decision making. Politicians do not want to share power and civil society is not included on equal footing in policy making. As one participant observe: *"The politics only formally and declaratively support the work of civil society; still, policies are made and implemented in a centralistic manner"*.

Policy making in Croatia, as viewed by the CSO representatives is still not participative enough. There is a closed group of representatives of CSOs which are involved in those processes, and they usually do not connect to other organizations. As one CSO representative explains: *"It is often that we get informed on legislation and decisions when they are final, and in their making participate only some 'chosen' representatives of CSOs"*.

It seems that civil society organizations are still often envisaged as competition (in their programmes and services), users (of the governments' programmes of financing) or even enemies to the government. To quote some of the participants in the survey: *"Civil society in Croatia is not yet recognized and respected as partner in governance"*; *"Civil society is not seen as partners, but as a necessary evil"*; *"State institutions consider CSOs their rivals, not partners"*. The state does not adequately value the results and achievements civil society has accomplished in particular policy fields. Representatives of CSOs are not addressed as professionals.

Lack of written procedures which would ensure participation in policy making is also widely recognized as a weakness of political environment for civil society. Therefore, political elites do not find themselves obliged to consult with CSOs. Not only the lack of interest, but also lack of knowledge on civil society and lack of professional capacities and sensitivity among decision makers (politicians, public servants) to cooperate with civil society also hinder civil society's policy impact. Inertia and resistance to change in state's administration or local governments should also be noted.

Whereas proposing and drafting processes are often open for participation, what is found problematic is the implementation and monitoring and evaluation of policies.

Lack of transparency, strong influence of politics and personal or particular interests and corruption still seem to strongly undermine development of the practice of co-governance in Croatia.

However, civil society representatives recognize particular weaknesses of CSOs, concerning their active role in policy making. They are often reactive, and the problem of lack of cooperation and coordination between CSOs is often perceived by civil society representatives.

When it comes to the **perception of external experts**, again the activity and effectiveness of civil society in influencing policies is examined. The average value for this sub-dimension is 28. 6, which is even lower, compared to the perception of CSOs (see above).

External experts named different policy areas or concrete policy documents, where they recognised the impact of civil society (summarised in Table III. 4. 3). Environmental protection and social care seemed to be widely recognised policy areas where CSOs have gained a participatory role in policy making. Protection of human rights also appears to be an important field for civil society. Also widely recognised are the fields of health care, education and training. Some of the experts named concrete policy documents, the delivery of which was greatly supported by CSOs, such as National Programme of Action for Youth, National Policy for Promotion of Gender Equality and Strategy for Equal Opportunities for Persons with Disabilities.

Policy fields where CSOs exert most impact (external perception)

Policy field	% of organisations*
Social care	52. 5
Environment protection	69
Health care	23. 7
Persons with disabilities	6. 8
Human rights	35. 6
Education and training	23. 7
Supporting the poor and marginalised	8. 5
Humanitarian work	8. 5
Youth and children	5
Gender equality and protection of women	5
Employment	5

* (possible multiple – up to 2 answers)

Assessing the outcomes or success of the civil society's activism in the abovementioned policy fields, 11. 5% of civil society initiatives reached no outcome, in 9% of the cases the policy was rejected, in more than 57% the policy was still under discussion, and in 22. 2% the policy was approved.

On the other hand, when it comes to the impact of civil society on policy making in general, the majority of external experts perceive it as very limited (62. 9%), and 14. 5% see no impact at all. 21% assess that civil society exerts some tangible impact, and only 1. 6% of respondents report a high level of impact.

It seems that CSOs evaluate the results of their work more highly than other stakeholders. The CSI 2008-2010 has showed that the social impact is by all stakeholders assessed as higher than policy impact. However, as noted at the regional consultations, over the last decade there have been considerable improvements: nowadays, CSOs are regularly consulted on important

issues, through different committees or forums. On the other hand, their role in most cases remains consultative, which limits their impact. Also, policy impact, at both national and local levels, is much dependent on individual sensitivity, knowledge and capacities of politicians and civil servants to cooperate with CSOs. Also, notwithstanding strengthening of civil society and its greater recognition, CSOs still often lack advocacy skills, as identified in the CSI 2003-2005. Regional consultation participants also assessed social impact as greater than policy impact, especially in their work with the marginalised and people with disabilities.

As an example of adequate involvement of CSO representatives in policy making, delivery of the Joint Inclusion Memorandum (JIM) is often stressed, which was based on a wide process of dialogue and consultation with stakeholders, and is viewed as a rather successful part of the whole accession process. It was characterized by a long and intensive consultation process, including different Ministries and Government agencies, civil society organizations, social partners as well as some representatives of regional and local governments (Stubbs & Zrinščak, 2010.). However, the participants in consultations also recognize the problem of the lack of capacities within CSOs to participate in such processes.

Conclusion

It was shown that civil society has been given greater recognition as co-governors in different policy areas, both by the EU, as well as in Croatia. In the EU this was especially the case over the last decade and a half, when introduction of new common policy areas and new policy instruments took place. In Croatia, civil society has also been given more prominent role from the early 2000 onwards, and since, the policy and institutional framework supporting civil society has been developed. The process of Croatia's accession to the European Union has resulted in Europeanization of different policy processes, including the policies for civil society. The principles of good governance: openness, accountability, participation, consultation and others have become an integral part of the policy framework and public discourse on civil society. However, as shown by different research, an effective implementation of those principles in the national and local policy making is often disputed. The idea of civil society's policy impact is still relatively new in Croatia and it can be said that co-governance is not yet fully embedded. There are particular policy areas in which civil society has surely gained a status of co-governors: human rights, gender equality, rights of disabled, environment protection, rights of children and others. Still, there is a perception of relatively weak general policy impact of civil society in Croatia. Reasons are different: still undeveloped culture of dialogue and cooperation, inadequate implementation of the principles of good governance, lack of interest and professional capacities for cooperation on both sides etc. As shown by the Civil Society Index 2008-2010 research, perception of policy impact that CSOs exert among the other, 'external' stakeholders is lower than the levels of impact perceived by the CSOs themselves. Although this might be expected, it is also telling. Civil society's achievements are not always recognized by other stakeholders and by the general public. This also relates to the problem of the lack of trust in the work of civil society, a threat to civil society development recognized in different research. However, it is expected that with the accession to the EU and greater introduction of the open method of coordination, civil society will anchor its position of important social and policy actor.

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Chapter 2

Legal, Administrative and Institutional Pillars of European Administrative Space – National Experiences

ACCESS TO ENVIRONMENTAL INFORMATION: A BEST PRACTICE SCENARIO FOR ACHIEVING TRANSPARENCY

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Transparency is considered as a fundamental principle that can be found in administrative law across all European countries and is a part of the *acquis communautaire*. It is one of these principles that allow us to speak about convergence amongst national administrations, emergence of a Europe-wide system of administrative procedures and justice and consequently the shaping of a “**European Administrative Space**”⁴².

The **principle of transparency** - or openness – is a broad notion that includes a number of different features, such as *knowledge* of the public about who decides and how decisions are made, *comprehensibility* and *accessibility* concerning the structure of decision making, *consultation* processes, the *duty* of the administration *to give reasons* and *the right of access to documents*⁴³. The European Ombudsman has defined transparency as “...processes of decision making should be understandable and open, the decisions themselves should also be reasoned and based on information that, to the maximum extent possible, is publicly available”.

In the European Union edifice transparency is considered as an essential element of good administration. The EU issued the White Paper on European Governance⁴⁴ in 2001 defining the notion of **good governance** that should dominate in all European policies but also lead the member states’ decision making: according to the White Paper openness is one of the core principles that underpin good governance together with participation, accountability, effectiveness and coherence. The European Commission very illustratively summarizes the position of transparency in the European context by stating “democracy depends on people being able to take part in public debate. To do this, they must have **access to reliable**

⁴² See SIGMA Papers, No 27, European Principles of Public Administration, CCNM/SIGMA/PUMA(99) 44/REV1.

⁴³ A. Tomkins, Transparency and the Emergence of a European Administrative Law, 19 YEL, 1999-2000, p. 217-256.

⁴⁴ COM (2001) 428.

information on European issues...the institutions also need to communicate more actively with the general public on European issues...providing more information and more effective communication...”.

The **right of access to documents** is the most developed dimension of transparency in the European Union⁴⁵ being guaranteed in the European treaties (art. 255 TEU⁴⁶) and the Charter of Fundamental Rights (2000, art. 42). Although the Charter of Fundamental Rights at the moment of its signature was not a legally binding text, the principles and rights guaranteed therein were accepted and well received as part of the *acquis communautaire*, and expected to be respected in all member states⁴⁷.

What is in focus in this presentation/ paper is **the application of the principle of transparency in the environmental sector** through its most developed notion i. e. **the right of access to documents**, and accordingly to documents containing **environmental information**.

The environmental sector is chosen as exemplary due to the double advantage, the double “payoff” of open procedures and guarantee of access to documents to the public; and these are the following: a system of governance that guarantees access to environmental information, on the one hand guarantees transparency as a principle of good governance itself and on the other hand enhances environmental protection; a citizen who is well informed on environmental issues and procedures, can effectively participate in the environmental decision making (e. g. procedures of drawing up certain plans and programs relating to the environment where the citizens are invited to participate Dir. 2003/35/EC), a citizen who is well informed on environmental dangers can protect himself from environmental harm (e. g. Lopez Ostra case in ECHR and Chernobyl side effects maximized due to delayed flow of information), a citizen who is well informed on environmental policies and developments can himself be part of the global effort for environmental protection (e. g. by recycling). What makes the environmental case even more interesting is that the environment is a common good and its protection is a right and an obligation for everyone.

The significance of application of transparency rules in the environmental sector is the ratio behind **Aarhus Convention** which was signed under the auspices of the United Nations Economic Commission for Europe (UN/ECE). Aarhus Convention is based on three pillars of procedural rights connected to environmental protection, including access to environmental information, public participation in decision making and access to justice in environmental matters⁴⁸. Correctly Aarhus Convention is characterized as not only an environmental agreement but as a convention about government accountability, transparency and responsiveness⁴⁹ confirming the double pay-off of transparency in the environmental sector.

⁴⁵ P. Craig- G. de Burca, EU Law – Texts, Cases and Materials, 3rd ed., OUP, Oxford, 2003, p. 392.

⁴⁶ Already art. 15 of the Consolidated Version of the Treaty on the Functioning of the European Union.

⁴⁷ After the Treaty of Lisbon the Charter of Fundamental Rights is included in the Treaty, therefore it is legally binding.

⁴⁸ UNECE Convention on Access to Information, Public Participation in Decision making and Access to Justice in Environmental Matters, Aarhus Denmark 25. 6. 1998.

⁴⁹ www.unece.org/env/pp

The Aarhus Convention entered into force in 2001. Today it has 44 parties including the European Union itself. Greece, Croatia, Bulgaria and Romania have ratified the Convention. All countries of Balkan Peninsula have ratified apart from Turkey.

Access to environmental information in Greece- Law and administrative practice

Greece is one of the countries that have ratified the Convention –since 2006 - and has indeed a well developed legal framework of access to administrative documents and access to environmental information. Greece had a law on access to public documents since 1986⁵⁰, transposed the European directives on access to environmental information in the national law⁵¹, ratified Aarhus Convention⁵², “lifted” the protection of access to documents to a constitutional article⁵³ and developed the right of access to documents as a fundamental administrative principle through its regulations and case law. What is of great interest though is the implementation of access to documents and more specifically of access to environmental information in practice. It is in administrative practice that issues such as what environmental information means, what the constraints of the right are, what documents should be kept in secrecy – if any, how the right of access should be exercised and what are its limits, need to be faced and answered. The guarantee and the implementation of the right of access to environmental information come out from **the interaction of law and administrative practice. Moreover, as general regulations on access to documents co-exist with specific regulations on access to environmental information in Greek legislation, questions might also be raised in the context of this interaction.**

The basic aspects of the right of access to environmental information dealt with in the law and faced in practice are the following⁵⁴:

- (a) *What is environmental information and which of the documents that contain such information can be given in public?*

Answer: The definition of environmental information includes any information on the state of the elements of the environment (water, land etc), the factors (energy, noise etc) and measures (a policy, legislation, plans etc) that might effect the environment or the planning for its protection and the financial cost benefit analysis. It also includes information on human health and safety, the food chain safety, and the conditions of human living as well as the cultural environment.

- (b) *Which authorities are bound by the obligation to provide access?*

Answer: The law covers not only the core public sector, i. e. the government and the ministries, the regional and local administration but also any natural or legal person performing public administrative functions or providing public services related to the environment under the control of the above.

⁵⁰ Law 1599/1986, art. 16.

⁵¹ European Directive 90/313/EC incorporated in Greek law through Ministerial Decision 77921/1440/1995, European Directive 2003/4/EC incorporated in Greek law through Ministerial Decision 11764/653/2006.

⁵² Law 3422/2005.

⁵³ Greek Constitution, art. 10 par. 3 and 5A.

⁵⁴ European Directive 2003/4/EC incorporated in Greek law through Ministerial Decision 11764/653/2006, Greek Code of Administrative Proceedings art. 5.

(c) Who is entitled to ask for environmental information?

Answer: Any natural or legal person can seek access to environmental information without having to state any interest for this. Nevertheless, this rule does not apply for other administrative documents, where this depends on the nature of the document as public or private.

(d) Are the requested documents covered by any exception?

Answer: The law provides for exceptions based on which the public authorities may deny access to documents. The most important of them being the confidentiality of proceedings of public authorities, international relations and public security, the course of justice, the confidentiality of commercial or industrial information, intellectual property rights, the confidentiality of personal data, the interests of a person that provided the information or the protection of the environment to which the information relates. As a general principle in the law, **the grounds for refusal must be interpreted in a restrictive way and in every particular case, the public interest served by disclosure shall be weighed against the interest served by the refusal.** Where possible, even partial access should be granted (in case parts of the document are confidential). **By all means the request for access should be answered by the authorities and the notification should state the reason for refusal.**

(e) What is the procedure of access to be followed?

Answer: Documents can be given to the interested person within 20 days from his request either in paper or in electronic format after his written application for access.

(f) Does the interested person who has been denied access have any legal remedies?

Answer: The law provides for an internal review procedure if the request for access is denied. In case of negative outcome the interested party can bring the case before the administrative court or submit a complaint to the Ombudsman.

Although the law provides for detailed regulations and procedures, it is in practice that the authorities need to balance the opposing interests, interpret the law definitions but also to balance the level of demand to access with the administrative burden that this might cause. There have been several cases of misinterpretation of the right of access to environmental information that are brought before the Greek Ombudsman and the administrative courts. Nevertheless, the administrative practice brings the authorities before new challenges when asked to provide access to environmental documents. Please, allow me to refer to a case study to give an example of the issues to be dealt *ad hoc* by the administration:

According to the European and Greek law, before the realization of projects that are likely to have significant effects on the environment (e. g. construction works, industrial installation), what is required is an environmental impact assessment (EIA)⁵⁵. The public is guaranteed by the law the right of access to the folder of EIA within certain deadline and procedure. The case study concerned an installation for hazardous waste management. A question raised by the Ministry of Environment to the State Legal Service was whether the company whose offer

⁵⁵ European Directives 85/337/EC, 2003/35/EC, Ministerial Decisions 75308/5512/1990, 9269/470/2007.

was rejected could be provided access to the environmental impact study that was submitted by another competent company⁵⁶.

The first question raised is whether the study submitted by the company is an administrative document or a private document. The distinction is important as according to the Greek law on access to documents in the first case no interest is needed to be proved by the applicant, whereas in the second case specific interest is required. It has been widely accepted that apart from the documents drafted by the administrative authorities, also the private documents (as the study in this case) that are submitted to public authorities and are taken into consideration in decision making or policy shaping should be publicly available without the need for a specific interest of the applicant. Moreover, the private documents which are approved by the administrative authorities and on which they have based their decision and give the reasons for the public decision are considered as administrative documents. In this sense, the environmental impact studies that are included in the folder of EIA are administrative documents. Moreover, as per the specific law on access to environmental information there is no distinction between public and private documents; the focus is on the environmental information independently of the document in which this is included. Any special interests are protected through the exceptions provided by the law.

The second question raised is whether the environmental impact study submitted is protected by the law on intellectual and industrial property rights. In this case the company that was awarded the project claimed that access should not be provided due to intellectual and industrial confidentiality referring to the exception provided by the law on access to documents. According to the law in these cases the administration should balance the intellectual property rights with the right of access to information; therefore, the decision is taken *ad hoc*. In this case the State Legal Service said that as the company referred generally to intellectual and industrial property rights without specializing to which part this right was extended, access should be provided to the competitor company. If their claim was specific, reasoned and proved the balance of the contradictory interests might have been different or the authority would need to provide partial access to the study.

Moreover, there are several cases where the request for access means a great burden of work for the public authorities, especially when the documents include confidential and non confidential information and partial access should be granted. This is also a factor that should be taken into account and is considered *ad hoc* as it has been also stated by the European Court of Justice⁵⁷.

By the above example and the issues raised it becomes clear how important the role of the administration is in evaluating requests for access to environmental information. An open public sector with officials who are aware of the relevant legislation and case law is the first but fundamental step for achieving transparency in the environmental sector. As all states of EAS share equal respect to the principle of transparency as well as environmental concerns, the environmental sector can be seen as an exemplary case for enforcing good governance goals. What comes next (or before?) is a civil society informed of its rights and obligations towards this and the future generations.

⁵⁶ State Legal Service opinion 135/2010.

⁵⁷ Decision of 13. 4. 2005, T-2/03, *Verein für Konsumenteninformation v. Commission* (already General Court).

INNOVATIVE DECISIONS OF THE EUROPEAN ADMINISTRATIVE SPACE GOVERNANCE

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Abstract

The paper presents the significant progress in Bulgaria in the area of e-Governance directed at servicing all the needs of the stakeholders (citizens, business, public administration and social institutions). The innovative decisions are implemented by the wide use of Information and Communication Technologies (ICT): national e-Government portal, qualified electronic signature, interoperability and standardization. The national e-Government portal works successfully. Its free and unlimited access provides fast and reliable administrative service. It helps integrate the information systems which are used in all administrative levels. It is reached a satisfactory level of security by a qualified electronic signature. The electronic signature provides data protection and allows the wide use of e-Services. A form of interoperability is carried out by centralizedly stored registers which provide broad overall information for each management level. Unification of the public administration processes and typification of the different operations from public administration process are presented. They enhance the effectiveness of administrative services. These innovative decisions are implemented by the wide use of advanced ICT methods as information modeling and the forms of standardization – unification and typification. These innovative decisions are going to develop and get better. The perspective and future of the e-Governance to improve the administrative services, the registers, the elaborated portals and to widen the European Administrative Space are discussed.

Keywords: e-Governance, e-Government portal, qualified electronic signature, standardization, unification, typification, ICT, interoperability, information modeling.

I. Introduction

Nowadays in Bulgaria there is a big and fast progress in the area of e-Governance which serves citizens, business, public administration and social institutions. Preconditions for this progress are the innovative decisions, which are made with the use of Information and Communication Technology (ICT).

The report presents the innovative decisions regarding:

1. national e-Government portal as a common point of services access;
2. electronic signature as a security tool;
3. interoperability methods;
4. standardized methods as unification and typification.

According to Directive 2003/98/EC and Directive 2006/123/EC the new information and communication technologies (NICT) are basis for the use of new methods for online administrative services. Firstly, they are related to collect the data once and to be reusable by different administrative authorities. Secondly, they present the creation of 'points of single contact' which are used for simplifying the administrative procedures. Actually NICT are providers who can complete through a single point all procedures and formalities. Their use depends on the regional or local competencies or on the other hand on the activities concerned.

The national **e-Government portal** (www.egov.bg) was created as a single contact point for service providers. It was launched three years ago. The basis point is the free access to the portal. Everybody even without any registration could visit the Internet site to see the information about every service or just to download the application forms. The stakeholders can see the functional, structural and informational characteristics of the services. The portal presents more than 1300 administrative services and over 1400 application forms. Its aim is to provide Internet access to qualitatively administrative services to the citizens and institutions which are interested, including the people with disabilities. It helps to integrate the information systems which are used in all administration levels. Its development is basis for the opportunity to contribute to the last fourth stage of online administrative services. As we know there are four stages of the online processes:

1. information – the administrative authorities upload information to their Internet site about their status and administrative procedure;
2. one-way interaction – the authorities upload information to their sites and give an opportunity to download application forms;
3. two-way interaction – the customer can send completed forms to the administrative units electronically, but they are not obliged to respond it online;
4. full transaction – the online interaction between stakeholders and administrative authorities, in such a way, so that the customer can receive the documents online.

The data protection is implemented using a **qualified electronic signature**. According to Directive 1999/93/EC "electronic signature" means data in electronic form which are attached to or logically associated with other electronic data and which meets the following requirements:

- it is uniquely linked to the signatory;
- it is capable of identifying the signatory;
- it is confidential – this means that the signatory can maintain under his sole control;
- it is linked to the data to which it relates in such a manner that any subsequent change of the data is detectable.

The whole system of online administrative services is protected by qualified electronic signature.

There is also a web portal directing **electronic administrative payments** (e-Apayment) to the administration which is development of the National e-Government portal, without any intermediaries. It provides technical connection and effective communication between different institutions on state and municipal level and banks and payment operators in the country. The data protection is implemented by qualified electronic signature. The advantages are taken by directed e-Apayment and they are:

- direct access to the information about the due fees, back taxes and other obligations submitted by the different administrations;
- e-mail notification for his outstanding taxes and fees;
- reference information about the completed payments;
- option to postpone the payment for a later date, data and payment details are stored and are accessible through the e-Apayment system.

Lots of administrative services contain common information about citizens and business. It has to be organized using the methods of the **interoperability**. It is carried out in Bulgarian by **centralizedly stored registers**. The public registers are created and maintained by administrative authorities to provide the overall information for the citizens and business. They are used for achievement of accessibility, coordination, openness and transparency of the work of the state administration.

Innovative decisions are also the use of the **standardization** in the public administration and the management process. In fact there are two directions – **unification** of the public administrative processes and **typification** of the different operations from public administrative process.

Unification is a process of summarizing, alignment of technological processes of the various administrative services that will save a lot of administrative costs and will facilitate and accelerate their transition into electronic services. In practice, the services are grouped so that in one group you can find services with similar processes. For example the analysis of the various registers shows that there are a lot of similarities in their procedures.

Typification is the unification of separate operation of administrative-management processes to facilitate, improve and enhance their effectiveness.

II. Theoretical and methodical aspects

The four suggested innovative decisions use famous methods and theories from other fields successfully. The used methods are carried out mainly in two directions: information modeling of the administrative-management process and standardization.

The **information modeling** is the first direction and uses methods of the information technology for the structures and functionality of real objects and processes. The object is the administrative-management services. The information modeling of the administrative-management processes passes through the following stages: information objects and services,

information flows, information structures, information on flows-functionality and database modeling. The decomposition of the administrative-management processes is presented in figure 2. 1.

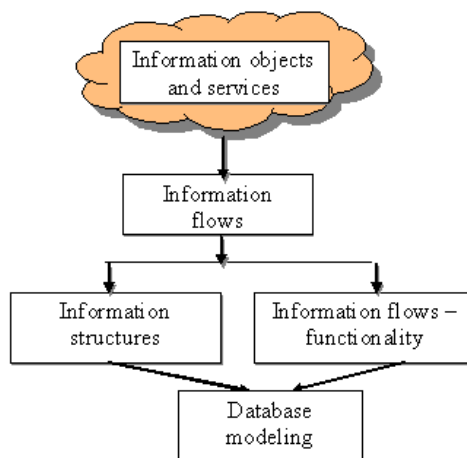


Figure 2.1. Stages of the information modeling

The sequence of creating information models as part of structural analysis is done top-down. The analysis and therefore the information modeling have the following sequence:

1. introduction to the legal basis for the service;
2. introduction to the output and input documents and also the requirements for the service;
3. creating a chart for the information flow about the procedure of the service;
4. creating charts for different workflows for the operations from information flow of the service;
5. creating a chart for information structures and model of database (for local, regional, national and sectoral levels).

In fact the information modeling is the basis referring to the aforementioned portal which provides more than 1300 administrative services and over 1400 application forms.

The designing of administrative-management processes starts with defining the problem and a clear definition of the subject of the project. Then is the modeling of administrative and management processes. The modeling continues to clarify the setting of the problem as a kind of source documents and regulatory requirements for its issue, target group for which is intended service, restrictive conditions and parameters and required input data for the service. Construction of information flows take place to show where (which point) and what activity/operation is performed. Then it follows the information flows decomposition and clarification of any operation, i. e. construction of workflows. They indicate how to perform each operation. At the end is the testing of the model. The technology of information modeling is presented in figure 2. 2.

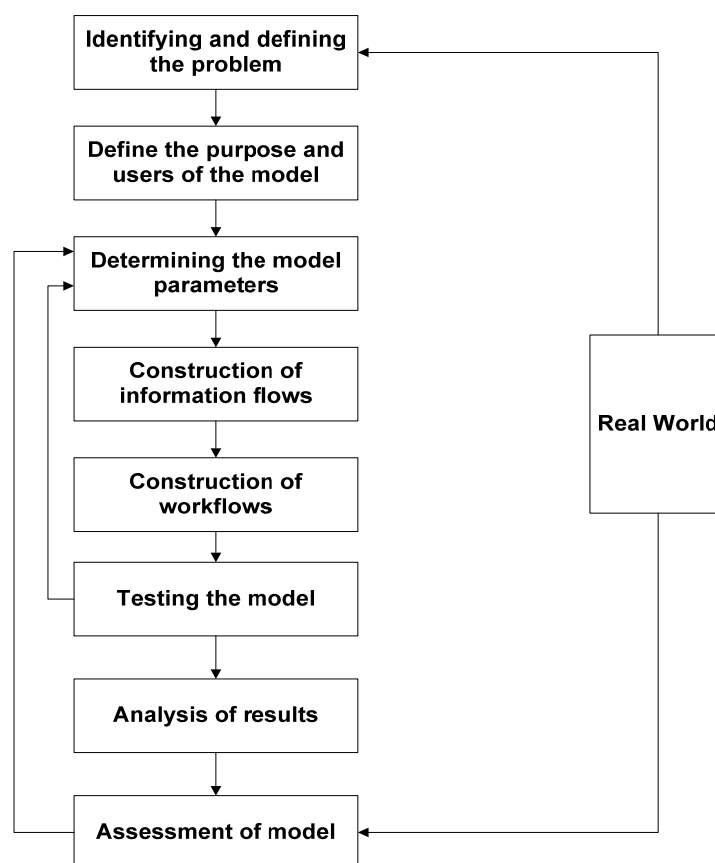


Figure 2.2. Technology of information modeling

The second direction of the used methods is **standardization**. In public administration are used two forms of standardization: unification of administrative-management processes and typification of each single operation from administrative-management processes. There are analysis of unified information flows and typified workflows which are useful for improvement of the administrative services. They are necessary for cost reduction and time saving. The main point of view is to develop an administrative service and to multiply in different administrative units. In this case are used again three hierarchical levels of information modeling: information flows, workflows and the programs used in practice. The levels are presented in figure 2.3.

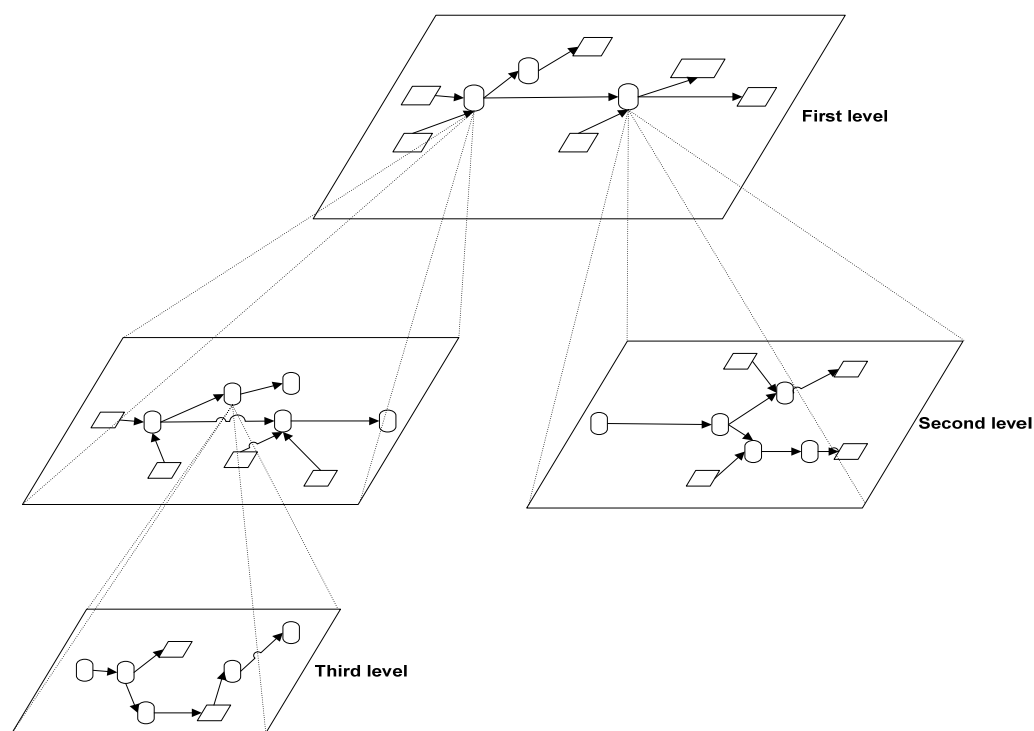


Figure 2.3. The hierarchical levels of information modeling

Information flows show the circulation of the operations by place and by time. Workflows present how an operation of information document is carried out in specific administrative point. The programs are the software which is used in whole administrative-management process.

Unification serves as enhancement of the effectiveness of administrative-management process. The administrative services are organized in groups so that every group has to contain services with similar technological processes. This is presented in figure 2.4.

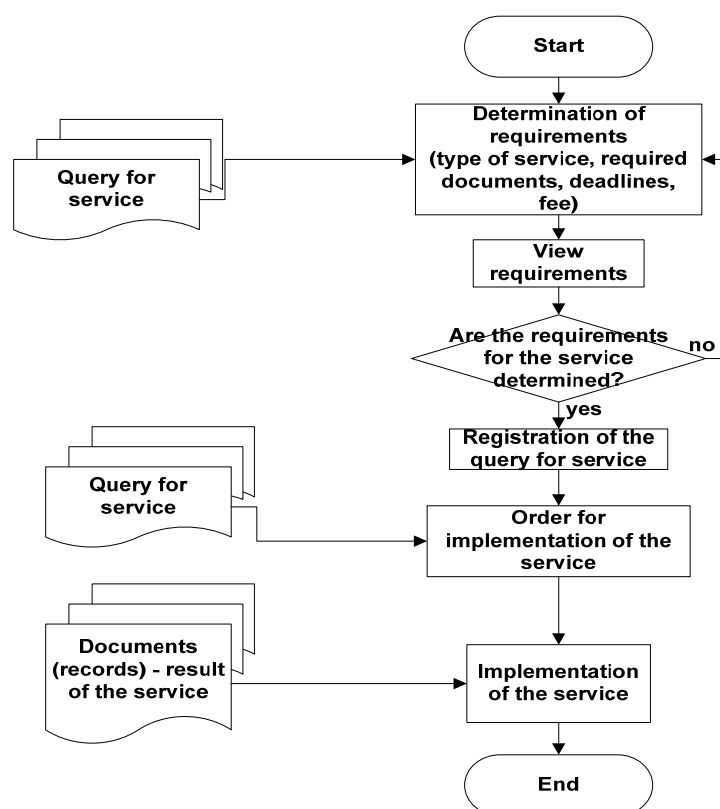


Figure 2.4. Generalized algorithm for unification of administrative service

Typification – the idea of using typified operations for automation of administrative and management activities arises from Microsoft SharePoint Server. Microsoft SharePoint Server 2007 provides active assistance in the administrative-management processes using workflows. The workflows for a SharePoint Server can be considered enforceable schedule of the operations of the information flows described in graphic tools.

The information flow presents the singles activities of the administrative-management process – from front office (the place of obtain administrative services) to back office (the place of carrying out the administrative services) and back to front office. Workflows have also a special opportunity to start and track activities related to business processes. For example, when a workflow for tracking the status of a service is activated, it creates events and gives information to the users who are related to actions that will have to perform. The typified operations which are included in Microsoft Office SharePoint Server 2007 are:

1. approval – it manages and monitors all human manual tasks which are involved in the process and provide the results after its completion,
2. collection of feedback information – it is a parallel workflow in which tasks are assigned to all participants at the same time with the final date for implementation and appropriate instructions for tasks,
3. collect signatures – it routes the document to a group of people to collect their electronic signatures,

4. approval of the removal – it manages the process of storing documents during the expiration of the period, allowing participants to decide whether to retain or delete the documents which are expired,
5. three exits – it is used for processes which require tracing of large amounts of elements or problems that may have alternative decisions,
6. group approval – it is similar to the Approval workflow, but it offers a personalized view of the approval process involving more users.

III. Application and implementation

The national e-Government portal uses the methods of information modeling and standardization by typification. It contains more than 1300 administrative services which are grouped and also over 1400 samples and application forms which are provided to citizens, business and all institutions by a site of e-Government – www.egov.bg. It is presented in figure 3.1. It is structured as follows:

- catalogues of administrative services provided by the central state administration;
- descriptions of administrative services and forms;
- electronic implementation of administrative services;
- register of European law;
- geographical data on administrative structures.

РЕПУБЛИКА БЪЛГАРИЯ
Единен портал за достъп до електронни административни услуги

Начало | Моят портал | Услуги | Институции | Новини | Помощ | Връзки

Потребителско име: Вход | Вход с УЕП | Регистрация | Търси | Разширено търсене

Актуално

 Заяви

- Издаване на удостоверение за промяна на постоянен адрес
- Издаване на удостоверение за постоянен адрес
- Издаване на удостоверение за родствени връзки
- Издаване на удостоверение за липса на съставен акт за гражданско състояние
- Поддаване на заявка за свободно работно място
- Вписване в регистъра на корабите на Р. България

Издаване на удостоверение за промяна на настоящ адрес

Издаване на удостоверение за постоянен адрес

Издаване на удостоверение за идентичност на имената на едно лице

Издаване на служебна бележка за удостоверяване на регистрация на търсещо работа лице

Отписване от регистъра на корабите на Р. България

Извършване на извлечения от регистъра на корабите

Административни услуги за бизнеса

Данъци, акцизи, митници

- Издаване на удостоверение за платени данъци и осигуровки
- Прием на заявление за регистрация по ЗДДС
- Прием на заявление за дерегистрация по ЗДДС

Финанси, хазарт, застраховане

- Издаване на разрешение за организиране на хазартни игри
- Издаване на сертификат за клас инвестиция

Селско и горско стопанство, екология

- Биологично изпитване на продукти за растителна защита
- Извършване на лабораторни анализи на водни проби

Обществени поръчки, концесии

- Разрешение за търсене или проучване на подземни богатства, издавано от министъра на регионалното развитие и благоустройството
- Издаване на сертификат за минерална вода от конкретен водоизточник
- Вписване на данни в регистъра на обществените поръчки

Енергетика, информационни технологии, събиране, транспорт

- Заверяване на превозни документи – за заверка на пътни книжки за леки таксиметрови автомобили
- Организиране и провеждане на изпит за придобиване на правоспособност за управление на моторно превозно средство (МПС)

Образование, култура, туризъм, интелектуална собственост

- Регистриране на филми в Република България
- Регистриране на туроператори и туристически агенти

Здравеопазване, социални дейности и осигуряване, работодатели

- Прием на заявление за регистрация по ЗДДС
- Извършване на подбор на подходящи кандидати за свободни работни места
- Издаване на разрешение за осъществяване на лечебна дейност на лечебни заведения за болнична помощ, диспансери, домове за медико-социални грижи и диализни центрове
- Издаване на разрешение за допускане на промяна във вписаните обстоятелства относно издадено разрешение за откриване на аптека

Промисленост, търговия, строителство

- Издаване на лицензия за търговска дейност с отпадъци от черни и цветни метали
- Издаване на лицензии за производство на оптични дискове и матрици за производство на оптични дискове, вписване на промени в обстоятелствата във вече издадени лицензии

Регистрация на юридически лица

- Вписване в регистъра на лицата, правоспособни да извършват дейности по кадастър
- Издаване на лицензия за публичен склад за зърно
- Вписване в централния регистър на юридическите лица с нестопанска цел и издаване на удостоверения за вписване

Данъчно облагане, декларации, митнически контрол

- Издаване на удостоверение за извършена пряка инвестиция от чуждестранни лица в страната, във връзка с получаване на продължително пребиваване в Р. България от дирекция "Миграция" – МВР
- Издаване на служебна бележка за облагане на доходите на физическите лица
- Плащане на данъци и осигуровки по интернет с дебитни карти

Земеделие, животновъдство, околна среда

- Издаване на билет за лов
- Съгласуване на дейности в защитени територии
- Издаване на разрешение за транспортиране на дървесина

Култура, наука, туризъм, интелектуална собственост

- Удостоверяване на съответствието при възпроизвеждане на герба на Република България
- Придобиване на научна степен "доктор на науките"

Лични данни и документи, семейство

- Издаване и подмяна на свидетелство за управление на моторно превозно средство (МПС)
- Издаване и подмяна на лични карти на български граждани

Недвижими имоти, строежи

- Съгласуване на строителство в защитени територии на обекти, които не подлежат на оценка на въздействието върху околната среда
- Издаване на удостоверение за характеристики на имоти, необходими за определяне на данъчната им оценка
- Издаване на комбинирана скица за пълна или частична идентичност на границите на поземлени имоти

Образование

- Получаване на читателска карта
- Удостоверение за установяване степента на владене на български език при придобиването на българско гражданство по натурализация
- Заверка на образователни документи, издадени от легитимни български средни и висши училища

Пенси, социални помощи, дования

- Приемане на молби-декларации за отпускане на месечни помощи за отглеждане на дете до навършване на една година по реда на Правилника за прилагане на закона за семейни помощи за деца и издаване на заповед
- Приемане на молби-декларации за отпускане на еднократна помощ при раждане на живо дете по реда на Правилника за прилагане на закона за семейни помощи за деца и издаване на заповед
- Защитане на осигурителен стаж чрез внасяне на осигурителни вноски по реда на § 9 ПЗР КОО

Правосъдие, полицейска дейност, отбрана, транспорт

- Промяна на местоточета на водна на моторно превозно средство (МПС)
- Проверка на техническата и екологичната изправност и за извършване на идентификация при първоначалната регистрация, за промяна в регистрацията и пускане в движение на ППС

Работа и трудови отношения, държавна служба, безработица

- Приемане на заявления и регистрация на търсещи работа лица
- Насочване на търсещи работа лица към свободни работни места

Социално и здравно осигуряване, здравеопазване, парични обезщетения

- Отпускане и изплащане на парични обезщетения за бременност и раждане
- Издаване на европейска здравноосигурителна карта
- Регистриране и заверка на лична здравна книжка от регионална инспекция по опазване и контрол на общественото здраве

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Figure 3.1. National e-Government portal

The services are organized in two big directions – services to citizens and services to business. Besides, they are grouped according to:

- topics of administrative services;
- the administrative authority, which provides them – for example ministries, agencies, committees, institutes, services, directorates, inspections and other entities;
- type of regulatory regimes;
- type of administrative services;
- applicant for the services.

For each service there are published details of its administrative move, procedures, pricing and time limits. Searches can be done by topic, type of administration, types of procedures, events and facts keyword. The portal gives access to all legal and regulatory framework of the European Union. Single portal for access to electronic services is the result of mixing model for one-stop shop with information and communication technologies and electronic processing of documents. The result is an environment that has great potential for development and interaction with other systems and it is shown in figure 3.2.

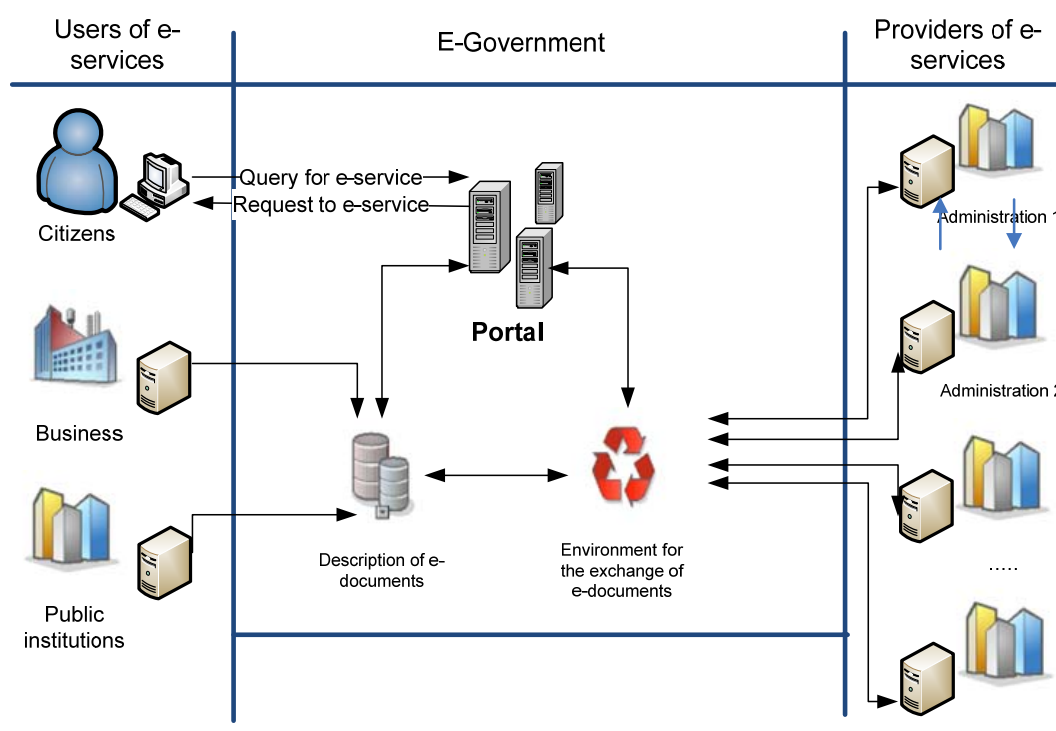


Figure 3.2. The way of implementation of the portal

Access to electronic administrative services through the portal will be free, unlimited and unconditioned requirements for user authentication. Users who wish to use additional features and amenities of the portal have to go first through the process "Registration". Users should fill out required registration data - name, password, e-mail address. Then each entry in the portal users enters the selected name and password. Or just they could be able to use their qualified electronic signature and their personal identification number. Another advantage for the users of the portal for access to those electronic services is a unified way to use the

services, irrespectively of the service and who its supplier is. The web portal for electronic payments is a development of the national e-Government portal. There are no intermediaries in the process of payment which accelerate the money transfer.

The architecture of national portal is based on Word Wide Web (WWW) technology. It is organized on three levels, shown in figure 3.3. The middle level of the application is based on Java technologies and BEA WebLogic application server. The third level is Database. The hardware infrastructure provides:

1. fault tolerance;
2. load-balancing;
3. disaster recovery;
4. back-up and restore.

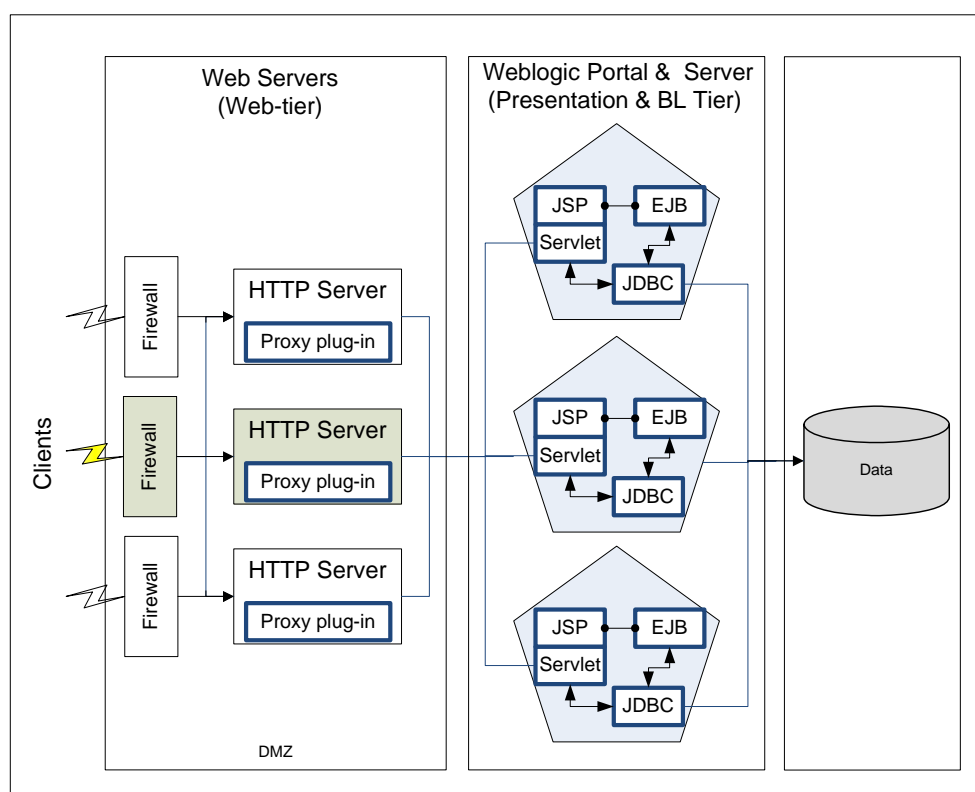


Figure 3.3. The architecture of National e-government portal.

There is also an electronic pilot area which includes construction of three electronic domains which enable all administrations in the regions to communicate with each other electronically. However the use of qualified electronic services requires from the citizens and business to have an electronic signature.

The standardization is another innovative decision. This method is implemented when some of the administrative services are provided by two or more administrative authorities, for example like the municipalities. This standardization contains the following stages:

1. it starts with a unified name of the administrative services;

2. the administrative services have to be coordinated with the common law framework and the way of implementation of the electronic administrative service to be largely established, repeatable;
3. the services should have unified stages or combination of typified operations;
4. the services should have unified administrative management processes possibly provided in a electronic way.

Last but not least the unified documents are precondition for implementation of effective and efficient e-Service, which is a result of the directing the attention to unification. An example is presented in figure number 3.4.

**Главна Дирекция
Гражданска Регистрация и Административно Обслужване**

Единна Система за Гражданска Регистрация и Административно Обслужване на Населението

История

ЕСГРАОН е национална автоматизирана информационна система за административна индивидуализация и регистриране на физически лица, ползваща официални документи за тях и предоставяща индивидуална или обобщена информация.

ЕСГРАОН бе създадена през 1977 г. с постановление N 15 на МС. Бяха анкетирани всички български граждани. За всяко лице бе съставен Личен Регистрационен Картон (ЛРК). Съгласно чл.25 от Закона за гражданската регистрация ЛРК съдържа следните данни:

1. Единен Граждански Номер (ЕГН)
2. Име
3. Псевдоним
4. Пол
5. Дата на раждане
6. Гражданство
7. Място на раждане
8. Акт за раждане
9. Постоянен адрес
10. Настоящ адрес
11. Семейно положение
12. Акт за сключен брак
13. Съпруг/а
14. Съдебно решение за развод
15. Деца
16. Майка
17. Баща
18. Братя/сестри
19. Документ за самоличност
20. Правни ограничения
21. Починал

Figure 3.4. The data which are contained in unified documents

The documents which are used by national e-Government portal are also unified. As a result of that the administrative process will be both simple and identical no matter of the location of the user. Administrative and customer costs as well as time will be saved. Once it will be paid for elaboration and then it will be used for all administrative services which are in this group. It is very important to unify the application for the service and it is easier to do that in groups. Very important group are the national registers. There are lots of single analysis and assessments of the public registers. It is possible to use typification in two areas: the object structure of the register and the administrative management processes. The first contain the coding system, the database, the objects identification system, the law framework. The information flow presents the single activities of the administrative-management process –

from front office (the place of obtain administrative services) to back office (the place of carry out the administrative services) and back to front office.

Microsoft SharePoint Server 2007 presents six typified operations (workflows), which are developed into fifteen new by students and lecturers of Technical University of Sofia as a result of the project “Center for Research and Education in e-Governance” and more, which are in process of systematization. They would be a very important point of the effectiveness of administrative services. The advanced methods of Microsoft SharePoint include the six typified operations of the single activities of the technology process. People work hard in that direction in our country. The developed operations by students are:

1. registration of accepted documents – it serves as a starter of the implementation of the service;
2. back-up of the applicant documents ready for transmission – is used by the final documents;
3. fusion of different information flows – the input has more flows, which merged into one on the output;
4. search by one criterion or logical expression – it can use accelerated methods of searching;
5. sorting by one or more properties – it is very useful and will be standardized;
6. forming and displaying the list – it is similar to Searching;
7. mailing decisions to linear chain – it is similar to Approval;
8. mailing decisions in a hierarchical chain – it is feedback to Group approval;
9. verification of electronic signature – the problem is that the users who have an electronic signature are few;
10. check the control number in a register – it serves as a data protection but it has a limited function;
11. output registration – it serves to file all outgoing documents;
12. introduction of resolutions in the registration card document – first it should be scanned and then the information should be introduces in the registration card;
13. registration of users – fully automated operation;
14. control with logical expressions – the various logical expressions are introduced as an input data and are treated in the appropriate way;
15. links to websites of other providers of administrative services – this service directly refers to another service providers.

All these operations can be automated and thus they create opportunities for effective administrative services in one place. On the other hand corresponds to the possibilities of increasing the degree of unification of purpose services.

The legal requirements can be presented as a decision tree and a table of decisions. The trees of the decisions use binary trees as flowcharts for workflows. These tools are used for options with different possibilities of solutions which is typical for administrative management processes. Tables of decisions present a logical expression in a tabular form between the values of certain conditions and actions for them. In figure 3. 5 is shown an example of table of decisions. It is an improvement of administrative service “License for public transport loading a territory of the Republic of Bulgaria” by Executive Agency “Automobile Administration”, where it is a typified operation. It is possible to be used by others services which are similar. Typical operation can be introduced using a logical expression as a typical operation by which it can be verified whether the validity of the license is expired. If this is

true the license has to be removed automatically from the relevant registry. It is possible to set a few months before the expiration of the license so it would be possible to publish a notice on the website of the agency.

Conditions				
V<=N	Y	N	N	N
M=L	N	Y	N	N
T=Z	N	N	Y	N
Activities				
V=I+S	Y	N	N	N
M=K-P	N	Y	N	N
T – data, month, year (XX, YY, ZZZZ)	N	N	Y	N

Figure 3.5. Table of decisions

I - Year of issuance the license;

S - Period of validity in years;

V - Year of expiration of the license;

N - Current year.

K – Month of issuance of the license;

P - Number of months that we want to deliver for reminder;

M - Month which should automatically receive the message as a reminder;

L - Current month.

T - Date (xx.yy.zzzz) on which the message should be uploaded – is calculated in presented steps and is: xx - date, yy - month, zzzz-the year.

Z - Present date.

Actually there are lots of administrative services which have similar procedures and it is easy to become more effective. It would reduce the costs, save time and accelerate the process of converting them into electronic services. This is the reason why on the first place the names of the administrative services should be unified and after that the documents (it have to start with the applications, which can be elaborated once and then used by other services in this group) and the technology processes of administrative services.

IV. CONCLUSION AND RECOMMENDATIONS

The presented methods: information modeling and directions of standardization are used for developing and improving the governance. The information modeling is basis of the national e-Government portal and the following improvements: web portal for electronic payments to administration and regional portals of e-Government. The methods of standardization are used for providing effective administrative services. However, the process of development and improvement is not so simple and for that reason it would take a lot of time. On the one hand

the government should put in much more effort in this area so the administrative services, the registers, the elaborated portals even the whole administrative service can be improved. On the other hand it should create conditions to educate the customers of electronic services. The law has to be amended which should be done in agreement with the law of the European Union so that the process of providing administrative services becomes much easier. The proposals about improvement of the e-Governance are:

- implementation of the legislative recommendations of the institutions of the European Union;
- grouping and modeling the administrative services which will make easier the process of their developing into electronic services;
- improvement of administrative services through their unification which starts with unified names, documents and ends with unified technology processes;
- expansion of the use of the typification of operations/activities of technology processes;
- more work in the area of registers – they have to be developed using the methods of interoperability and improved so that they can be effective and efficient for citizens, business and all administrative units;
- the government has to take a decision about the important issue of electronic signature and the administrative services which use this signature.

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THE APPLICATION OF THE PRINCIPLE OF TRANSPARENCY IN THE DECISION-MAKING PROCESS OF PUBLIC INSTITUTIONS. CASE STUDY: ROMANIAN OMBUDSMAN, PUBLIC PROSECUTOR'S OFFICE AND THE COMMITTEE ON PETITIONS OF THE PARLIAMENT OF ROMANIA

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Abstract

Constitutional and legal framework:

- *Article 3, Romanian Constitution states the Right to information: “(1) A person's right of access to any information of public interest shall not be restricted. (2) The public authorities, according to their competence, shall be bound to provide correct information to the citizens in public affairs and matters of personal interest”.*
- *Article 1, Law No. 544 of 12 October 2001 regarding the free access to information of public interest, published in the Official Gazette of Romania No. 663 of 23 October 2001 – “The free and unrestricted access of any person at any piece of information of public interest, defined as such by this law, constitutes one of the fundamental principles of the relations between persons and public authorities, in accordance with the Constitution of Romania and with the international documents ratified by the Parliament of Romania.”*
- *Article 1, Law No. 52 of 21 January 2003 regarding the free access to information of public interest, published in the Official Gazette of Romania No. 70 of 3 February 2003 – „This Law establishes the minimal procedural rules applicable to ensure decisional transparency within central and local public administration authorities, elected or appointed, as well as of other public institutions that use public financial resources, in the relations established between them with the citizens and their legally established associations”.*

Research focus: The article focuses on the presence of the transparency principle in the decision making process by analyzing the activity of several institutions, namely, the Romanian Ombudsman, the Public Prosecutor's Office and the Committee on Petitions of the Parliament of Romania and their relations with the citizens. All these three institutions mentioned above play an important role in the reform of the Romanian public administration.

The first part of the article offers an analysis of the existing legislation and literature on the principle of transparency and the role the three institutions mentioned above play in sustaining this principle. The second part of the article consists of an exploratory empirical research of the Romanian Ombudsman, Public Prosecutor's Office and the Committee on Petitions of the Parliament of Romania and their relations with the citizens. It offers also an input on the interaction between the Romanian Ombudsman and the other two institutions. Our analysis deals with the 2004-2008 legislature and 2008-2010 (2008-2012 legislature).

Research methodology: The methodology of the research is qualitative – analysis of the Ombudsman's annual reports, of the Public Prosecutor's Office activity and the reports of the Committee on Petitions of the Parliament of Romania.

Key-words: transparency, right to information, ombudsman.

Constitutional and legal framework

Transparency aims to ensure greater access of citizens to information and documents issued by the state institutions, citizen participation in the decision making process and ensuring the legitimacy, effectiveness and accountability of the government to the citizens.

The concept of transparency in the decision-making process is about ensuring citizens' access to documents and the public consultation on the adoption of regulations. Transparency in a broader sense refers to the access to information of any kind and the possibility to choose in any way. According to Article 3 of the Romanian Constitution the Right to information is described as: *“(1) A person's right of access to any information of public interest shall not be restricted. (2) The public authorities, according to their competence, shall be bound to provide correct information to the citizens in public affairs and matters of personal interest”*.

Also, article 1 of the Law No. 544 regarding the free access to information of public interest⁵⁸, states that *“The free and unrestricted access of any person at any piece of information of public interest, defined as such by this law, constitutes one of the fundamental principles of the relations between persons and public authorities, in accordance with the Constitution of Romania and with the international documents ratified by the Parliament of Romania.”*

In the same sense, article 1 of the Law No. 52 regarding the decisional transparency in public administration⁵⁹ *„(. . .) establishes the minimal procedural rules applicable to ensure decisional transparency within central and local public administration authorities, elected or appointed, as well as of other public institutions that use public financial resources, in the relations established between them with the citizens and their legally established associations”*.

The actual application of the principle of transparency should lead to greater trust in laws and regulations, since they were adopted in consultation with those interested. Confidence in the legal framework will result in a greater degree of compliance with the law⁶⁰.

The principles regulated by law are the following:

- a) providing beforehand, ex-officio information for the people on matters of public interest to be debated by central and local public administration and the draft legislative acts;
- b) consulting the citizens and legally established associations, at the initiative of public authorities, in the process of elaborating draft legislative acts;
- c) the active participation of citizens in administrative decision-making and in the elaboration process of draft legislative acts, with observance of the following rules:
 - 1. the meetings of the authorities and public institutions that are subject to this law are public, under the law;
 - 2. the debates will be recorded and made public;

⁵⁸ Official Gazette of Romania no. 663 of 23 October 2001.

⁵⁹ Official Gazette of Romania No. 70 of 3 February 2003.

⁶⁰ <http://www.apd.ro/files/publicatii/Transparența decizională în administrația publică.pdf>, p. 5.

3. the minutes of these meetings will be recorded, archived and made public under the law⁶¹.

Transparency must become an essential component of public institutions, but the distance between the current degree of transparency of institutions and the objectives fixed by law is quite significant.

Transparency can also be seen as a “tool” against corruption. Corruption undermines the overall governance of a country. Citizens are marginalised from the political process since information is fairly scarce due to the lack of transparency and the policy-making processes rather opaque because of the lack of clear check and balance mechanisms⁶².

In 2003, Verheugen summarised the general feeling towards corruption as the following: *“Corruption is the cancer of modern societies and economies - a disease eating further and further into the organism and infecting what was still healthy”*. Hence, international organisations and many scholars have focused their attention on this topic and on finding a cure to reduce corruption.

The literature on corruption suggests that strategies to tackle corruption should include a combination of general and tailored measures. Overall, strategies designed to fight corruption usually include a number of general features such as the demonopolisation of decision-making, the limitation of discretionary power, the strengthening of accountability and transparency⁶³, and the protection of ‘whistleblowers’. Such strategies also take into account particular national features and design tailored anticorruption strategies, complementary to the general features, that target specific problems in the field.

So, a higher level of transparency in decision making increases the probability that corruption or wrongdoing is detected.

A major priority of the Government of Romania has always been the achievement of a genuine reform through which the public administration in Romania to meet the European standards and be characterized by willingness and transparency, predictability, legality, responsibility and efficiency.

Romanian Ombudsman = The People’s Advocate

The People’s Advocate, the constitutional name under which the classic European Ombudsman is organized and operates in Romania, has imposed itself as a dimension for the

⁶¹ Law no. 52 of 21-01-2003 decisional transparency in public administration, article 2.

⁶² For further details, please see, Matei, A., Matei, L. (2010), Integrating anti-corruption strategies within the government reforms in some South-Eastern European states. An empirical study on the impact of the government performance, (September 1, 2010). International Conference 'Public Management in 21st Century: Opportunities and Challenges', Macau, China, October 22-23, 2010. Available at SSRN: <http://ssrn.com/abstract=1669902>.

⁶³ Matei, L., Matei, A. (2009), *Corruption in the Public Organizations - Towards a Model of Cost-Benefit Analysis for the Anticorruption Strategies* (May 15, 2009). Presented at First Global Dialogue 'Governing Good and Governing Well': The First Global Dialogue on Ethical and Effective Governance, 28-30 May 2009, Amsterdam, The Netherlands . Available at SSRN: <http://ssrn.com/abstract=1405209>.

constitutional democracy with the role to protect the rights and freedoms of natural entities in their report with the authorities of the public administration.

The People's Advocate operates either *ex-officio*, or at the request of individuals whose rights and freedoms have been breached, within boundaries established by the law. The Constitution compels the public authorities to provide the People's Advocate with the support necessary for exercising his attributions.

The particular legal features of the People's Advocate are provided by the legal provisions that present in detail the constitutional dispositions. Thus the People's Advocate is an autonomous public authority and independent from any other public authority; he cannot be replaced with public authorities, he cannot be bound by any imperative or representative warrant, and his activity has a public nature; he has his own budget which is an integral part of the state budget; the People's Advocate and his assistants are not legally liable for the opinions expressed or for the actions undertaken, in compliance with the law, in exercising the attributions stipulated by the law.

In order to solve the problems brought to his attention, the People's Advocate has the right to compel the public administration authority in question to take the measures necessary for defending the rights and freedoms of the physical entities, as well as to notify the public authorities hierarchically superior about the lack of reaction of the individuals who are compelled to take the necessary measures. Likewise, the People's Advocate can make investigations and formulate recommendations.

Therefore, the People's Advocate has the right to make his own investigations, to ask the public administration's authorities for any information or documents necessary for the investigation, to establish hearings and to take statements from the leaders of the public administration's authorities as well as from any clerk who can provide the information necessary for solving the petition. In addition, for the exercise of his competences, the People's Advocate issues recommendations which cannot be parliamentary or judicially controlled. Through the recommendations issued, the People's Advocate notifies the authorities of the public administration about the illegal character of the administrative actions or facts.

The People's Advocate's competence in solving some petitions related to the judicial authority is materialized in his legal possibility to address, as appropriate, to the Ministry of Justice, the Public Minister or the president of the judicial court, who are bound to notify the measures undertaken. This represents a legal method for the People's Advocate to intervene in the situations of bureaucracy generated by the non-enforcement of Article 21, paragraph (3) of the Constitution, which developed the provisions of Article 6 of the Convention for the Protection of Human Rights and the fundamental freedoms related to the right of the parties to a fair trial and the cause solved within a reasonable term.

For the fulfilment of the constitutional purpose, the People's Advocate can make investigations, can issue recommendations and in the situation where the investigations expose legislative gaps or serious cases of corruption or non-compliance with the laws of the country, the People's Advocate can present a report enclosing the facts to the president of the two Chambers of Parliament or, according to the case, to the prime – minister.

Likewise, the People's Advocate can be involved in the constitutionality control of the laws and ordinances performed by the Constitutional Court. Thus the People's Advocate can notify the Constitutional Court about the unconstitutionality of the laws passed by the Parliament, before they are enacted by the President of Romania; he can submit to the Constitutional Court exceptions of unconstitutionality related to the laws and ordinances in force; upon the request of the Constitutional Court, he can formulate points of view on the exceptions of unconstitutionality of laws and ordinances, related to the citizens' rights and freedoms. This is a particularity of the Romanian Ombudsman which we cannot find in other countries.

According to the annual report, in 2009⁶⁴, the People's Advocate Institution conducted a number of 30 investigations. The investigations were mainly focused on the observance of the private property right, right to petition, right of the individual injured by a public authority, right to a decent living standard, *right to information*, right to labour and social labour protection, protection of children and youth, and the right to social security, right to observance of equality of rights, international treaties related to human rights, free access to justice, as well as the secret of correspondence.

Among the petitions assigned to this field notifying violations of the fundamental rights and freedoms, we underline the petitions related to the right to petition, in number of **281**, and the petitions related to the violation of the right to information, in number of **212**, representing the overall percentage of more than **73%** of the petitions solved by the personnel in the field.

The fact that, during 2009, a large number of the complaints from the individuals continued to be focused on the alleged violations of the right to information, the right to petition, as well as the right of the individual injured by a public authority, demonstrates that there are situations when the public servants within the institutions of central and local public administration are uncertain about their actions and that the managerial ability to implement the decentralized responsibilities is not consolidated. Although real progress was achieved, strong efforts are still required in order to improve the quality of the services provided to the citizens.

This field of activity received **212** petitions notifying the right to information, representing a percentage of **31%** from the total number of the petitions submitted to this field.

Despite the fact that these types of petitions were numerous, similar to the previous years, not all the petitioners were able to prove that they had addressed to the authorities in charge. Subsequently, the People's Advocate Institution was unable to give them direct support in solving the registered petitions; however, it informed the petitioners of the legal procedures to be followed.

The main aspects notified in the petitions referred to the request for information related to: the activity and resources of some institutions employing European funds; the organization of auctions; information related to the institutions that can be notified about the cases of corruption in Romania; legal provisions related to the assigning of parking spaces; the European regulations on the peace of the citizen; legal provisions related to public lighting and the attributions of the public authorities for the enforcement of the Law no. 230/2006 on the service of public lighting; information related to the passing of Law no. 257/2008 for the

⁶⁴ For 2010, there are no data available. The Annual Report was not yet sustained in the Parliament.

amendment of paragraph (1) of art. 1 of the Emergency Government Ordinance No. 148/2005 on the support of the family in view of raising a child; provisions of the Law no. 341/2004 of gratitude towards the heroes-martyrs and fighters who contributed to the victory of the Romanian Revolution in December 1989 and the actions to be undertaken within the public authorities; the actions necessary for the achievement of the title of war veteran, in compliance with the provisions of the Law no. 44/1994, republished, further amendments and supplements included; creation of the Institute for the Investigation of Communist Crimes; the competences of the National Authority for Monitoring the Processing of Data with Personal Character; regulation for the activity of solving petitions; provisions of Law no. 544/2001 on the free access to information of public interest; the activity, address and the schedule for hearings granted at the central office of the People's Advocate Institution or at the territorial offices, as well as the conditions under which the institution provides financial aid.

The examination of these petitions highlights the fact that there are some public authorities and institutions which do not comply with their constitutional obligations to provide the petitioners with the required information, under the terms and conditions provided by the Law no. 544/2001 on the free access to information of public interest, further amendments and supplements included⁶⁵.

Total number of petitions registered at the People's Advocate Institution and at the territorial offices, related on the violation of some civic rights and freedoms

Year	Number of petitions
2004	4621
2005	5465
2006	6407
2007	6919
2008	8030
2009	8295

⁶⁵ Annual Report on the People's Advocate activity in 2009.

Statistics of the petitions registered related to the rights and freedoms**Right to information (art. 31)**

Year	Number of petitions
2004	403
2005	704
2006	1226
2007	706
2008	1031
2009	1396

Statistics of the points of view expressed by the People's Advocate on the exceptions of unconstitutionality concerning the right to information (art. 31)

Year	Number of points of view
2004	0
2005	0
2006	1
2007	8
2008	5
2009	3

Source: Data compiled by the author from the annual reports of the Ombudsman available online at <http://www.avp.ro/>.

All for the benefit of individuals, Law no. 554 of 02/12/2004 on the administrative contentious regulates for the first time in our system of law an action brought by the Ombudsman institution. Thus, The Ombudsman, following the control performed according to its competences, if it appreciates that the illegality of the act or the refusal of the administrative authority to execute its legal duties cannot be removed except in justice, it can

notify the competent administrative contentious court at the petitioner's domicile. The petitioner rightfully gains the quality of plaintiff, going to be subpoenaed in this quality. If the petitioner does not adhere to the action formulated by the Ombudsman on the first trial date, the administrative contentious court annuls the petition.

These regulations were criticised during the process of adopting this law, by the Ombudsman and the Government, in their points of view concerning the initiative, considering that institution can not substitute for citizens exercising their procedural rights, can not take citizens' interests.

The Public Prosecutor's Office

The current regulation of the Public Prosecutor's Office in the Constitution is under Title III, Section 2 of Chapter VI, which is called 'The judicial authority'. On the other hand, art. 132, par. (1) of the same Constitution stipulates that 'Prosecutors function, according to the principles of legality, impartiality and hierarchical control, under the authority of the Ministry of Justice'.

In these circumstances, in the recent legal doctrine we can identify three diverging opinions regarding the position and missions of the Public Prosecutor's Office within the system of public authorities.

In Romanian doctrine it is accepted, that the Public Prosecutor's Office has the nature of an authority belonging to the executive power, based on the constitutional and organic legal norms.

Supporters of a second opinion argue that the Public Prosecutor's Office belongs to the judicial power, according to the missions which are assigned to it by art. 131 (2)1 and art. 132 (1) of the Constitution and by Law no. 304/20042, as well as according to arguments resulted from the criminal procedural law⁶⁶. In support of the same theory, Neagu⁶⁷ (1997) argued that the authority of the Ministry of Justice over the prosecutors functioning attached to the courts of justice is a legal relation based on the administrative law, which is the same in nature as the relation between the Ministry of Justice and the judges.

Finally, supporters of a third opinion, which draw on a view originally expressed by Paul Negulescu and George Alexianu and then reformulated by other important theorists⁶⁸ (Drăganu, 1998, p. 356), consider that the Public Prosecutor's Office was conceived as an executive body, of a specific nature, similar to the French Public Prosecutor's Office.

In a state based on law and order, the institution of administrative litigation is "a democratic form of compensation for infringements committed by organs and administrative authorities, to limit their arbitrary powers, and insure the individual rights of the citizens," or, more synthetic "legal form of protection of individuals or legal entities against government abuses"⁶⁹.

⁶⁶ Cochinescu, N., (2000) *Totul despre Ministerul Public*, Lumina Lex.

⁶⁷ Neagu, I., (1997). *Tratat de procedură penală*, PRO.

⁶⁸ Drăganu, T., (1998). *Drept constituțional și instituții politice. Tratat elementar*, București: Lumina Lex.

⁶⁹ Petrescu, R. N. (2001). *Drept administrativ*, ediție revăzută și adăugită, Editura Cordial Lex, Cluj-Napoca, p. 327.

The argument that the Public Prosecutor's Office has an activity of an executive type, supporting the courts of justice and representing an "auxiliary" of the same, is the most widespread; it is actually often stated that the Public Prosecutor's Office only acts to inform the courts, to represent the state in a trial, to supervise and control certain administrative bodies, etc., i. e. carries out "*actions of an executive character*"⁷⁰. It has also been stated that the Public Prosecutor's Office supports the carrying out of justice, as shown in art. 131 (1) of the Constitution – standing for the general interests of the society and defending the legal order, as well as citizens' rights and liberties.

The actions of the administrations sometimes cause dissatisfaction, offends interests, bring about complaints. These complaints come especially from individuals, who are in contact with the public administration. But within the administrative structures there are local authorities, public establishments, corporations etc., which are elements of these administrative structures, and which also often complain against their superiors, against the central administrative bodies, against other administrative bodies, waiting for these to do what they think it is their obligation.

All these complaints must be examined in order to ensure the good functioning of the services and the carrying out of justice. The errors must be fixed and the abuses must be eradicated; the good functioning of the services must be supervised. This permanent activity of checking, fixing, restoring, is extremely important for the good of the administered, for the legal order and for the general order within the state.

People should be defended against the dissatisfactions which arise from the actions of the administration, considering that the protests generated by the actions of the administration can trigger turmoil, press campaigns, political difficulties.

In any democratic regime, the administration is subjected to the law and to the judge; it can be coerced to appear in court, before the judicial judge or before the administrative judge. The subordination of the administration to justice is more or less complete. The administration always benefits by a range of liberties, it puts up a certain resistance.

The subordination of the administration to justice was the result of a slow process, and there are still tendencies of evading and legal possibilities of escaping.

The administration gets away from the judiciary for government or state acts and for everything connected to the opportunity. It puts up resistance, often by omission, therefore not by action, but by inaction, and for such cases new legal texts and jurisprudence have emerged, which confirmed the possibility of notifying the judge.

The Public Prosecutor's Office and the public administration, once the Romanian public administration reform was promoted, have become the two main actors of the struggle against corruption, which is considered to be the major factor of the inability to act and meet the citizen's needs, displayed by the public administration, but also by the judiciary.

⁷⁰ Drăganu, T., (1998), op. cit., p. 360.

The premise of limiting the power abuse and the corruption is to make the institution accountable to the citizens, by forcing the government and all public servants to obey the law and its principles⁷¹.

In this sense, in Romania the National Anti-Corruption Directorate was created, an authority meant to carry out inquiries at all competence levels in order to restrict and limit the possibilities of the public servants to use the law for purposes which are not in accordance with its reason of being.

The National Anti-Corruption Directorate was founded through the Government Urgency Ordinance no. 43/2002⁷² under the name of the National Anti-Corruption Prosecution Office; following the successive legislative modifications, it became the structure, with juridical personality, within the Prosecution Office attached to the High Court of Cassation and Justice, specialising in the struggle against corruption at a high and middle level.

In accordance with the organization law, the National Anti-Corruption Directorate is a complex structure, in the sense that the prosecutors working within the Directorate are assisted in the prosecuting activity both by judiciary police officers and agents, and by highly qualified specialists in fields such as: economics, finance, banking, customs, IT, as well as in other fields. It is an independent entity in relation to the courts of justice, with the prosecution offices, as well as with the other public authorities, exercising its prerogatives only on legal grounds and in order to ensure the respect of the law.⁷³

AT national level, we have a National Anticorruption Strategy on vulnerable sectors and public administration (2008-2010) which provides for measures completing the *Strategy on the Reform of the Public Administration* and the Objective I of the *National Anticorruption Strategy 2005-2007*, respectively “*Increase the transparency and integrity in public administration*”. The Strategy is the result of both choosing a technical solution and a political will.⁷⁴

The Strategy focuses on an exhaustive analysis of the corruption problems that affect on long term the Romanian society. In order to obtain results with real impact on the prevention and countering corruption, as well as to improve the public perception on the phenomenon, there is a need that the measures adopted have a solid and objective basis.

The measures adopted so far on the basis of the documents assumed by several institutions and public authorities resulted in some cases in an increase of the transparency and improvement of the quality of the services provided to the citizen.

The principle of transparency plays an important role in this analysis. There are important remarks on improving the information flux towards media and the public on prevention and

⁷¹ For other details, please see, Matei, A. (2006), *Corruption Transparency and Quality. Comparative Approaches and Judiciary Support*, in “Transformation of the Role of the Judiciary within an European Integrated Context”, Esperia Publications Ltd., London, pp. 127-142.

⁷² Published in the Official Journal of Romania no. 244/2002, April 11, and approved by Law no. 503/2002, July 11, published in the Official Journal of Romania no. 523/2002, July 18.

⁷³ Mihaela Carausan, *Institutional Uncertainties of the Rule of Law - The Public Prosecutor's Office between the Executive and the Judiciary* - Transylvanian Review of Administrative Sciences, No. 28 E SI2009 pp. 104-128.

⁷⁴ Available online on <http://www.mai-dga.ro>.

countering corruption or continuing the campaigns for informing the public on the rights and obligations in relation with the public authorities and institutions with a view to promote a public anticorruption attitude; using new information with a view to increase the transparency and celerity at the public services level; increasing transparency concerning conditions for recruitment and selection of the personnel from external source or concerning the process of promotion of the personnel

One of the results expected is that a society of well informed citizens, aware of their role in terms of taking part to, drafting, accessing, assessing and certifying the public services, will result into a drop in the number of corruption deeds.

Taking into account the citizens' opinion leads to a continuous improvement of the services delivered. The citizens have the possibility to express opinion and preferences, resulting into a raise in efficiency of the administration.

The acts issued by public authorities can sometimes be made in violation of the law, and, sometimes, the public authority refuses to issue acts requested by citizens. As a result, we reach a situation of conflict between the citizen and the public authorities. Such situations can often be settled amicably, or via administrative appeal, by complaints and appeals brought forward by the injured person, but most often it comes to litigations before the administrative court.

Law no. 554 of 02/12/2004 on the administrative contentious stipulates, among several other things, that any person which considers that one of his rights or his legitimate interest has been trampled with by a public authority by way of an administrative act or by not solving one of his applications within the term stipulated by the law, may bring his problem before the administrative contentious court requesting the annulment of the act, the recognizing of his right or of his legitimate interest along with the damages caused by the authority in question.

The Public Prosecutor's Office as well as the People's Advocate may take such matters to the administrative contentious court on behalf of the injured persons. The regulations prescribe the procedure to be followed by interested individuals when bringing their problems before the said courts as well as the enforcement procedure.

The Public Prosecutor's Office, when, following the exercise of powers under its organic law, believes that violations of rights, freedoms and legitimate interests of individuals is due to individual unilateral administrative acts issued by public authorities with excess of power, refer to the competent administrative court, with their prior consent. The petitioner rightfully gains the quality of plaintiff and will be quoted as such. It is an action similar to that available to the Ombudsman, except that the Ombudsman can act only on behalf of individuals, not for legal entities.

From the analysis of the legal regulations, we conclude that the Public Prosecutor's office becomes public defender of the rights and freedoms of the individuals against abuse of legal and public administration.

The Public Prosecutor's Office aims to represent the public in the Judiciary, the general interests of society and to defend the rule of law and the rights and freedoms of the citizens⁷⁵. When the Public Prosecutor considers that the issue of a normative administrative act harms the public interest, will notify the competent administrative court.

Under the existence of a legitimate public interest defined by law as "*interest targeting rule of law and constitutional democracy, guaranteeing the rights, freedoms and duties of citizens, satisfying community needs and fulfilling public authorities' competencies*"⁷⁶, Public Prosecutor's Office is thus able to bring an objective administrative action.

Unlike subjective administrative action, which may be brought to the court after the exercise of their duties, Public Prosecutor considers that the rights of specific persons is due to an administrative action, in a case of an objective administrative action the law no longer makes the goal of bringing the action of the conclusions drawn of criminal activity, so the Public Prosecutor may therefore act either on its own, following the exercise of statutory powers, or at the request of individuals or legal entities.

The Committee on Petitions of the Parliament of Romania

The parliamentary committees are working bodies of the Chambers of Parliament, playing an important part in the preparation of the proceedings, as well as in the exercise of the parliamentary functions, particularly of the legislative and control ones.

In the Romanian parliamentary system, according to the Constitution, the Chambers may constitute standing committees, temporary inquiry committees, or other special committees. Likewise, joint committees may be constituted for the Chamber of Deputies and the Senate. All these committees are formed in accordance with the political configuration of each Chamber.

In Parliament's activity, the standing committees play an important part, as they are elected for the duration of the mandate of the Chambers of Parliament. In order that the activity of these committees be useful and efficient, they are specialized by domains of activity such as: economics and finance, foreign affairs, science and education, etc.

In the Chamber of Deputies there is ***the Committee for the Investigation of Abuses, Corrupt Practices, and for Petitions***. In the Senate, we can find ***the Committee for the Investigation of Abuses, and for Petitions***.

After careful study of these reports and further discussions with experts from the commission, I realized that a big number of citizens apply with a petition to these standing committees, driven by "the trust" in the Romanian legislative body, which has no direct powers in this matter, than to the institution of the Romanian Ombudsman, an institution that is designed to protect the rights and freedoms of citizens in their relations with public authorities or other structures.

⁷⁵ Art. 131 of the Constitution and art. 4 alin. 1 of the Law no. 304/2004 concerning the judicial organization, Official Gazette of Romania no. 576/ 29. 06. 2004, modified by the Government Urgency Ordinance no. 124/2004, Official Gazette of Romania no. 1. 168/ 9. 12. 2004.

⁷⁶ Art. 2 alin. 1 lit. r of the Law no. 554 of 02/12/2004.

Some of them sustained that only by looking at such a big building they can tell that their problem will surely be solved. Other reasons for addressing the **Committee**, frequently invoked by the petitioners, is to avoid the courts for financial reasons or for speed.

We can not deny the important role that parliament plays, however, regarding the legal protection of citizens by regulating constitutional rights and fundamental freedoms and constitutional guarantees of rights and freedoms.

In this perspective, the main guarantee is the supremacy Constitution, a principle that requires both legislative authority and public authorities vested with legal power to issue rules governing secondary to comply with constitutional provisions on fundamental rights and freedoms and by effect of art. 20⁷⁷ of the Constitution, the provisions of international human rights regulations.

Another constitutional guarantee of those rights and freedoms conferred by the rigid nature of the Constitution, resulting not only in art. 150⁷⁸ and art. 151⁷⁹ of the Constitution, the conditions under which it can pursue a constitutional revision, and that the procedure for review and revision of the limits provided for in art. 152⁸⁰, especially the 2nd paragraph which states that, "no revision can be made if it results in the suppression of fundamental rights and freedoms of citizens or their securities. "

In the Chamber of Deputies, ***the Committee for the Investigation of Abuses, Corrupt Practices, and for Petitions***, permanent working body of the Chamber of Deputies, invested with powers of investigation of abuse and corruption, has sought, so achieving exercise parliamentary control over executive activity and collaboration with other authorities rule of law, vested with such powers, in the spirit of transparency.

The analysis shows that a distinct place in the **Committee** 's relations with the public authorities is taken by the institutions related to justice. In the above-mentioned period, from the total number of pleadings addressed to the **Committee**, a third concerned the actual work of making justice (with references including the violation of procedural rules) as well as

⁷⁷ Article 20 of the Romanian Constitution - (1) *Constitutional provisions concerning the citizens' rights and liberties shall be interpreted and enforced in conformity with the Universal Declaration of Human Rights, with the covenants and other treaties Romania is a party to.* (2) *Where any inconsistencies exist between the covenants and treaties on the fundamental human rights Romania is a party to, and the national laws, the international regulations shall take precedence, unless the Constitution or national laws comprise more favourable provisions.*

⁷⁸ Article 150 of the Romanian Constitution: (1) *Revision of the Constitution may be initiated by the President of Romania on the proposal of the Government, by at least one quarter of the number of Deputies or Senators, as well as by at least 500,000 citizens with the right to vote.* (2) *The citizens who initiate the revision of the Constitution must belong to at least half the number of the counties in the country, and in each of the respective counties or in the Municipality of Bucharest, at least 20,000 signatures must be recorded in support of this initiative.*

⁷⁹ Article 151 of the Romanian Constitution: (1) *The draft or proposal of revision must be adopted by the Chamber of Deputies and the Senate, by a majority of at least two thirds of the members of each Chamber.* (2) *If no agreement can be reached by a mediation procedure, the Chamber of Deputies and the Senate shall decide thereupon, in joint sitting, by the vote of at least three quarters of the number of Deputies and Senators.* (3) *The revision shall be final after the approval by a referendum held within 30 days of the date of passing the draft or proposal of revision.*

⁸⁰ Article 152, of the Romanian Constitution: (2) *Likewise, no revision shall be made if it results in the suppression of the citizens' fundamental rights and freedoms, or of the safeguards thereof.*

monitoring and research activities of prosecution cases, statements that characterize, in general, fears and grievances of the petitioners to justice.

In practice, we can say that these committees realized an appeal to the competent authorities which are the subject of the petitions. They play the role of a “mediator” between the citizens and the public administration authorities similar in some aspects with the role played by the Romanian Ombudsman. One question can be raised. Why the citizens don’t send their petitions to the People’s Advocate? Maybe one answer can be found in the low profile of this institution in the Romanian society. Many citizens don’t know of its existence or of the role to protect their rights and freedoms in their relations with the public administration authorities.

Statistics of the petitions registered at the Committee for the Investigation of Abuses, Corrupt Practices, and for Petitions, Chamber of Deputies

Year	Number of petitions
2004	945
2005	1012
2006	1191
2007	909
2008	715
2009	420

Source: *Unpublished data (2011) concerning the activity of the Committee for the Investigation of Abuses, Corrupt Practices, and for Petitions, Chamber of Deputies.*

CONCLUDING REMARKS

As already stated above, transparency aims to ensure greater access of citizens to information and documents issued by the state institutions, citizen participation in the decision making process and ensuring the legitimacy, effectiveness and accountability of the government to the citizens. Transparency must become an essential component of public institutions, but the very often the distance between the current degree of transparency of institutions and the objectives fixed by law is quite significant.

The application of the principle of transparency should lead to greater trust in laws and regulations because confidence in the legal framework will result in a greater degree of compliance with the law.

Transparency can also be seen as a “tool” against corruption and we noticed that Romania represents no exception from the international effort to fight back corruption.

The actions of the public administration authorities sometimes cause dissatisfaction, offends interests, bring about complaints. All these complaints must be examined in order to ensure the good functioning of the services and the carrying out of justice. The errors must be fixed and the abuses must be eradicated. This permanent activity of checking, fixing, restoring, is extremely important for the good of the citizens, for the legal order and for the general order within the state.

People should be defended against the dissatisfactions which arise from the actions of the administration, considering that the protests generated by the actions of the administration can trigger turmoil, press campaigns, political difficulties.

In any democratic regime, the administration is subjected to the law and to the judge; it can be coerced to appear in court, before the judicial judge or before the administrative judge. The subordination of the administration to justice is more or less complete. The administration always benefits by a range of liberties, it puts up a certain resistance.

The subordination of the administration to justice was the result of a slow process, and there are still tendencies of evading and legal possibilities of escaping.

The administration gets away from the judiciary for government or state acts and for everything connected to the opportunity. It puts up resistance, often by omission, therefore not by action, but by inaction, and for such cases new legal texts and jurisprudence have emerged, which confirmed the possibility of notifying the judge.

There are several institutions that play an important role in the application of the principle of transparency, in many ways.

The People's Advocate has imposed itself as a dimension for the constitutional democracy with the role to protect the rights and freedoms of natural entities in their report with the authorities of the public administration.

The Public Prosecutor's Office and the public administration, once the Romanian public administration reform was promoted, have become the two main actors of the struggle against corruption, which is considered to be the major factor of the inability to act and meet the citizen's needs, displayed by the public administration, but also by the judiciary.

The premise of limiting the power abuse and the corruption is to make the institution accountable to the citizens, by forcing the government and all public servants to obey the law and its principles.

Guaranteeing the independence of the Public Prosecutor's Office and the National Anti-Corruption Directorate through legal norms, constitution and organic laws, respectively, is very important, considering the role that these institutions have at the level of the legal ordering of the relations within the society.

Also, we can underline the special place taken by the Committee for the Investigation of Abuses, Corrupt Practices and for Petitions within the Parliament and the role as a "mediator" between the citizens and the public administration authorities similar in some aspects with the role played by the Romanian Ombudsman.

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24. <http://www.ccr.ro>
The Constitutional Court of Romania
25. <http://www.mpublic.ro>
The Public Prosecutor's Office attached to the High Court of Cassation and Justice
26. <http://www.pna.ro>
The National Anticorruption Directorate

CONVERGENCE OF POLICIES FOR PROMOTING TOTAL QUALITY MANAGEMENT IN THE PUBLIC ADMINISTRATIONS OF BALKAN STATES – EUROPEAN UNION MEMBER STATES

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Abstract

In the past three decades, total quality management (TQM) has been appreciated as “fundamental modality in view to improve the activity in the public and private sectors” (Boyne and Walker, 2002, 1). For the time being, in public administrations, we witness an extension of the policies for promoting TQM, although the experiences have not always been positive.

The European Administrative Space (EAS) incorporates TQM, in different manners at national level, taking into consideration its recognised impact on the efficiency of public administration, one of EAS fundamental principles (Zurga, 2008, 39-49). In the context of analysing EAS evolution, the administrative convergence will also comprise the convergence of TQM policies. In fact, the field literature (Hackman and Wageman, 1995) reveals, in the context of national TQM policy-making, the concepts of “Convergent validity” and “Discriminant validity”, reflecting “the degree to which the version of TQM promulgated by the founders and observed in organizational practice share a common set of assumptions and prescriptions” (Hackman and Wageman, 1995, 318-319).

By a comparative analysis on TQM policies in the national public administrations of Balkan states, EU Member States: Greece, Cyprus, Slovenia, Bulgaria and Romania, the current paper aims to reveal the level of their convergence as well as the theoretical consistency of the conceptual and practical framework for TQM assertion.

The comparative analysis will be based on a comprehensive vision on TQM, provided by Dean and Bowen (1994), Boyne and Walker (2002), namely its approach should be characterised on own principles, practices and techniques, grouped on customer focus, continuous improvement and team work (Boyne and Walker, 2002, 4-5).

The tradition on promoting TQM in public administration in the above-mentioned states is relatively recent: since 1990s - Cyprus, since 1995 – Greece and Slovenia, since 2000 -Bulgaria and Romania. However, in the context of the EU membership and EAS enlargement to the Balkans, their efforts for promoting TQM in public administration are marked by concrete actions, reflecting differentiated degrees of convergence.

The current study will refer briefly to absolute convergence – assessed in relation to the founders' conception on TQM and comprehensively to the relative convergence – assessed by comparing the activities concerning TQM in the states under review.

Keywords: Total quality, Public administration of Balkan states, convergence.

Introduction

The preoccupations for promoting total quality management (TQM) in public administrations or generally in the public sector are moreover visible, especially in the past three decades.

In the above context, TQM is appreciated as “fundamental modality in view to improve the activity in the public and private sectors” (Boyne and Walker, 2002, 1).

The specialists’ approaches are definitely complex and the analyses are using modern tools based on benchmarking as well as on integration and interpretation of the outcomes in the context of the processes of convergence and administrative dynamics.

For the Balkan states - EU Member States: Greece, Cyprus, Slovenia, Bulgaria and Romania – the different histories of the European integration will determine different approaches of the policies for promoting quality in national public administrations. In this view, we find significant issues since 1990s, when strategies and policies for promoting quality in the public sector in general and in public administrations in particular have started to be shaped on the working agenda of public authorities.

A TQM temporal ranking reveals that those preoccupations have started in Cyprus in 1990s, in Greece and Slovenia since 1995 and in Bulgaria and Romania after 2000.

I. General analysis context of the policies and strategies for promoting quality

In general, the strategies for promoting quality in the public sector in the above-mentioned states have coincided or succeeded the strategies of public sector reform. The latter strategies have aimed “to introduce the ‘managerial’ culture and the market-based mechanisms in the public sector, to re-orient the public administration from production focus to ‘customer’ or citizen focus” (Borzelay, 1992), to improve “performance” of public administration and deliver better quality services to “customers” (Engel, 2003, 18).

Deepening the analysis, Engel (2003) refers to the fact that the actual impetus towards quality promotion, using quality management initiatives and tools has been often associated to the “paradigm of New Public Management, rooted in private sector managerialism and theory of public choice” (Hood, 1991). In fact even some governmental programmes, such as that of Clinton administration in US promoted strongly quality management in federal administration (Gore, 1996). In United Kingdom, the introduction of New Public Management in some fields, i. e. in health, has triggered the quality policies to become “an element of public management reforms” at the end of 1980s, through the so called model “New Public Management in search of excellence” (Ferlie, E. et al. 1996, 13sq).

At the same time, Engel (2003) asserts that this “new” search of quality and the promotion of excellence models in businesses emphasise the development of organisational culture, staff involvement and human resource management, investment in human resources, organisational values of “learning” (Broekmate et al. 2001, 319 sq).

Referring to Herbert Simon’s old school of administration and management, the above mentioned authors highlight the topic on modernisation of public administration through promotion of the new culture of quality, which “seems to be appropriate in “traditional”

bureaucracies, focusing on the needs and values of public service providers and organisations” (Engel, 2003, 18).

At the end of last century, quality was considered a universal trend of administrative modernisation or reform, trend that comprised both OECD countries and EU Member States. Even in the first half of 2002, a research conducted by the Spanish EU Presidency revealed that theoretically, initiatives on quality and use of quality management tools had emerged in all EU Member States. Also, the comparative research highlighted the asymmetry of the processes for externalisation and internalisation of good practices in public organisations as well as significant similarities and differences. A similar research on quality in public administrations of the EU Member States was achieved in 2005 by Slovenian EU Presidency. After 2005, relevant analyses on quality management in public administrations were accomplished by the Innovative Public Services Group (IPSG), focusing on three priority issues:

- Common Assessment Framework (CAF);
- Quality conferences;
- Studies and analyses on quality management.

In 2007, IPSG presents information on quality management in public administrations of the EU Member States, achieving a comparative analysis published in the European Public Administration Network (EUPAN).

In February 2008, Slovenia developed a wide project, analysing comparatively quality management in public administrations of the EU Member States. The study aimed at understanding the progress and actual situation of quality management in the EU Member States (Zurga, 2008, 5-6).

The above research focused on two main directions:

- 1) comparative analysis of quality management in public administrations inside the EU, analysis that represented one of the main contributions to the 5th Quality Conference in Paris in October 2008;
- 2) strengthening the transparency and visibility of the current comparative analyses (improving the general analysis – first level, greater access to complementary information and/or more details – second level)

The analyses and field literature (Pollitt and Bouckaert, 1995; EIPA, 1996, Löffler, 1996; Engel, 2003, Zurga, 2008) highlight a series of differences present for the time being in the general context of quality management in public administrations. Briefly, they can be described as follows (Engel, 2003, 18-19):

- in spite of a European vocabulary on quality, the directions for change and the values emphasizing quality improvement are different as regards every country and initiative;
- the attention towards quality in public administration in the framework of programmes and strategies of administrative modernization varies powerfully in every country and the quality management policies, strategies or instruments are different in the public authorities' options holding responsibilities at state level.

- the notion of quality in public administration and the objectives associated to quality promotion in the public sector have endemic characteristics and features of instability in time;
- a wide variety of quality management initiatives and tools aim either the improvement of quality of internal operations in the public organizations or the quality of services provided to citizens or customers or (often) both of them;
- although the quality “tools” promoted and used and various quality initiatives bear similar names or are identical, they do not trigger the same impact or even aim different objectives;
- significant variation of the degree of using quality management tools and techniques in various states and various governance levels in a country;
- understanding quality in public administration is powerfully influenced by several independent contextual factors referring to “administrative culture”, the role of administration and state in society etc.

Therefore, in spite of the progress in promoting quality management in public administration, similar to other European processes, we are far away from a common “European” understanding and a common approach on quality in public administration and “the research on quality is and it will remain significant for long time, differentiated mainly by its ways of accomplishment” (Engel, 2003). At the same time, the research on quality is moreover characterized by a “broad” international vocabulary of management reform (Pollitt and Bouckaert, 2000, 180), promoted by organizations such as OECD, World Bank or United Nations.

II. A specific issue on promoting quality policies in national public administrations of the Balkan states

Although such analysis in view to reveal the specificity of promoting quality policies in the Balkan states is not very visible, some conclusions, valid for a broad area of Central and Eastern Europe may provide valuable information for the Balkan states, integrating in the current study the five states under review.

At the same time, it is worth to emphasise the fact that the Western EU Member States have represented for the European Union and particularly for the Balkan states a catalyst for quality promotion policies. The specific method focused on externalization of policies and good practices, including the theoretical and practical substantiation of quality management.

“The low quality of public administration” as core feature of the Balkan states associated with “uncertainty and unpredictability of the institutional context” (Brunetti et al. 1997) represented “explanatory and important factors of economic collapse and crises” (Verheijen, 2000, 25).

Caddy and Vintar (2002) highlight a slow and afterwards fast growth of the interest for the quality policies, fact based on three main reasons in the authors’ opinion:

- the reform processes of the state in general and public administration in particular have undergone three development stages: transformation, consolidation and modernization (Hesse, 1998). Therefore, only after the finalization of the two stages, “a differentiation of quality” (Poschl, 1996) could be perceived. At the same time, it is worth to remark the powerful influences of Western experts, international organizations and assistance programmes that have been often based on “optimum situations”, specific to other states, usually Western European states.
- the processes of negotiation for accession to the European Union have been delayed a few years, even if Copenhagen criteria had been adopted in 1993. Except Greece, the other states since 1998 have awarded attention to the development of the administrative capacity and consequently initiation and implementation of quality policies.
- increase of the pressure exercised by citizens for improving the public services and rebuilding the trust in public administration.

To those assertions we may add the lack of empirical evidence concerning the use of management and quality assurance systems in the private sector in the states under review as well as the lack of trust in the capacity of public organizations to obtain outcomes after using quality management tools.

Also, Talbot (1999) and Gooden and McCreary (2001) have raised the issue if “the old philosophy of efficiency or in other words “the improvement of quality in public organizations by tools specific for quality management derived from the private sector represents the best way for organizations in view of approaching the real citizens’ needs (not only the customers’ needs) and those of society as a whole (Engel, 2003, 22).

III. Total quality management (TQM) in the context of quality policies in public administration

According to Engel (2003), TQM was used in the beginning in the private sector in view to monitor and evaluate all the activities in an organization, relevant for reaching excellent results in businesses. Addressing to all activities in an organization, TQM represents a “holistic” tool which does not especially focus only on specific activities or production processes. As above shown, in the late 1980s/beginning of 1990s, TQM was also used in the public sector. In Europe, the European Foundation for Quality Management (EFQM) promoted and developed the most spread TQM “model”.

III.1. TQM in public organizations

Boyne and Walker (2002) achieve an interesting study on evaluating the impact of TQM in public organizations. Accepted relatively recent as management tool, once with the increase of its popularity, a series of questions persist on TQM concerning the concept, components or even similarity with the theory of management (Boyne and Walker, 2002, 2). Making the adequate differentiation between quality and TQM, famous authors, quoted by Boyne and Walker (2002, 2) remark that there is no consensus on the content of TQM concept starting from the main characteristics of TQM, as promoted by Deming, Juran or Crosby.

However, Boyne and Walker (2002) assert that “it is possible to identify the key components of TQM”. Referring to TQM components, it is worth to reveal a diversity of approaches under the heading “hard techniques”, related to production and operation management and “soft techniques” which include qualitative approaches of customer focus, team work, employee’s training and involvement (Boyne and Walker, 2002, 4).

The above authors reveal the studies of Dean and Bowen (1994) which “provide a comprehensive vision of literature and argument that TQM approach should be characterized by its own principles, practices and techniques”. In this context, the principles identified by Dean and Bowen (1994) refer to *customer focus, continuous improvement and team work*. In the opinion of the above authors, each principle is implemented through a set of practices (collecting information about customer, analysis of organizational processes etc.) supported by a variety of techniques (examining the customer, events such as team building etc) (Boyne and Walker, 2002, 4-5).

Table 1 reveals a synthetic presentation of TQM components.

Table 1

TQM principles, practices and techniques			
	Customer focus	Continuous improvement	Team work
Principles	Paramount importance of providing products and services that fulfil customer needs; requires organisation-wide focus on customers	Consistent customer satisfaction can be attained only through relentless improvement of processes that create products and services	Customer focus and continuous improvement are best achieved by collaboration throughout an organisation as well as with customers and suppliers
Practices	Direct customer contact. Collecting information about customer needs. Using information to design and deliver products and services	Process analysis, re-engineering, problem solving, plan/do/check/act	Searching measures for the benefit of all units involved in a process; setting various types of teams; Group skill training.
Techniques	Customer surveys and focus groups. Quality function deployment (translates customer information into product specifications)	Flow diagrams; Pareto analyses, statistical process control; structural diagrams.	Organisational development methods such as the nominal group techniques. Team-building methods (e. g. role clarification and group feedback)

Source: Boyne and Walker, 2002, pp. 4-5.

The above references as well as the experience on TQM use in governmental public organizations determine us, similar to Boyne and Walker (2002) to turn into account TQM definition of Dean and Bowen (1999), as pillar of our analysis.

In view to understand better the connection of TQM with public management and its reforms in the context of the enlargement of the European Administrative Space (EAS), we should

reveal the fact that TQM “is obvious linked and created on the management theory”. Boyne and Walker (2002, 5), Spencer (1994), Dean and Bowen (1994), Grant, Shan and Krishan (1994) support also the above assertion.

In theoretical perspective it is important the demonstration of Hackman and Wageman (1995) on the “convergent and discriminant validity” of TQM. Their arguments presented also by Boyne and Walker (2002, 5-6) reveal rather the proxy type and specific difference of TQM concept.

III.2. Convergence of the policies for promoting TQM

Referring to the convergence of the policies for promoting and implementing TQM in public administrations, this will encompass aspects of compatibility, complementarity or similarity that could be remarked in the national policies concerning the use of TQM in the reforms of national public administrations.

Their comparison with a series of general standards derived from concepts, practice and experiences at EU level will provide elements in view to determine “the global convergence” and the comparison of initiatives, mechanisms and tools promoted in the states under review will determine “the relative convergence”.

As above briefly defined, the two concepts – global convergence and relative convergence – inscribe in the general approaches of the administrative convergence as fundamental process for strengthening the European administration and enlarging the European Administrative Space.

Another perspective on the convergence of TQM policies is based on performance assessment induced by TQM in public administration. This approach, explained coherently and thoroughly by Boyne and Walker (2002) refers rather to TQM result.

The approach proposed by us will be a process assessment referring to the design, structure and content of the policies for promoting TQM.

Both approaches need empirical studies, comparative studies of TQM policies, specifically an assessment on how TQM has been made operational.

The same authors, Boyne and Walker (2002, 7-9) provide a suggestive and beneficial overview for our study, identifying 19 studies concerning TQM structure and content, according to the theoretical option on TQM provided by Dean and Bowen’s (1994).

Table 2 provides a synthetic image on TQM content and structure and its correlation with performance.

Table 2

TQM content and structure

Studies	Customer focus	Continuous improvement	Team work
Anderson, Rungtusanatham, Schroeder & Devaraj (1995), Flynn, Schroeder & Sakakibara (1995b)	Internal and external cooperation; customer satisfaction. Relations with customer; relations with provider.	Visionary leadership; process management; continuous improvement. Process management, designing the product, control, statistic feedback, support of top management.	Employee involvement Personnel management, work attitude
Powell (1995)	A closer relation with customer; a closer relation with provider.	Leadership and commitment; adopting and communicating TQM; open organization; mentality of zero defects; flexible manufacturing; process improvement; measurement.	Intensive training; middle management teams; problem-solving
Youssef, Boyd & Williams (1996)	Customer focus	Top management commitment, organizational learning; process improvement; learning.	Role of top management models; Problem-solving.
Forker, Mendez & Hershauer (1997)	Provider's quality management	Leadership and quality policy; designing the product/service; process management; information about quality and reporting; role of Quality Department	Relations with employer; training
Hendricks & Singhal (1997) Easton & Jarrell (1998)	Quality Awards, Customer focus, Provider performance, relations with provider	Process focus; systematic improvement; recognizing TQM as critical competition strategy	Quality Awards Employee involvement and development Inter-functional management
Forza and Filippini (1998)	TQM connection with customers, TQM connection with providers	Quality oriented; control of the process	Human resources
Rungtusanatham, , Forza, Filippini & Anderson (1998)	Internal and external cooperation; customer satisfaction;	Visionary leadership; learning, process management, continuous improvement	Employee development
Samson & Terziovski (1999)	Customer focus	Leadership; strategic planning, information and analysis, process management	Personnel management
Tan, Kannan, Handfield & Ghosh (1999)	Customer focus	Information and analysis, role of Quality Department, leadership of top management; processes for product design	Functional teams, learning
Brah Woug & Rao (2000)	Customer focus	Leadership, provider's quality management; process	Employee's involvement, training,

Studies	Customer focus	Continuous improvement	Team work
		improvement; service design; rewards for quality improvement; order and organisation	empowerment
Chandler & Mc Evoy (2000)	Customer friendly	Waste, quality tools, cleaning	Management involvement
Kunst & Lemink (2000)	Customers	Leadership, strategy, staff, resources, process management, social effects	Management involvement Employees
Martinez-Lorente Dewhurst & Gallegor – Rodriguez (2000)	Relations with providers	Organisation, designing the product; information about quality; process tools; design tools.	Relations with employees
Douglas and Judge (2001)	Customer focus	Management by facts; continuous improvement of the process; adopting the philosophy of quality; using TQM methods	Involvement of top management team; Focus on TQM training
Ho, Duffy & Shih (2001)	Provider's quality management	Role of top management; role of Quality Department; product design; process management; reporting information about quality; provider's quality management	Relations with employees; training
Rahman (2001)	Customer focus	Leadership, information and analysis; strategy and planning; processes, products and services	People
Sim (2001)	Customer satisfaction	Quality at provider; statistic control of quality, methodologies for quality improvement	Quality and team work, training

Source: Boyne and Walker, 2002, pp. 7-9.

Table 2 will represent the pillar for understanding and organizing the comparative information in view to determine the levels of convergence for TQM policies.

IV. An empirical study on the convergence of the policies for promoting TQM in Balkan states - EU Member States

IV. 1. Framework of analysis

The current study is based on the comparative analysis achieved and published by Zurga (2008). The information from that study has been reorganized according to the conceptual framework above described in our study.

For the Balkan states mentioned, TQM approaches will fit in the general context of quality management in public administration and according to Zurga (2008, 16) they incorporate a combination of centralised and decentralised approach with top-down and bottom-up approach.

The mentioned study, achieved for the EU Member States accomplishes a matrix containing 18 categories of information for the comparative analysis (Zurga, 2008, 25 – 148).

From the categories of information mentioned we retained 11 categories, relevant in our opinion, for TQM in public organizations (Table 3).

Table 3

Structure of TQM policies in Balkan states

TQM principles	Customer focus	Continuous improvement	Team work
TQM elements	<ul style="list-style-type: none"> ▪ QM Policies (q11) ▪ Quality Awards (q12) ▪ Excellence Models (q13) ▪ Citizens Charters (q14) ▪ Testing Customer Satisfaction (q15) 	<ul style="list-style-type: none"> ▪ Quality Management Development (q21) ▪ Measuring the Quality in PA (q22) ▪ Sharing good practices (q23) 	<ul style="list-style-type: none"> ▪ Organizational structure for promoting quality (q31) ▪ Training for QM (q32) ▪ Quality Tools in PA Organizations (q33)

Source: The authors (processing information from Zurga, 2008).

IV. 2. Methodology

Related to the classification in Table 3, the comparative information provided by Zurga (2008) was processed; we introduced the codification for the issues as nominal variables, thus emphasizing a set of standards of reference for each variable, based on the general conclusions at EU level.

Related to the standards of reference, a value from the interval [1,5] is assigned to each state, representing the appreciation on the hierarchic position concerning the accomplishment of the standards of reference.

The levels of global convergence will be obtained by data statistic processing and they will be provided by Pearson correlation coefficients.

For the relative convergence, values from the interval [-1, 1] will be assigned for each state and each variable, expressing the level of compatibility and similarity in TQM approaches and tools. Value 1 will express similarity in the approach specific for a variable; value 0 will express the lack of common elements while value -1 will express incompatible activities and tools. The score obtained for each variable will represent the mean of its values through inter-states comparisons for the respective variable.

The level of relative convergence will be also provided by Pearson correlation coefficients.

IV. 3. Empirical analysis

IV. 3. 1 Global convergence

Using the information from Annex 1, for every item out of the 11 items of TQM mentioned in Table 3, quantitative evaluations were formulated on the level of compatibility for the activities and tools in every state related to the general conclusions/ trend at European level drawn up by Zurga (2008).

Those conclusions were considered standards of reference and accordingly the rankings in Table 4 have been achieved.

Table 4

Rankings estimated on conceiving and implementing TQM elements

Element State	q11	q12	q13	q14	q15	q21	q22	q23	q31	q32	q33	Total
GREECE	1	2	2	2	1	4	3	2	3	3	5	28
CYPRUS	3	1	1	4	2	5	2	1	1	1	2	23
SLOVENIA	4	5	5	1	5	2	4	3	5	5	3	42
BULGARIA	5	3	3	5	4	3	5	5	4	2	1	40
ROMANIA	2	4	4	3	3	1	1	4	2	4	4	32

The evaluations in Table 4 were achieved on the basis of the information provided by Zurga (2008). Unfortunately those data were incomplete and it was necessary to use other sources, usually websites of public institutions, syntheses of EIPA, EUPAN etc.

As shown by the final scores, the highest convergence of quality and TQM policies is present in Slovenia, followed by Bulgaria, Romania, Greece and Cyprus.

The system proposed can be improved and updated on the basis of more complete data and more rigorous criteria and standards.

IV. 3. 2 Relative convergence

On the basis of data from Annex 2, six variables were defined, describing quantitative quantifications on the levels of compatibility of the policies for promoting TQM with the policies of the other states under review. MEAN variable evaluates the mean of the other five variables.

Table 5 presents the Pearson correlations for the variables mentioned.

Table 5

Pearson correlations for TQM policies in the Balkan states – EU Member States

		GR	CY	SI	BG	RO	MEAN
GR	Pearson	1	-. 090	-. 315(*)	-. 138	. 019	. 210
	Correlation						
	Sig. (2-tailed)		. 511	. 019	. 314	. 892	. 124
	N	55	55	55	55	55	55
CY	Pearson	-. 090	1	. 304(*)	. 188	. 221	. 715(**)
	Correlation						
	Sig. (2-tailed)	. 511		. 024	. 169	. 105	. 000
	N	55	55	55	55	55	55
SI	Pearson	-. 315(*)	. 304(*)	1	-. 163	-. 190	. 267(*)
	Correlation						
	Sig. (2-tailed)	. 019	. 024		. 234	. 164	. 049
	N	55	55	55	55	55	55
BG	Pearson	-. 138	. 188	-. 163	1	. 298(*)	. 519(**)
	Correlation						
	Sig. (2-tailed)	. 314	. 169	. 234		. 027	. 000
	N	55	55	55	55	55	55
RO	Pearson	. 019	. 221	-. 190	. 298(*)	1	. 583(**)
	Correlation						
	Sig. (2-tailed)	. 892	. 105	. 164	. 027		. 000
	N	55	55	55	55	55	55
MEA N	Pearson	. 210	. 715(**)	. 267(*)	. 519(**)	. 583(**)	1
	Correlation						
	Sig. (2-tailed)	. 124	. 000	. 049	. 000	. 000	
	N	55	55	55	55	55	55

* Correlation is significant at the 0. 05 level (2-tailed).

** Correlation is significant at the 0. 01 level (2-tailed).

Excepting the MEAN variable, all the other correlations are low (0. 019 – 0. 304) and the other correlations are negative. The general conclusion is that the policies for promoting TQM are based on various activities and tools that do not trigger the conclusion of high convergence. The most powerful correlations are between Cyprus and Slovenia (0. 304), as well as between Bulgaria and Romania (0. 298), both coefficients being significant at 0. 05 level (2-tailed). We explain such situation as follows: membership of the two groups of states to the same wave of EU enlargement (2004, respectively 2007) as well as the European context which enables the promotion of quality and TQM policies in those four states. The case of Greece is singular, holding negative correlations [(-0. 315) – (-0. 090)], except the correlation with Romania, which rather signifies the lack of correlation (0. 019).

If we discuss about a mean of the variables expressed through MEAN variable, we remark, as it is natural, the following order of the correlations: Cyprus (0. 715), Romania (0. 583), Bulgaria (0. 519), Slovenia (0. 267) and Greece (0. 210).

V. Conclusions

The policies for promoting quality and TQM in public administrations of the Balkan states – EU Member States are quite different. The explanation for such a situation consists on the one hand in the different stage of accession to the EU and on the other hand in the late set up of a coherent, conceptual framework and good practices on promotion of quality and TQM in public administration in the end of 1990s.

In fact the model of the European Administrative Space that provided after 2000 the standards in view to assess and monitor the progress in national public administration reforms does not contain explicit approaches on the necessity to introduce and implement quality and TQM policies in public administrations.

The initiatives on evaluating the quality and TQM policies have been expressed after 2000, as also shown in the first part of the paper, and our analysis is achieved on the basis of an initiative carried out in 2007-2008. Therefore the period necessary for implementation and compatibility of the quality and TQM policies was insufficient.

However, the preoccupations on promoting quality and TQM policies are more visible and the efforts of the European Institute of Public Administration (EIPA) and European Foundation for Quality Management (EFQM) are more important. The instruments promoted -CAF and EFQM model- benefit in many states of distinct policies and the conferences on quality already exceeded five editions.

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ANNEX 1

**Comparative information on promoting quality policies in the Balkan states –
EU Member States**

(processed after Zurga, 2008, pp. 25-146)

q11 QM Policies

Several policies in the Quality Management are presented.

BULGARIA

The **Strategy for Modernisation of the State Administration** – from accession to integration 2003–2006 – aimed at increased efficiency, effectiveness and quality in the public sector in general – approved by the CoM in 2002.

Concept and Generic Model for Improving Administrative Services through the One-Stop Shop – pointing out the main principles and organisation of the service delivery process.

Guide for developing a Client Charter – document supporting administrations in the development of their own standards and elaboration of Client Charters.

System for Self-Assessment – an Internet-based system, developed according to the EFQM Excellence Model in 2003, which guides all administrations through the process of self-assessment (active since 2003). All administrations perform self-assessments every year and publish the results.

Methodology for Measuring Customer Satisfaction – presented in 2007 by the MSAAR under the requirements of the Ordinance for the general rules for organisation of administrative service delivery.

Ordinance on the general rules for the organisation of administrative service delivery (approved by the CoM in September 2006) – establishes the main principles of service delivery.

Law on E-Governance – adopted in May 2007 (will enter into force in June 2008). It regulates the electronic delivery of administrative services to citizens and the business sector, the processing of electronic documents within individual administrations, as well as the exchange of electronic documents between state authorities.

The **Law on Access to Public Information** was adopted in 2000.

The **Law on Limiting Administrative Regulation and Administrative Control Over Economic Activity** – adopted in 2003 and entered into force in 2004.

The **Code of Conduct of Employees in State Administration** was adopted in 2004 and sets the rules of conduct of employees in state administration.

The MSAAR and the Ministry of Justice jointly developed the **Code of Ethics for High-level Officials**. The Code was adopted with a Decision of the CoM on 23 December 2005. It aims at recognition of the principles of transparency, accountability and integrity in state administration.

In June 2006, the MSAAR elaborated the **Standards of Administrative Ethics**, which represent the major rules that every employee must comply with.

The **Operational Programme Administrative Capacity (2007–2013)** is a strategic document for the modernisation of Bulgarian state administration during the period 2007–2013. The Programme is financed by the European Social Fund (ESF) and the national budget. Its main priorities are related to good governance, human resource management, quality administrative service delivery and e-Governance development.

CYPRUS

- Employee performance management system aimed at enhancing meritocracy and transparency
- Code of Conduct
- Other policies for improving the quality of service provided to the public (e. g. One-stop-shops)

ROMANIA

Starting in 2005, all public policies/strategies issued by ministries must include quality management aspects in order to make public institutions more accountable, responsible, effective and citizen-oriented (Government Decision 775/2005 on public policies). The first report regarding the stage of the implementation of public policy rules is available, only in the Romanian language so far, at:

http://www.sgg.ro/docs/File/UPP/doc/raport_ian_dec2007.pdf

The package law adopted in 2006 provides the framework for developing cost and quality standards (Law 215/2001, revised in 2006, on local public administration; Law 273/2006 Law on local public finance; Framework Law 195/2006 on decentralisation; and Law 188/1999 for civil servants, amended in 2006).

SLOVENIA

Quality Policy of State Administration – “Politika kakovosti državne uprave”, 1996 (Adopted by the Slovenian Government in October 1996)

Its major components concern:

- ethical conduct of all the employees;
- partnership with citizens, national economy, friendly states and co-workers;
- establishing the conditions for social and economic development,
- harmonisation with modern European standards, norms and legislation;
- striving for implementation of the European Business Excellence model and for timely education and training;

- transparent, efficient and effective functioning within and among ministries and with administrative units;
- awareness of entrepreneurial opportunities of state administration for developing the society;
- effective and efficient use of budget resources;
- establishing the conditions for quality of life and work for all citizens of the Republic of Slovenia.

Quality Policy of Public Administration – “Politika kakovosti slovenske javne uprave”, 2003 (Adopted by the Slovenian Government in December 2003)

This document broadens the Quality Policy from the scope of state administration to the scope of public administration.

q12 Quality Awards

In the majority of cases, Member States join conferences on quality with rewarding achievements in the field of quality. In the selection procedures, countries use various models or approaches to assess applicant organisations. As the basis for assessing the State, the CAF model is used in some places (e. g. in the Czech Republic, Greece and in some countries only indirectly); elsewhere, their own quality or excellence models are used, and in some countries, a range of several criteria is used.

BULGARIA

In June (on the occasion of State Administration Employee’s Day), the Minister of State Administration and Administrative Reform awards public institutions for their contribution to the process of modernisation of the administration.

The awards have been given since 2006. Awards have been granted in the following categories:

- “Accessible and quality administrative service delivery”
- “Best on-line services”
- “Effective human resources management”
- “Best PR practice in state administration”

In 2003, 2004 and 2005, the Institute for Public Administration and European Integration organised several competitions and awarded good practices in the areas of administrative service delivery, e-government, transparency, etc.

GREECE

In a wider effort to promote quality, the Ministry of Interior has launched, for the first time in 2007, the “**National Quality Award for Greek Public Organisations**”, which aims at identifying and awarding top performers on CAF use. A number of central, regional and local government organisations have implemented the CAF and applied for the award. The 3 winners were:

- The Validation of Applications & Marketing Authorisation Division (*DDYEP*) of the National Organization for Medicines of Greece
- The Byzantine and Christian Museum

- The Directorate of the Organisation and Operation of Citizens' Service Centers of the Ministry of Interior

ROMANIA

Excellence Award in Public Administration, since 2005

Romania has had several initiatives for awarding good practices within the public sector, for instance: excellence awards organised by the Romanian Leaders (7th edition in 2007), the Award for Excellence in Public Administration (3rd edition) and the awards offered by National Institute for Administration (1st edition in 2007).

The Award for Excellence in Public Administration is meant to emphasise efforts for developing the Romanian public administration system, to reward the positive initiatives of public administration specialists and important projects implemented by representatives of the local and central administration. The ceremony takes place early and is organised by the portal [www. administratie. ro](http://www.administratie.ro) and by the OSC Agency (specialised in communication). [http://www. osc. ro/index. php?lang=en](http://www.osc.ro/index.php?lang=en)

SLOVENIA

The "Good Practice" Award, since 2002; awarded at the conference: Good Practices in Slovenian Public Administration

The Business Excellence Prize of the Republic of Slovenia (PRSPÖ), since 2005, also for public administration organizations

q13 Excellence Models

Among excellence models in public administrations in the EU, CAF and EFQM are used most. In use are also models that countries have adapted or designed themselves (for example: the Swedish Quality Model, used since 1992, INK developed by the Netherlands and also used by Belgium, and KVIK in Denmark).

BULGARIA

The use of excellence models is not widespread in the country. In the last 2 years, certain administrations started applying the CAF model (one regional administration, one municipal administration, the National Revenue Agency). The MSAAR organised several events and published materials in order to stimulate more administrations to apply such tools. Further activities are foreseen for 2008. A PHARE project (Twinning Light) was carried out in 2007 aimed at strengthening the capacity of the MSAAR for QM in PA (mainly in CAF) in order to provide better support to other administrations in the process of CAF implementation and validation.

ROMANIA

The Common Assessment Framework (CAF) was launched at national level in Romanian public administration in 2005 in order to increase the quality of public services. The Ministry of Interior and Administrative Reform is responsible for coordinating the use of the CAF model.

The approach to CAF implementation is as follows:

Phase 1: Training sessions on quality management – CAF for top management in targeted public institutions

Phase 2: Training sessions on quality management – CAF for civil servants in all county councils and prefecture institutions

Phase 3: CUPAR received and planned the requests for technical support from interested public authorities, which were sent on a *voluntary basis*

Phase 4: CUPAR's CAF team assisted the public authorities in running the exercise *on site*

Results of CAF 2008:

CUPAR received 47 technical support requests from public administration institutions on a voluntary basis:

- 31 prefecture institutions
- 7 county councils
- 3 deconcentrated public services
- 2 municipalities
- Ministry of Economy and Finance (1 General Directorate)
- Ministry of Education, Research and Youth (3 Directorates)
- National Institute for Administration
- Central Unit for Public Administration Reform

386 civil servants were trained in CAF and were able to disseminate the information related to it

84 high civil servants, representatives of prefectures and county councils from all 42 counties in Romania were trained on the self-assessment instrument Action plans were elaborated in the institutions based on CAF implementation

Conclusions

The principal domains proposed for improvement are:

- internal communication (drafting internal strategy communications, creating an intranet network, introducing integrated document management)
- strategic planning (reviewing the multi-annual modernisation strategy)
- Employee motivation (their involvement in drafting the action plan for the institution, in drafting internal communications and the multi-annual modernization plan through working groups)
- Results measurement for both personnel and beneficiaries (established a set of indicators)
- Customer/citizen satisfaction (questionnaires were drafted in order to have a clear view on their satisfaction)

SLOVENIA

CAF was extensively introduced in Slovenia in 2002; in the beginning of 2003, the Slovene translation of the CAF was published. Since then, usage of the CAF has been increasing continuously as the CAF was defined as a strategic direction in Slovenian public administration modernisation. CAF is incorporated in different strategic documents and/or initiatives. In the *Further Development Strategy of the Slovenian Public Sector 2003–2005*, the CAF was included in the first of seven priority tasks in the area *Quality management within administration and orientation of public administration towards users*. In *Slovenia's Development Strategy* (2005), in the action plan for 2005 and 2006 under the third development priority *An efficient and less costly state*, the CAF was proposed along with the EFQM model as a tool for systematically raising the quality of public administration services.

Furthermore, the *Reform Programme for Achieving the Lisbon Strategy Goals* (2005) states:

“Slovenia wants to achieve growth in institutional competitiveness by introducing business excellence in public administration. The objectives we wish to achieve are the introduction of a strategic planning system as a basic management tool in public administration, the introduction of management tools and the application of the Common Assessment Framework (CAF) and inclusion in the European Excellence Model (EFQM). The measures for the achievement of these objectives are: (i) adoption of regulations for quality assessment and strategic planning (2006/2007); (ii) building support (methodological support and information support) for the strategic planning system (2006/2008); (iii) management education and training.”

q14 Quality/Citizen's Charters

Quality/citizen charters are widespread in the EU, being used in the majority of Member States.

BULGARIA

The development and publication of a CC has been obligatory since the end 2006, beginning of 2007. The guidelines were developed in 2002.

CYPRUS

Yes

GREECE

Not in use

ROMANIA

Different authorities acting at the local level (prefecture institutions) are using the Citizen's Charter concept (e. g. Bihor prefecture, <http://www.prefeturabihor.ro/>).

The Romanian Government adopted a memorandum regarding “Necessary measures for improving the quality of public services” (<http://www.sgg.ro/docs/File/SGG/memo.pdf>).

available in Romanian). This memorandum contains a plan for the period 2007–2008 for improving the quality of a number of specific public services: issuing passports, driving licenses, criminal records, etc. Additionally, the memorandum sets certain guidelines for general policy regarding the behaviour of public service providers towards citizens.

SLOVENIA

In Slovenia we do not have citizen charters, yet we do have defined standards for operation, communication and relations with public administration customers. These standards are part of the regulations.

q15 Testing Customer Satisfaction

Testing of customer satisfaction is being performed in almost all EU Member States. All

these countries perform customer surveys, and some also use other tools for gaining insight into their customers' needs.

BULGARIA

In 2002, 2004, 2005 and 2006, surveys were conducted throughout the whole country (centralised). Each administration conducts (more specific) surveys itself, which has been obligatory since the end of 2006.

CYPRUS

Since the establishment of one-stop shops in 2005.

Surveys are carried out to measure the level of satisfaction of the public in relation to the services provided at the one-stop-shops.

ROMANIA

We do not have standards for all public services; therefore, we test and evaluate customer satisfaction at the national level only on specific issues and projects, such as:

- MATRA 2005 Timisoara – Employment Agency
- two opinion polls in order to measure citizens' satisfaction with public services offered by civil servants and to analyse the level of depolitisation of Romanian civil servants organised by the NACS during 2005 and 2006.

SLOVENIA

Since 2001

Yearly

The methodology for testing administrative units' customer satisfaction was developed in 2000, first as a methodological tool for those administrative units which decided to implement

a quality management system according to the ISO 9000 standards. After the Government adopted the Decree on the Manner of Public Administration Bodies' Transactions with Customers in which, among other things, the obligation for testing customer satisfaction was set, this methodology has been in use in all administrative units. After the testing period in 2001, the methodology is being used on a regular yearly basis since 2002.

According to the methodology, results of the customer survey is a thorough report which is basically oriented to identification of the gap between how customers see the services they have just used in relation to their expectations; several characteristics of quality are tested in the sample and then used with a 95% likelihood for the whole population (possible customers) of the administrative unit. Results of the survey are mainly used as a basis for each administrative unit to identify areas for improvement and develop its action plan.

In 2006, the questionnaire was redesigned and simplified, yet it still based on detecting the gap between expectations and perceived quality. Comparison between administrative units for 2007: http://www.mju.gov.si/fileadmin/mju.gov.si/pageuploads/Kakovost/Analiza_primerjava_med_UE_2007.xls

The following items are being compared: overall score (up to 5); difference in scores between years 2007 and 2006; 15 quality dimensions (10 for services and 5 for employees) are presented according to the traffic-light principle: green = perceived quality was better than expected, yellow = perceived and expected quality were at the same level, red = expectations of customers were higher than the perceived quality; waiting time to be served by a public employee: % of customers who did not wait to be served, % of customers who had to wait up to 5 minutes, the sum of both percentages and finally, the % of customers who had to wait more than 5 minutes to be served.

Monthly – quality barometer

In 2006, monthly customer satisfaction testing was also introduced (in May), based on a short questionnaire for customers. It aims to provide quick and short feedback information from customers and to assure responsiveness from administrative bodies.

Results (in Slovene) are published at the state portal:

<http://e-uprava.gov.si/e-uprava/javniStran.euprava?pageid=130>

q22 Quality Management Development

For the present report, the Member States provided comprehensive information on national QM development, confirming that the EU Member States have different traditions for addressing quality in their public administrations.

Important lessons were learned in this respect, among others:

- A sustainable approach requires comprehensive cooperation.
- Imposing a formal model or even establishing it as a legal obligation cannot work long-term.
- Launching quality policy requires adequate support.
- Quality principles should be integrated into all government programmes.

- A national QM approach is required to contribute to the competitiveness of the national economy.

BULGARIA

The main goals pursued by quality management policy in the public sector in Bulgaria are:

- to increase efficiency and effectiveness in the public sector;
- to ensure transparency, accessibility and openness and build trust in public institutions;
- to improve the image of the public sector as employer;
- to involve all stakeholders in the improvement process and ensure the sustainability of reforms;
- to increase the satisfaction of both customers and employees.

The following strategic principles for public service delivery have been established in Bulgaria, namely to:

- treat all users fairly, honestly and courteously;
- communicate openly and provide full information;
- consult widely and promote continuous improvement;
- incorporate feedback and learn from complaints;
- encourage access to services via different channels;
- work with others to provide an improved, integrated service;
- set and publicise service standards and publish results against those standards;
- measure and publish measurements of customer satisfaction

CYPRUS

The starting year for targeted efforts in the area of quality management in public administration in Cyprus was 1993, when the decision on development and implementation of specific reform measures was taken. The main objective of this initiative was to increase productivity and reduce operating costs in the Cyprus Public Service.

It should be mentioned that a milestone in quality management was the establishment of the Office of the Commissioner for Administration (Ombudsman) in 1991, an independent officer of the Republic who exercises control over the action or inaction of public administrative authorities.

In addition, another important milestone was the establishment of the Cyprus Academy of Public Administration (CAPA), again in 1991, which has the responsibility of contributing through training activities to the management development and modernisation of the Cyprus Public Service and, as a result, to the enhancement of quality in the Public Service. In the first five years of its operation, CAPA provided training on European Union issues in order to assist public officers in understanding EU functions, policies and practices, as well as to develop awareness of the effects of participation in the EU. In addition, the CAPA designed and developed induction courses for newly recruited public officers, as well as training programmes in skills development. Furthermore, in 1993, a decision was taken to enhance the employee performance management system in order make it more transparent, fair and objective.

Since then several reform measures towards quality management have been introduced.

The most important goals regarding quality management in PA in our country are the following:

- to create a performance and results-oriented culture in order to enhance effectiveness and productivity (budgets are currently constructed on a pilot basis, based on performance targets; the employee performance management system is based on competencies with a view to incorporating targets in it, etc);
- to measure customer and employee satisfaction;
- to promote strategic management and goal-setting in public service;
- to focus on initiatives that directly lead to better quality service provided to the public.

GREECE

The effort to introduce quality management in public administration started in the late 1990s through the establishment of a special Unit on Efficiency and Quality in the General Secretariat of Public Administration in the Ministry of Interior. This effort continued in the following years, and in 2004 a law was voted by the Greek Parliament (Law 3230/2004 providing for the establishment of a Directorate on Efficiency and Quality in the General Secretariat of Public Administration. This law provides for the establishment of a network of similar directorates in all ministries and peripheral administrations (regional government) in the country. The law also provides for the establishment of an integrated system of performance management, the introduction of quality tools (mainly CAF) and policies and a quality award for top-performing public organisations.

The details regarding the Quality Award were further elaborated by a ministerial decision in 2005, which set as an evaluation criterion the implementation of CAF by public organisations.

The main goals regarding QM in PA are: to improve the effectiveness, efficiency and quality of public organisations, to adopt a customer-citizen orientation approach in public organisations; to simplify and ease access to public administration by citizens and enterprises; to create a results-oriented administrative culture; to minimise “red tape”.

ROMANIA

Concerning civil service, we consider that 2004 was the year when certain coherent measures were undertaken by Romanian central public institutions in order to ensure and strengthen quality management.

Certain strategic documents were issued in this regard, including:

- introducing quality standards for monitoring and assessing public service and the professional activity of civil servants
- setting up a fixed number of civil servants according to the quality standards established for each public service
- establishing a strategic planning system for each public authority according to the public services offered
- establishing certain motivational schemes in order to increase the quality of public services and to stimulate innovation
- elaborating and implementing the Citizens' Charter in order to introduce and assess quality standards for public services
- implementing an assessment guide for institutional self-assessment according to CAF

Main goals:

- reducing the bureaucracy
- citizen orientation
- professionalising civil service for increasing the quality of public services

SLOVENIA

Intensive development in the area of quality in Slovenian public administration has been going on since 1999, when in the Ministry of the Interior, then responsible for public administration, the Quality Committee began its activity, defined as *effective, citizen friendly, recognisable and responsible public administration*.

In 2002, quality became one of the main pillars of Slovenian public administration reform, the main focus being on customer-friendly service, accountability of public administration bodies to the public for their results and efficient functioning, and on awareness of the role of management in it.

An additional impulse toward further development of quality was due to the formation of the Ministry of Public Administration, which occurred in December of 2004. The Ministry of Public Administration has been incorporating the demands and quality performance standards of Slovenian public administration in legislation and in all strategic documents which it prepares and/or cooperates in preparing.

The main characteristics include:

- a shift from public administration towards public management;
- quality standards and/or models as appropriate starting points for managing PA and its performance – quality standards and models have played an important role in organisation;
- the leading principles of PA: customer orientation, lower costs, efficiency etc. as incorporated in new strategies and initiatives in all areas (e. g. e-Gov strategy, RAB programme) – quality is now perceived as the other side of the same coin of PA.

Main goals: to put the customer at the centre, to improve efficiency, to reduce costs, to simplify administrative processes and to make contacts between customers and the state easier and less frequent.

q23 Measuring the Quality of PA

Measuring quality in public administrations has been shown to be the least developed quality management aspect at EU level. Several Member States indicated that they do not directly measure quality in their public administrations: Cyprus, Czech Republic, Germany, Greece, Portugal, Romania and Slovak Republic.

BULGARIA

Yes, since 2003

The quality in the PA is measured on the basis of Self-Assessment performed by all administrations according to the EFQM model. There are 4 stages of development – basic, developing, operational and excellent.

SLOVENIA

Since 2003

Results published at:

CAF:

Version CAF 2002

Customer satisfaction (yearly):

Quality barometer (monthly):

Administrative unit performance:

Several reports available at: http://www.mju.gov.si/si/zakonodaja_in_dokumenti/pomembni_dokumenti/upravne_enote/porocila_2006/

q23 Sharing good practices

Different channels are used for sharing good practices: quality conferences and/or awarding good practices, publications and networking. Networking, for example, is being more widely used and can be performed in different ways:

- organised by institutions or organisational units that promote quality;
- within the community of quality specialists, project leaders, administrative unit managers (France) and meetings of relevant officials (Malta);
- the inter-administrative network for quality of public services activities in Spain, and others.

BULGARIA

Sharing good practices is considered an effective tool for improvement in the public sector and is underlined in the main strategic documents of the government. The MSAAR stimulates the process by organising different events, publishing good practices on its own website and the website of the IPA EI.

ROMANIA

Seminars and roundtables on different subjects related to public administration reform (e. g. the 2007 conference on good governance and public administration reform). The NACS drafted a handbook of good practices with different topics related to the public administration system such as ethics of civil servants, deconcentrated public services under the subordination of the prefectures, and the transparency of public institutions in relation to citizens.

SLOVENIA

Constantly expanding. Besides the yearly Good Practices in Slovene Public Administration conferences, other ways are: networking, seminars, publications, etc.

q31 Organisational structure for promoting quality

All EU Member States have developed an organisational structure for promoting quality:

Coordination and the main responsibility for promoting quality is situated at central level, usually at the ministry in charge of public administration (interior, finance) or the prime minister's office.

In Member States where promotion of quality in public administration goes together with organisational support of national quality awards (based on the EFQM model), organisational units/councils/committees are established at government level and/or in most cases at the ministry in charge of the economy.

All Member States have established cooperation between different levels of government and institutions dealing with quality at universities, public administration institutes and private organisations.

Despite all the common characteristics of established an organisational structure for promoting quality, there are significant differences in countries' actual organisational units and the ways they cooperate with other players in the quality management area.

BULGARIA

Ministry of State Administration and Administrative Reform – leading role Council of Ministers – approves the main policy documents (legislative and strategic)

National Association of Municipalities in the Republic of Bulgaria – supports reform at the local level QM units or experts within some administrations

Institute for Public Administration and European Integration – provides training in different areas, including quality management

The “Club 9000” Association is a non-profit non-governmental organization (NGO) established in 1991. The Association was created in response to the necessity to speed up the harmonisation of activities related to quality management in Bulgarian organisations with internationally accepted practices embedded in the International Standards

More info:

www.government.bg

www.mdaar.government.bg

www.namrb.org

www.ipaei.government.bg

www.club9000.org

CYPRUS

The Public Administration and Personnel Department and the Cyprus Academy of Public Administration are responsible for promoting QM in PA. They both fall under the competence of the Ministry of Finance.

ROMANIA

Ministry of Interior and Administrative Reform: Central Unit for Public Administration Reform – CUPAR, and the National Agency for Civil Servants – NACS. Ministry of Interior and Administrative Reform: Central Unit for Public Administration Reform – CUPAR

(<http://modernizare.mira.gov.ro>) and the National Agency for Civil Servants – NACS (<http://www.anfp-map.ro/>)

CUPAR

The Central Unit for Public Administration Reform (CUPAR) is a structure within the Romanian Ministry of Interior and Administrative Reform, established in 2002 and aimed at coordinating public administration reform in Romania.

NACS

The National Agency of Civil Servants (NACS) is a central institution under the coordination of the Ministry of Interior and Administrative Reform, established in 2000 in order to ensure the management of civil service and of civil service bodies, being the main institution in charge of the Romanian Civil Service Reform.

The professionalisation of the Romanian civil service and the improvement of the quality of public services offered by civil servants is a shared responsibility between the NACS and CUPAR, as well as other central institutions.

SLOVENIA

Ministry responsible for PA: Ministry of Public Administration, since Dec 2004; prior to Dec 2004: Ministry of the Interior Quality Committee at the Ministry of Public Administration
National Metrology Institution – MIRS (for EFQM)

Ministry of Public Administration

Since December 2004, Ministry of Public Administration has been in charge of the system of Public Administration, which includes QM in PA. The main reason for establishing the Ministry of Public Administration originates in the intention of the Government to join different organisational units (already operating under certain ministries or as government offices) with the common goal of improving the functioning and quality of public administration.

The mission of the Ministry is friendly and efficient public administration, and additionally: to provide public administration which will be comparable with public administrations of other EU Member States and will be – in the sense of advanced organisation, customer satisfaction and impact on public finance among the best in the EU.

Main strategic goals and directions of the Ministry of Public Administration through 2008:

- customer orientation, including customer-oriented administrative processes;
- further development of e-government and other modern mechanisms for supporting relations with external and internal customers, and for providing efficient and competitive services to individuals, civil society and the economy;
- an efficient system of public employees and a fair, transparent and holistic salary system, including all aspects of modern human resource management;
- quality and efficiency of public administration, including quality management at all decision-making levels; efficient and rational operations, with lower costs and fewer public employees in the civilian part of state administration;

- openness and transparency in the public administration system, including simple, holistic and free-of-charge access to public information, accessibility of all information on public expenditure and participation of the public in decision making.

Quality Committee

In March 1999, the ***Quality Committee*** was established at the Ministry of the Interior in order to pursue efficient, citizen-friendly, transparent and responsible state administration. The Quality Committee set the following goals:

- to improve efficiency and effectiveness
- to increase client satisfaction
- to increase employee satisfaction
- to control and manage costs
- to improve transparency
- to raise its reputation and visibility
- to gain a quality certificate for individual administrative units

Activities of the Quality Committee are planned with a strategic view to the whole administration and have basically been oriented to administrative units, where the majority of citizens deal directly with the administration.

National Metrology Institution

The Metrology Institute of the Republic of Slovenia (MIRS) acts under the Ministry of High Education, Science and Technology, and was established in June 1991.

The Metrology Institute established and now manages the Business Excellence Prize and performs all necessary professional and administrative assignments for this programme. MIRS is an EFQM National Partner Organisation (NPO).

Permanent co-operation between the Ministry of Public Administration and MIRS:

2002/2003: Translation of the EFQM model/brochures into Slovene

2004/2005: Pilot Project of the National Quality Award for Public Administration

2006: Translation of CAF 2006 into Slovene

2007: Pilot project SOOJU

q32 Training for QM

In almost all the Member States (25/27), training for quality management is considered not only very important but crucial for successful quality implementation. It is organised and provided in different ways.

BULGARIA

Trainings are organised by the Institute for Public Administration and European Integration of the MSAAR.

Additional training sessions were organised under different projects.

Experts from the Bulgarian PA participate in the training organised by the EIPA.
As for 2006:

Training by the IPAIEI on administrative activities aimed at improvement of administrative service delivery – 1,744 employees

Training under the Phare project on quality management systems – 150 employees trained

CYPRUS

The CAPA organises a 4-day training programme on the CAF. Self-assessment teams are trained on the model.

Training programmes on skills development are organised by the CAPA, but not on quality management as such. However, they do have an indirect impact on quality management.

GREECE

In order to train potential or current CAF users, as well as disseminate the CAF among public servants and public organisations, the Ministry of Interior is co-organising two 5-day training programmes with the National Centre of Public Administration (training institute for public servants): in the first, the CAF is integrated into a training programme for civil servants on performance management, which includes a section on the CAF, while the second is a CAF specific seminar called “Evaluation Procedures & Efficiency”. Both programmes have as a target group employees working in central, regional and local

government organisations. In 2007, 44 courses were organised as part of the 2 programmes, training about 1100 public servants. In 2008, a roughly similar number of seminars will be organised.

A third training programme was run in 2007 targeted specifically for officials from the 2nd level (prefecture) of local government. This was a one-day seminar on the CAF, goal-setting and results measurement aimed at increasing awareness and boosting the use of the CAF, and goal-setting and results measurement in local government organisations. This programme is organized by the Hellenic Agency for Local Development and Local Government. As part of the programme, 9 seminars were organised, attended by 200 local government officials. In 2008, a new targeted training programme will be initiated aimed at promoting the use of CAF in a number of municipalities.

ROMANIA

In our country, several institutions provide training programmes in the field of quality in public administration: Central Unit for Public Administration Reform (Ministry of Interior and Administrative Reform), National Agency for Civil Servants, National Institute for Administration, Academy of Economic Studies, and the National School for Political and Administrative Sciences.

For example, from 10–20 March 2008, the National Civil Service Agency and SIGMA organised a joint initiative of the OECD and the European Commission, principally funded by the EC (www.sigmaweb.org), having the general objectives:

- to make participants familiar with the key elements of quality management in the public sector
- to present different instruments and frameworks to promote quality in public services and implement quality-oriented policies in the public sector

General Topics: quality as a policy issue in the public sector performance instruments, techniques and frameworks to enhance the quality of public services, including ISO 9001, Service Charters and Balanced Scorecards assessment of the quality of governance in public service organizations.

Target Groups

- top managers and politicians at local and regional levels
- quality managers in other public agencies at local and regional levels

SLOVENIA

Training for QM is organised by the Administration Academy of the Ministry of Public Administration, as a special PA training unit. The catalogue of the Administration Academy for 2007 listed as many as 13 different programmes on the subject of quality in administrative work:

Common Assessment Framework (CAF) for assessment of quality for public sector,
 Self-assessment workshop for internal auditors based on the CAF model
 Basic course on self-assessment based on the EFQM model
 Workshop for self-assessment based on the CAF model for internal auditors (public sector)
 The road to excellence with a help of the modified model CAF 2006
 A consultation meeting by internal auditors in public administration
 Managing quality – motivational lecture
 Introduction of quality ISO 9000 system – workshop on the preparation of quality manual
 Training for internal Auditors
 Managing processes for the implementation of quality
 Methods and techniques for management of quality
 Quality of administrative work - mission, visions and goals
 Achievement of efficiency and effectiveness with help of measures and indicators
 It is fitting to mention that in 2002 the Quality Committee defined the content for training for quality, which is based on the necessary competences for quality, and with this in mind the Administration Academy offered a set of seminars, which are constantly updated and supplemented, with a possibility to organize tailor-made seminars on demand.

q33 Quality Tools in PA Organisations

Different quality tools are being used in public administrations in the EU. Among the most widely used are improvement groups/quality circles, Balanced Scorecard (BSC), Customer Relationship Management (CRM), Customer Satisfaction Management (CSM) and suggestions and complaint boxes for customers and employees. Comprehensive information is provided in the comparative review matrix on the EUPAN website www.eupan.eu.

GREECE

The Directorate of Quality and Efficiency (Ministry of Interior) has published a document providing guidelines on strategic management. Within this framework the use of BSCs by public organisations as a tool for goal-setting and performance measurement is strongly recommended and supported by the Directorate of Quality and Efficiency.

ROMANIA

CLEAR

Under a public private partnership, the NACS is implementing the CLEAR tool, which exists to help local governments and other organisations or groups at the local level to better understand public participation in their localities. It is a diagnostic tool, one which helps public bodies identify particular strengths and problems with participation in their localities and, subsequently, to consider more comprehensive strategies for enhancing public participation.

The CLEAR tool develops from a framework for understanding public participation which argues that participation is most successful where citizens:

Can do – that is, have the resources and knowledge to participate;

Like to – that is, have a sense of attachment that reinforces participation;

Enabled to – that is, are provided with the opportunity for participation;

Asked to – that is, are mobilised by official bodies or voluntary groups;

Responded to – that is, see evidence that their views have been considered.

The tool is organised around these five headings and provides a focus for individuals to explore participation in their area. This tool was developed through the Council of Europe's intergovernmental cooperation supported by a team of experts.

The NACS in a public private partnership is adapting the European Public Ethics Score Card model initiated by the Council of Europe to the current Romanian conditions and elaborating a national Balanced Scorecard for evaluation of public institutions as regards the observance of ethical standards and principles. At the same time, another quality tool used is peer review visits, which aim to facilitate an exchange of know-how between different public institutions and authorities and as well to disseminate examples of good practices.

ANNEX 2

Quantitative evaluation of the compatibility of TQM activities and tools

Greece											
	q11	q12	q13	q14	q15	q21	q22	q23	q31	q32	q33
Greece	1	1	1	1	1	1	1	1	1	1	1
Cyprus	1/2	0	1	0	0	1/3	0	0	1/6	1/4	0
Slovenia	1/3	0	1/2	0	0	1/3	0	0	2/7	1/4	0
Bulgaria	2/15	1/5	1	0	0	2/5	0	0	1/5	1/5	0
Romania	1/3	1/4	1	0	0	2/5	0	0	2/7	2/7	1/2
Cyprus											
	q11	q12	q13	q14	q15	q21	q22	q23	q31	q32	q33
Greece	1/2	0	1	0	0	1/3	0	0	1/6	1/4	0
Cyprus	1	1	1	1	1	1	0	1	1	1	1
Slovenia	1/2	0	1/2	0	1/2	1/2	0	0	2/5	1/3	0
Bulgaria	2/15	0	1	1	1/3	1/5	0	0	1/4	1/4	0
Romania	2/7	0	1	1	1/2	2/5	0	0	1/5	1/6	0
Slovenia											
	q11	q12	q13	q14	q15	q21	q22	q23	q31	q32	q33
Greece	1/3	0	1/2	0	0	1/3	0	0	2/7	1/4	0
Cyprus	1/2	0	1/2	1	1/2	1/2	0	0	2/5	1/3	0
Slovenia	1	1	1	1	1	1	1	1	1	1	1
Bulgaria	2/15	1/6	1/2	1	1/3	2/5	1/5	2/5	2/9	1/4	0
Romania	1/3	1/5	1/2	1	1/3	2/5	0	1/2	1/6	1/3	0
Bulgaria											
	q11	q12	q13	q14	q15	q21	q22	q23	q31	q32	q33
Greece	2/15	1/5	1	0	0	2/5	0	0	1/5	1/5	0
Cyprus	2/15	0	1	1	1/3	1/5	0	0	1/4	1/4	0
Slovenia	2/15	1/6	1/2	0	1/3	2/5	1/5	2/5	2/9	1/4	0
Bulgaria	1	1	1	1	1	1	1	1	1	1	1
Romania	3/16	1/7	1	1	1/3	1/2	0	1/4	2/9	2/7	0
Romania											
	q11	q12	q13	q14	q15	q21	q22	q23	q31	q32	q33
Greece	1/3	1/4	1	0	0	2/5	0	0	2/7	2/7	1/2
Cyprus	2/7	0	1	1	1/2	2/5	0	0	1/5	1/6	0
Slovenia	1/3	1/5	1/2	0	1/3	2/5	0	1/2	1/6	1/3	0
Bulgaria	3/16	1/7	1	1	1/3	1/2	0	1/4	2/9	2/7	0
Romania	1	1	1	1	1	1	1	1	1	1	1

Chapter 3

Convergence and Europeanization of Public Administration – Premises for Strengthening European Administrative Space

LIFE LONG LEARNING AND MOBILITY FOR THE CREATION OF EUROPEAN IDENTITY IN LOCAL GOVERNMENTS. EXPERIENCES AND PERSPECTIVES

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Abstract

Local Public Administrations could play a relevant role in the building of a strongest European identity. This issue derives not only from the capability to be directly in touch with citizens but also because they represent the culture of service delivered from the bottom. This means that Europe has to facilitate the Life Long Learning of Managers and Staff of local administrations with programs of temporary mobility and learning. As the Directorate-General for Education and Culture of the European Commission recommended some years ago, initiatives like the PLOTEUS portal for learning opportunities, work in this direction but for a more effectiveness of this strategy is necessary a strongest policy of incentives and facilities and a clear framework similar to experienced Tempus and Leonardo programs for Universities and Research.

This paper derives from an intervention at the Conference of March 2nd 2010, Organized by the Jean Monnet Pole of Excellence at the Managerial Researches Department of Pavia University with the participation of Jose Maria Gil-Robles. The purpose of this paper is to discuss the relevance, for the European Identity valorisation, of the Life Long Learning carried out by Local Governments for their Managers and Employees. This is coherent with a Bottom Up approach (Remmert, Wolstenholme 2003) .

From 1980 till now all European Public Administration undertook deep reforms owing to adequate structures and services to citizens needs or, as it concerns transition countries, for the changing intervened after the dissolution of Soviet Union and Eastern Regimes.

Another question is connected to the results of all those changes. Could we declare that Public Administration have been really better ? May be that the answer is Yes but if we consider the gap between quantity and quality of services delivered and quantity and moreover quality expected by citizens, the level of appreciation would be not so clear (Fimmen 2002).

To make a short summary of the state of the art in this field we could point up the results of some Conferences organized by SVIMAP, a Network of University Researchers for the development of Public Management.

The first event was a Workshop on “The Public Administration in FRONT OF Europe “ organized in Gorizia and Brda under the appointment of AIDEA The Italian Academy in Business Economy and the Italian Ministry for Foreign Affairs. To this Conference participated Scholars and Public Administrations from Italia, Austria and Slovenia with other international scientists. This event was particular because Italy was one of the Founders of European Union, Austria was just entered in 1995 and Slovenia will be in 2004, the first among Eastern Countries.

The comparison between the reform courses of Italy and Slovenia could be significant to appreciate how the approach could be different as the consequent results.

Italy, from the 142 Law of 1990 and 265/1999 pursued a decentralized approach while Slovenia, with its less extended dimensions of 210 Municipalities against Italian 8100 ones, started the basic reform of its public administrations with a central framework. Despite an approach so different the results of both approaches couldn't be considered free from criticism (Bianchi 1999; 2000; Pevein, 2009).

If we want to summarize shortly the internationalization path of Local Public Administrations with a focus on Italian Local Governments, we can distinguish three main steps:

- Partnership in international projects;
- Decentralized cooperation;
- Life Long Learning and mobility of Managers and administrative staff.

In 80' years the partnership in international projects outgrew the simple model of twinning among cities giving the opportunity of concrete collaborations among skills and competencies of different countries, juridical frameworks, organizational assets and local environments. The decentralized cooperation, started from 90' made autonomous the initiatives undertook by local governments and many Italian local administrations have today offices in foreign countries.

This collaboration had the effect to enforce the sense of European Identity of Local Administrations in the impact with eastern managerial and administrative cultures.

Ten years later, in 2007 SVIMAP organized another conference in the Bologna Faculty of Economics in Forlì on the topic “ The evolution of management concepts in the international arena. A challenge for transition Countries”.

Many participants to the previous Conference presented their theoretical and applied researches on Local Governments extending the concept of “transition” not only to eastern Countries of Post Soviet Era but to the deep change affecting public administrations in different continents.

A subject on which many discussions were focused was the role of Universities i local environments and the opportunities of collaborations with other local stakeholders. Within the

principles of Bologna Process and the next Lisbon Declaration the responsibility of Universities in providing responses to issues such as the public responsibility for higher education and research, higher education governance, the social dimension of higher education and research, and the values and roles of higher education and research in modern, globalized, and increasingly complex societies with the most demanding qualification needs. Within those needs there are the competencies of Public Administrators and Managers as a concrete contribution to the positive evolvement of situations.

Also this approach is not free from criticism particularly as it concerns the exportable feasibility of European models in transition countries and this is particularly relevant if we are speaking about Public Organizations and not in a wide cultural sense.

One of discussed topics was in addition the preparation of future generations, not only of citizens but also of entrepreneurs, managers, professionals as depositaries of practical knowledge. This know how has not to be limited to the individual or family dimension but extended to private and public organizations in which the role of the individual will realize a multiplier tool of personal orientations, ideas and models for a new culture of goods and services production. (Bianchi 2000).

We have to underline that the European Directorate for Education and Culture of European Commission published in 2003 a report on Permanent Education in Europe . In this report was exposed the results and stated that, although it existed a high demand of permanent education, there was not available adequate tools to easy and support this practice. In 2001 the Commission prepared a study on “Making a European area of lifelong learning a reality” and in June 2002 was adopted a Recommendation for the establishment of a European Area of Life Long Learning.

After in 2008 it took place the Thematic Forum on Continuing Education and Lifelong Learning in which David Crosier presented the main lines of the European Universities Charter on Lifelong Learning, elaborated by the European University Association (EUA) on demand of the

French Prime Minister. The draft charter adopted by EUA in October 2008. It contains 10 “commitments” for universities and 9 “commitments” for governments clarifying the role of higher education institutions in this respect.

To this purpose it’s interesting to remark that in this document many recommendation was referred to LLL for business and small business, no words on LLL in Public Administration although their relevance in the development of attractive and structural conditions to the development of entrepreneurship and the start up of new enterprises.

In 2003 was opened the portal PROTEUS on opportunities of Learning in Europe as a reply to the demand of European Council of Lisboa 2000 and Stockholm 2001 to adopt an information system about European opportunities of work and education . In addition in 2003 was launched the initiative R3L to put in touch 12th Educational European Regions while in march 2002 social partners UNICE/UEAPME, CEEP and ETU adopted a common framework for the continuous implementation of skills and competencies.

In addition recent tools on the topic was:

- The European Framework of Key Competences is a tool for policy-makers across the EU which identifies the fundamental skills that people need to lead successful lives in today's world.
- The European Qualification Framework for lifelong learning (EQF) aims to better link different national qualifications systems, acting as a translation device for employers and individuals to better understand qualifications from different EU countries, thus making it easier to work, study or hire staff abroad.
- The European Quality Assurance Reference framework for Vocational Education and Training (EQAVET) helps national authorities to improve their Vocational Education and Training (VET) systems, through the development of common European references.
- The European Credit Transfer and Accumulation System (ECTS) provides a common basis to recognise higher education study periods abroad.
- The European Credit system for Vocational Education and Training (ECVET) is being developed to help the transfer and recognition of learning experiences in Europe, including those outside formal training systems.
- Europass helps people make their qualifications and skills better understood and recognised throughout Europe, increasing their employment prospects. Its web portal includes interactive tools that, for example, allow users to create a CV in a common European format.
- The National Academic Recognition Information Centres (NARIC) provide information and advice on the academic recognition of diplomas and periods of study abroad.
- Other guidance tools and information sources on learning and career opportunities in the EU, including the PLOTEUS portal and the Euroguidance network.

All these tools are on WEB but there are still some serious limits to the diffusion of connected actions.

- It didn't exist a LLL focused on Local Public Administrations
- The information about possibilities for Local Administrations is scarce. It will be easy a research on managers and employees in European Public Administrations to understand the low level of information about permanent education opportunities mainly through stages and work periods in administrations of other EU Countries.
- It is not active any program to incentive mobility among public administrations managers and employees motivated for learning purposes. Moreover, considering that the period would be not less than three months to be really fruitful, there are no facilitations for Local Administrations that want to substitute temporary personnel in mobility.
- There are limited agreements among Public Administrations for the exchange of staff members as it happens for Universities for teachers and researchers
- It would be possible to think about an extension of these programs to non EU Administrations. This would be a powerful tool of reciprocal knowledge but also an opportunity to put in touch different experiences and to increase the diversity of experiences and models of applied knowledge on organizations. Moreover we can add that these experiences would be very appropriate to face problems connected to the globalization of changes in work methods and approaches.
- Naturally all those initiatives didn't solve numerous problems that Public Administration will face in next years but, by a comparison with different cultures and experiences of Public Management, they could enforce the sense of identity of European Public Administration both among European Countries and with the rest of the world.

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CONVERGENCE OF LOCAL ADMINISTRATION IN CROATIA – INSIGHT INTO LG PRACTICES

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Abstract

Continuing on previous research, designed to explore the process of diffusion of project management in Croatian local administration, this paper proposes a discussion on the achieved level of development of administrative capabilities. In a way, it represents an attempt to explore the diffusion of innovative organizational practices and managerial techniques that could have an impact in the improvement of the efficiency, and thus of administrative capacity, of the Croatian public administration at city and county level.

The paper consists of three parts: context overview, empirical research and discussion. The first part derives primarily from desk research and presents the factors that, to our view, have contributed to shaping the present state of organization of Croatian public administration. This part also provides the basic definitions of administrative capacity used in constructing our research. Considering the complexity (and vagueness) of the term New Public Management, we choose to concentrate our attention on project management as a specific organizational arrangement and method of tasks coordination. In the second part, we present some results obtained through field research. Data was obtained by using structured questionnaires addressed to 42 local government units (10 counties and 32 cities). The questionnaires were structured to provide information on the diffusion of project practices, the dominant areas of conducting project activities and level of formalization of project management.

Even though statistic analysis does not offer definite conclusions, it does point out to the fact that new organizational arrangements are rather randomly diffused in Croatian local public administration, which might imply a rather fragmented strategic approach to administrative capacity development and poor and inconsistent system of managing organization development.

1. Understanding the process of evolution of Croatian public administration

The process of transition of values and organization of Croatian public administration is often seen as long and slow, in spite of dedicated efforts and the pressure exerted by the general public and international factors. As a results the system is often defined as bureaucratic, inefficient and barrier to achieving international competitiveness. Therefore, in designing this research, we tried to systematize some factors that might have shaped the process of transformation in order to choose a research object, capable of providing a measure, representative enough of the achieved transformation. As a project approach is often considered an element of New Public Management, and the concept seems to be well understood by the administrative staff at LGU, we tried to collect data on the diffusion of project management on local administrative level.

1.1. Forces driving direction and pace of organizational changes in Croatian public administration

Relying primarily on desk research, we start by identifying the forces and conditions that we find central to the movements of raising public perception towards the importance of achieving efficiency, but also flexibility in performing tasks and activities in public services. Several, intensively intertwined, factors can be identified as driving forces demanding reforms in Croatian public administration:

- 1) The transition process in Croatia;
- 2) The transition in CEE and the global politics – the role of advisors as media for the diffusion on new concepts and practices (USAID, WB, etc.);
- 3) Demands related to the process of accession of Croatia to the European Union;
- 4) Available EU Programs and funds.

The process of transition,⁸¹ even though the mention of the term itself has lost intensity in the past decade, served as a catalyst that intensified the feeling of urgency of reforms and provided justification for fast paced and rather radical change of laws and institutions in all realms of public life. Some reforms were quite radical and carried broad and long lasting economic consequences, and yet were introduced almost over night, such as the pension system reforms (Kaštelan Mrak, 2008). Also other reforms, in public services and in the public administrations had been constant and far reaching, such as the establishment of the system of local government administration and the formation of bodies and agencies at central government level. In fact, during the past two decades, reforms in the Croatian public sector have been a constant issue on the agenda of politicians, public servants and the broader public (Croatia 2009 Progress Report, 2009).

However, concerning gains in efficiency and politically proclaimed goals, often the reforms were seen as mild, inconsistent and even unsuccessful, despite of the high level of attention dedicated, and money and time consumed. According to Koprić (2009), even though reforms aimed at increasing administrative capacity, they failed because of a too narrow understanding of the political, organizational, functional, personal and other issues involved. In his view, the preparations for defining the strategic framework of Public Administration Reform Strategy from March 2008 lacked proper coordination and were narrowed up to blocking those propositions that were deemed contradictory to organizational interests of individual bodies of State administration.

The impact of transition in CEE countries on Croatia was manifested under two directions. First, countries that were faster and more successful in implementing reforms served as role models and second, as transitions occurred simultaneously, they provided a rather wide market for advisors and consultants that set up business during the managerial reforms in western countries. In his book *Building the New Managerialist State*, Denis Saint-Martin (2004) refers to the reforms in Britain, France and Canada (as country case studies conducted by the author)⁸², during the eighties and nineties, as a favorable setting for the development of

⁸¹ The process of transition was not only a process of ideological, but also a process of (re)defining national economic aspirations on world markets. Expectation and higher standards of living and the related discussion on the role of government in driving economic development can be seen as a facet of the same transition process. So can the discussions on the adequate size/cost of government as a factor affecting national competitiveness on world markets.

⁸² His observation are quite relevant and indicative since D. S-M has studied the management consulting market (for example, its size) and relied on state agencies in charge of bureaucratic reforms, as well as civil servants involved in the reform process as sources. His major conclusion is that the management consulting industry had become an important industry in the countries where it developed and that this development has left legacies. (p. 35)

a strong management consulting industry. A decade later, once the European East entered the process of institutional convergence, this industry of consultants was prompt to shift to new markets. Private consultants and foreign government initiatives were involved in the process of reform design and implementation since the nineties (Antić, 2002).⁸³ In Croatia, the USAID (through the Urban Institute) was involved in the reform of the Local administration (our primary object of research). The Urban Institute established the first pool of well organized, and very influential, researchers and educators that shaped the mindsets and the practices by Croatian public employees.

Some do question the quality of the technical assistance delivered by foreign advisors and call for serious research. To the view of Sobis and de Vries (2009), the mission of foreign advisers was to advise in the process of designing and running public sector reforms and to act as catalysts in the public sector transformation process. Terms employed in the discussion (actually subtitles to the paper) include phrases such as “poisoned debate”, “aid commerce” and “inefficiency of foreign aid”. For them, the reasons underlying inefficient use of resources can be attributed to two sets of factors: managerial and substantial.

Available EU Programs and funds are related directly to EU accession. However, being a tool that directs actions on local level by providing incentives and demanding technical/organizational adjustment, we felt this factor should be considered separately. Rather than putting political pressure, organizational arrangement demands micro-organizational adjustment at the level of implementing new behavioral models and thus represents the narrower setting of our empirical research. First there were the CARDS programs. Since 2004, Croatia as a candidate country gained access to European Pre-Accession Funds (PHARE, ISPA and SAPARD). In 2007 they became IPA (Instruments of Pre-Accession Assistance). The first IPA component, Institution Building, explicitly recognizes public administration reforms to be an eligible component for EU financial assistance, as well as the institutional capacity to manage IPA projects. Since 2006, decentralization of the management of EU funds, has also been used as an instrument to help Croatia become better prepared for the management of EU structural funds (IPA, Multi-annual Indicative Planning Document (MIPD) 2009-2011, p. 4 and 7).

Table 1 provides some figure on EU funds available through IPA. However, numerous other projects were supported by international organizations (IMF, WB, EIB, EBRD). All of them provide additional financing opportunities. These funds are especially important at the present moment when Croatia is facing significant budget deficits, which makes it even more important to explore the issue of the present state of development the Croatian capacity to establish organizational forms at all levels that will be able to draw available funds and use them productively.

Table 1

IPA funds for Croatia (in millions)

	2007	2008	2009	2010	Total
Transition Assistance and Institution Building	47,6	45,4	45,6	39,5	178,1
Cross-border cooperation	9,7	14,7	15,9	16,2	56,5
Regional Development	44,6	47,6	49,7	56,8	198,7

⁸³ At the time the referred contribution was written, the author, T. Antić was affiliated to the Ministry of justice, administration and local self-administration), and had direct insight in reform of local government

	2007	2008	2009	2010	Total
Human Resources Development	11,1	12,7	14,2	15,7	53,7
Rural Development	25,5	25,6	25,8	26,0	102,9
Total:	138,5	146,0	151,2	154,2	589,9

Source: <http://www.mfin.hr/hr/odobrena-sredstva> (15.4.2010).

At the same time, the mere fact that additional funds are available stimulated the development of project type organizational arrangements. This circumstance motivated us to try to establish to what extent organizational capacities at local government level have already been established and whether these developments are evenly distributed.

The next session thus aims at providing a working definition of project management as a step in the process of establishing the extent to which the capacity of local governments in Croatia has developed so far.

2. Project management – concept and implications for understanding administrative capacity at local government level as a function of efficiency

Administrative capacity can be defined as capability to perform a certain task, i.e. achieve desired results. Capacity can be increased by increasing the pool of available resources. So, in tackling the problem of insufficient capacity one should primarily increase inputs.

Still, IBM Business Consulting Services, addressing answers to state budget crises refer to operational efficiency and organizational effectiveness as methods available for solving "financial pressures" and conduct a study (rank) on the achieved benefits, that is increases in efficiency and effectiveness that resulted from specific government initiatives, such as IT infrastructure, e-workplace, strategic planning, strategic outsourcing... (2003)

In a less sophisticated working environment, we settled with a more modest task of investigating the level of development of project organizations at the level of local government units in Croatia.

According to the definition of the Project Management Institute (PMI-) project management can be defined as "...the application of knowledge, skills, tools and techniques to project activities in order to meet the requirements of each project". (PMBOK Guide, p.8). A project organization would be a form of temporarily organization that employs team members on specific tasks that are outside their regular work assignments. This also provokes a change in the organizational culture of an organization. In the words of Richman (2002, p.13), "Organizations that were once hierarchical and bureaucratic now realize that success requires internal and external networking. Functional departments are no longer self-sufficient, but interdependent. Teams are formed from various functional departments to accomplish project work. When one project is completed, individuals are regrouped into another team to take on yet another project".

The consequence of frequent project opportunities, in an otherwise stable working environment would be a possibility to perform activities and tasks that would not have been planned or executed at all, have there not been for the project. Over time such arrangements definitely bring on a new organizational climate that we characterized as dynamic and, probably, more productive. In a similar fashion, in our research we selected project management as an organizational practice pertaining to new management methods being introduced in public administration. A convenient circumstance is that the concept is not new (after the popularity of less formal organizational models in the business sector (and academic community) during the sixties, it has been re-actualized in the public sector during the 80-ties and 90-ies with the New Public Management movement).

Aware that project management may be just of one many possible indicators of the internalization of NPM principles in Croatia local government units (LGUs), in our research we selected project management as an organizational practice pertaining to new management methods being introduced in public administration.

At this stage of the research, we were not able to establish whether LGUs that employ project type organizational arrangements were capable to get more work done than those that do not. Also, we wondered whether project type organization increases capacity. Instead, we tried to prove a more modest point that there is some correlation between the existence of formal rules defining project management in a LGU and the amount of EU funds withdrawn by a county or municipality.

Since Croatian central and local governments have been able to engage in a number of international projects, we supposed that concepts of project organization are well understood by the Croatian administrative community. As mentioned under part 1.1., the availability of additional funding opportunities, per se, convinced us that it was appropriate to try to measure the level of achieved change by establishing how diffused has the process of applying for EU funds have become in Croatian LGUs.

As it appears from the perspective of LGUs, EU funds are funds that are not available on a regular basis (these are often scarce and already designated to specific uses), but represent additional possibilities/resources that can be designated for providing better working environments, and additional services for the citizens. Therefore, we interpreted that an effort to compete for such funds could be considered an indicator for the fact that a specific LGU has the needed entrepreneurial spirit (a new attitude and value) and that it has the capacity to perform the activities required in order to apply for a grant.

Expanding this reasoning, it can be expected that the amount of funds transferred, as a relative contribution of available financial capacity, increases the capacity of LGU to perform its functions, but also, than an above average successfulness in attracting grants indicates superior effectiveness and efficiency. A LGU successful in attracting grants has, on one side, increased available resources and, on the other, the ability to utilize existing resources better than others. Alongside, such ability can be interpreted as sign of changes in attitudes (a confirmation that new/innovative organizational practices had been successfully implemented).

3. The Croatian System of Local Government – the population

Croatia has a two-tier system of government administration: central and local government administrations. Municipalities and towns are units of local self-government and counties are units of regional self-government. In the Republic of Croatia there are:

- **429 municipalities,**
- **126 towns,**
- **20 counties and**
- **the City of Zagreb.**

Units of local self-government (LGU) and of regional government (RGU) in the Republic of Croatia were established by the Act on Counties, Cities and Municipalities in the Republic of Croatia (Official Gazette, 10/97, 124/97, 50/98, 68/98, 22/99, 42/99, 117/99, 128/99, 44/00, 129/00, 92/01, 79/02, 83/02, 25/03, 107/03 and 175/03). Their activities are defined by the Constitution of the Republic of Croatia and the Act on Local Self-Government and Administration (Official Gazette, 90/92, 94/93, 117/93, 5/97, 17/99, 128/99, 51/00 and 105/00), i.e. the Act on Local and Regional Self-Government (Official Gazette, 90/92, 94/93,

117/93, 5/97, 17/99, 128/99, 51/00 and 105/00).

Employment at local government units is regulated by the Law on civil servants and employees. Professional activities are performed by civil servants, while the activities of technical support in bodies of the state administration are performed by employees.⁸⁴ Civil servants are appointed to their positions according to qualification criteria prescribed by law or other regulation. Career advancement is often subject to legally defined criteria and implies and advancement to a higher level of salary. The internal organization of posts is defined by mandatory internal regulation and staff regulation. Unions represent an active partner in defining working conditions of public administration employees. Collective agreements regulate quite precisely many material aspects of work (Kolektivni ugovor za državne službenike i namještenike RH, 2009). The system of organization of public administration is often criticized as being bureaucratic in nature (Kaštelan Mrak, Vašiček, 2010) and not opened to innovations that could be considered in line with New Public Management approaches.

Therefore, in the process of setting up this research, we tried to estimate what indicator to use in order get some feeling of the present state of organizational development at the level of local government in Croatia. The scope of our empirical investigation involved only into the activities of the personnel employed directly by local government units.

4. Research method and results

We started by developing a “working definition” of project organization s an organizational form adapted for performing projects, i.e. task limited in scope, time, finance (personnel and resources, in general). The next step was to plan the research, that is to develop (and test) a list of indicators and define some measure of performance or success in project management, to administer the questionnaire and to analyze the collected data.

The questionnaire consisted of two parts, one collecting demographic data about LGU and the other collecting responses on project management practices. Four questionnaire items were used for identifying elements of the existence of project organization. Items were expressed as statements requiring confirmation. These items were:

- A separate organizational unit or person in charge is responsible for coordinating project activities in our administration,
- Team members are officially nominated for each project activity,
- Team members are compensated (remunerated) for taking part in project activities and
- The services of functional units (offices) are at the disposal of project teams for performing auxiliary tasks.

The questionnaire was administered in the spring of 2010.

The research sample consisted of 42 local government units, 10 counties and 32 towns. This is only a fraction of the total population of LGUs in Croatia, accounting for 50% of counties, 30% of cities. Municipalities, being smaller that towns were not expected to have organized project management practice.

⁸⁴ Ministers, state secretaries and assistants, directors of state administrative organizations, and state secretaries and assistants are **officials** of the Republic of Croatia.

4.1. Research results

The performance measure used to indicate successful performance was the relative contribution of EU funds to LGU financial capacity.

It should be said that, considering the problem of measuring successful performance, in planning this research, we had some doubts concerning the question of how to measure the results attained by LGU in project organization, especially since the differences in size and financial capacity among the LGUs that participated in the research are significant. Another concern was that the amount of EU funds would correlate with LGU size (capacity in terms of employment), and also that the amount of EU funds would depend on the financial capacity of LGUs themselves (since co-financing is required). However, as the statistically tested correlation between the number of employees and financial capacity proved to be very high, we decided to use the relative contribution of EU funds to LGU total budget as an appropriate measure of performance, rather than use per over total number of employees or EU funds per number of persons engaged in preparing and administering EU funds, etc.) Also, such measure was easier to calculate, considering the collected data and the fact that organizational practices in performing project activities showed high levels of variations among LGUs (mostly depending on size, but without a precise pattern).

We used factorial analysis of variance (Factorial ANOVA⁸⁵) to establish whether specific organizational arrangements reflected on the relative amount of funds withdrawn from EU funds. The obtained results presented in Table 2 suggest that there are no statistically significant differences between LGUs that would depend on organizational arrangements employed to manage projects.

Table 2

Influence of organizational dimensions of project management on contribution of EU Funds to LGU budget

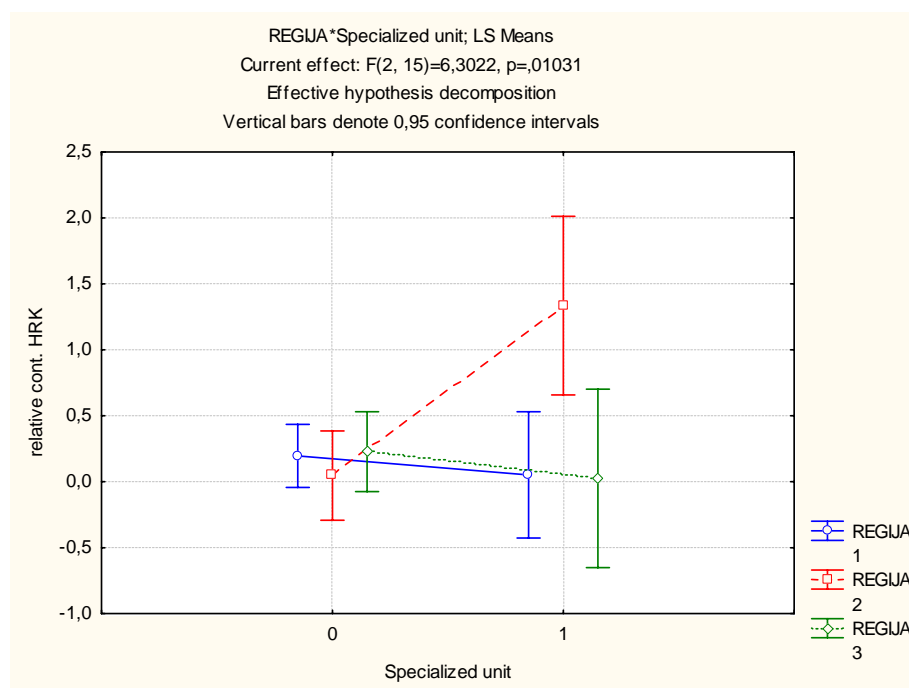
Effect	Univariate Tests of Significance for relative cont. HRK (Spreadsheet1 in JM tablica) Sigma-restricted parameterization Effective hypothesis decomposition			
	SS	Degr. of Freedom	MS	F
Intercept	1,46075	1	1,460753	1,254570
formal coordination	0,30747	1	0,307470	0,264071
nomination	0,01305	1	0,013050	0,011208
administrative support	0,36313	1	0,363126	0,311871
formal coordination*nomination	0,25497	1	0,254967	0,218979
formal coordination*administrative support	0,16838	1	0,168382	0,144615
nomination*administrative support	0,05482	1	0,054818	0,047080
formal coordination*nomination*administrative support	0,26679	1	0,266792	0,229135
Error	24,45126	21	1,164346	

Source: authors.

As we did not obtain the expected results when looking at the whole sample, we tried segmenting the sample by different criteria such as size of LGU entity (in terms of number of employed, size of budget) and running t-tests for establishing differences between groups, but again we could not establish a statistically different distribution of results. Only when we used REGION as a criterion influencing performance we did have a statistically significant difference in withdrawn EU funds.

⁸⁵ Statistica 8.

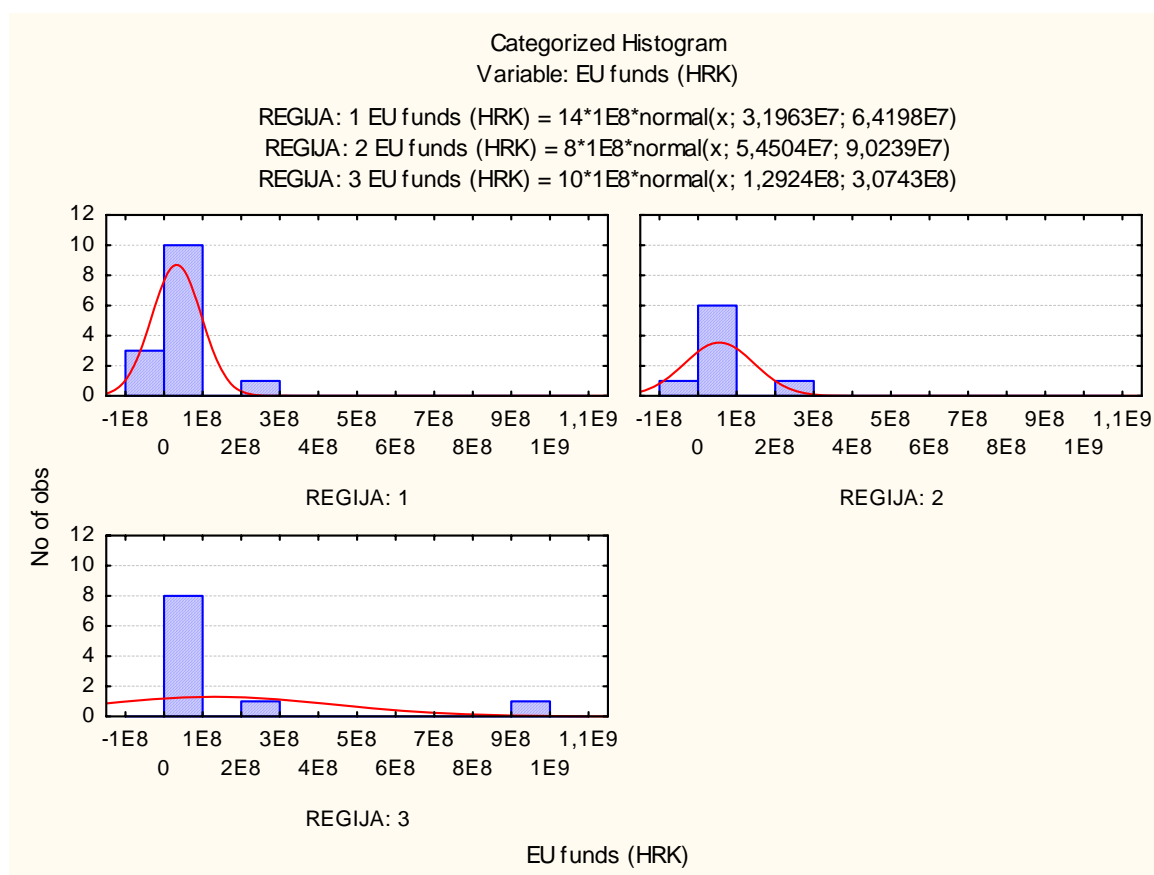
Post-hoc Bonferroni tests showed differences between LGU located in the Adriatic Region, Central region and Eastern Region of Croatia as demonstrated in Chart 1.



Source: authors.

Chart 1. Factorial ANOVA – post-hoc Bonferroni tests

This finding led us to investigate further into the structure of the projects that received EU funding. Our intention was to see whether the fact that LGU from Eastern Slavonia were more successful in withdrawing EU funds compared to the average LGU could be reflecting that LGU being more afflicted by the war in the first half of the nineties were still receiving some funds to help for post-war recovery. However, this was not the case. The distribution of LGUs in terms of performance appeared rather random. In fact, each of the three regions had one or two extremely successful LGUs with above average performance. Consequently, our attempt to establish statistically relevant conclusions about a positive influence of organizational factors in increasing usage of EU funds was restrained due to rather small sample of respondents and the divergence of our sample and subsamples from a normal distribution, which decreased our chances to getting statistically sound conclusions.



Source: authors.

Chart 2. Comparison of distribution of size of EU funds (LGU by region, in kunas)

The scatter plots indicate a pronounced dispersion in the distribution, especially for the region of Eastern Croatia. This dispersion, along with a small sample size is a possible explanation for the fact that we could find no statistically significant correlation among project management approaches and the amount of funds withdrawn. It is very probable, that while using this same sample, we would not get any final conclusions in the case we tried to establish correlations between performance and any particular organizational arrangement that can be related to New Public Management principles.

5. Conclusion

This paper presented a starting effort to get some insight into the level of development of administrative capacity of Croatian local government units, considering that Croatia has the possibility to take advantage of additional financing opportunities for a number of projects aligned with EU strategic goals. The conducted research revealed that quite a number of Croatian counties and cities were already taking advantage of such possibilities. The study also revealed the existence of a broad range of organizational practices in tackling the problem of competing for funds and administering projects. No uniform pattern appeared when trying to establish the influence of specific organizational practices. The same happened with all LGU specific factors, such as formalization of the process of managing projects, either through the establishment of specialized organizational units, persons explicitly in

charge of projects, or through the adoption of specific rules defining the formation of project teams and compensation arrangements for individuals engaged in project related activities.

In fact, statistical analysis did not allow for any final conclusions. The only factor that came out as a possible common denominator for above average performance in project management was the regional factor. Regions came out as the dominant factor affecting performance in terms of additional financial resources withdrawn from EU funds, but the LGUs that appeared to be more successful were not the ones located around the capital city or the largest cities where more college graduates and a higher availability of information, experience and other enabling resources would be expected. Rather, the grouping of above (and below) average performance was very random.

Still, a possible explanation for not getting any statistical significance might also lie in the fact that the elapsed time since projects became active has been too short for a comprehensive system to evolve. If this study would be repeated in two to three years, it would be expected to find different results. Also, in the future research, the content of the project and its alignment with proclaimed EU policy should be taken into account. This time we had a narrow perspective, looking only at Croatian LGUs and not taking into consideration eventual network arrangements with cross-border partners (which we suspect might explain why some cities were more active in EU project activity) and also institutions of support developed in some regions.

We are also aware of some methodological problems in our research. The size of our sample presented a limitation for the statistical research, even though the respondent sample included 50% of counties and 30% of the whole population of cities. Since we don't have basic data (regarding size in employment, budget, etc.) for all counties and cities, we are not aware of possible existence of non-respondent bias. Further research should attempt to include as close to the total population of Croatian counties and cities. There is also the question of whether questionnaires as a data collection method provide relevant data.

In any case, further, more detailed research is needed. It should include additional variables and inquiries into content of project activities, and other factors such as network arrangements involving co-operation among LGUs in Croatia and with partners from abroad. Other forms of defining performance should also be explored, as well as additional indicators of organizational practices that would confirm that new managerial/organizational concepts are being successfully introduced in Croatian public administration. In any case, assessing the diffusion of only one specific organizational practice – project based organizational arrangements.

So, even though statistic analysis did not provide definite conclusions, it does point out to the fact that new organizational arrangements are rather randomly diffused in Croatian local public administration, which implies that a more comprehensive strategic approach is needed on the State level for administrative capacity development and consistent and systematic managing of organization development.

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A PILOT FACTOR ANALYSIS MODEL FOR THE ESTIMATION OF THE INDICATORS OF ADMINISTRATIVE CONVERGENCE IN GREECE

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Abstract

This paper aims to develop a statistical tool to identify the factors indicating administrative convergence in Greece, in order to provide an insight into the latent structure of bureaucracy in the country.

Based on the state-of-the-art which suggest that “the indicators of administrative convergence aim mainly: reliability and predictability; transparency; responsibility; efficiency and effectiveness”, the paper proposes a methodological framework to estimate the factors indicating administrative convergence, via the method of factor analysis, which is applied at three steps. The study is based on the questionnaire developed within the frame of the project European Administrative Space (EAS), via NSPSA; UNIVERSITY OF THE AEGEAN; NEW BULGARIAN UNIVERSITY; UNIVERSITY OF RIJEKA; and EPLO (2010). That questionnaire was designed to include parts referring to the above-mentioned dimensions of administrative convergence. Three types of variables were included in that questionnaire: a) primary variables (corresponding to each questionnaire’s part); b) secondary variables (referring to specific characteristics of the primary variables); c) characteristics of the secondary variables.

The application for Greece is considered as pilot, as it uses data collected from just 22 employees in public administration, during December 2010. The methodological approach is as follows: At the first step, the factor analysis performed for the characteristics of each secondary variable, resulted to the factors indicating that variable. The estimated values of the extracted factors were then considered as new variables. At step 2, a factor analysis of those new variables corresponding to the same primary variable was performed, resulting to the factors indicating that primary variable. Finally, the estimated scores of step 2, were factor analysed, resulting to the indicators in question.

Keywords: indicators of administration convergence, factor analysis, pilot study, Greece.

1. Introduction

This paper is based on the suggestions of scholars (Matei et al, 2010; Matei and Matei, 2010; Rauch and Evans, 1999) which have found that “the indicators of administrative convergence aim mainly: reliability and predictability; transparency; responsibility; efficiency and effectiveness”.

The aim is to propose a methodological framework for the estimation of the factors indicating administrative convergence, in order to provide an insight into the latent structure of bureaucracy in a country or a set of countries.

The paper is organized as following. Section 2 presents a methodological framework for estimating indicators of administrative convergence, based on the frame of the study developed at the project *European Administrative Space (EAS)*, via NSPSA; UNIVERSITY OF THE AEGEAN; NEW BULGARIAN UNIVERSITY; UNIVERSITY OF RIJEKA; and EPLO (2010). At section 3 a pilot application for the Greek case is developed and analysed. Section 4 presents a discussion on the proposed methodology and its improvements.

2. Methodological approach

This study is based on the questionnaire developed within the frame of the project *European Administrative Space (EAS)*, via NSPSA; UNIVERSITY OF THE AEGEAN; NEW BULGARIAN UNIVERSITY; UNIVERSITY OF RIJEKA; and EPLO (2010). That questionnaire was designed to include parts referring to the above-mentioned dimensions of administrative convergence. Three types of variables were included in that questionnaire:

- a) primary variables (corresponding to each questionnaire's part);
- b) secondary variables (referring to specific characteristics of the primary variables); c) third-stage variables, corresponding to the characteristics of the secondary variables.

The primary variables included in the questionnaire were the following:

- q1: Rule of law;
- q2: Openness towards the citizen;
- q3: Self-responsibility of the public administration;
- q4. Economic public policy making;
- q5. Recruitment and careers;
- q6. Salaries;
- q7. Civil Service Exams;
- q8. Decentralization and institutional adaptation;
- q9. Strategy of the administrative reform.

The q4-q9 correspond to the aim of "efficiency and effectiveness" with regards administrative convergence. This part has been considered and analysed by others (see for example Matei et al, 2010; Matei and Matei, 2010; Rauch and Evans, 1999; Evans and Rauch, 1999; Meyer and Zucker, 1989; Smith, 1990).

This paper aims to develop indicators of administrative convergence aiming:

- a) reliability and predictability (which can be indicated by the variable "rule of law");
- b) transparency which corresponds to the variable "Openness towards the citizen";
- c) responsibility (which can be indicated by the variable "Self-responsibility of the public administration").

It is noted that, each of the primary variables is explained by a number of secondary variables. The vast majority of those secondary variables are scales of perceptions- while those perceptions are considered as the third- stage variables.

The methodological approach proposed is a three- step exploratory factor analysis, in order to reduce data, via correlating the variables of each stage and so identifying the factors indicating the variables of the previous stage. The method employed is Principal Components, via Varimax rotation. In order to estimate the number of the resulted factors the criterion of the eigenvalues (to be greater than 1), which is the most typical one, is applied. (For a detailed discussion on Factor Analysis methods and techniques see, e. g. Lawley and Maxwell (1962), or Cattell, Raymond B. (1978)).

Specifically the proposed approach is the following:

- At step 1, the factor analysis performed for the third- stage variables (characteristics of each secondary variable), will result to the factors indicating that variable. The estimated values of the extracted factors (factor scores) were then considered as new variables.
- At step 2, a factor analysis of those new variables corresponding to the same primary variable is performed. This will result to the factors indicating that primary variable. At step 3, the estimated variables of step 2, are also factor analysed, resulting to the indicators in question.

Furthermore, a reliability analysis of the collected data is also proposed (before the step 1 of the above approach) in order to ensure the data quality and thus validate the results of the factor analysis.

In this paper the application is based on data collected from 22 employees in Greek public administration, during December 2010. It is noted that, due to the fact that the sample size is very small, the current application for Greece is considered as pilot (in addition no reliability analysis has been performed). The results of the application are presented at the following paragraph.

3. Pilot application for greece

3.1. Reliability and predictability indicators

Regarding the indicators of reliability and predictability, the variables corresponding to the “rule of law” were considered, as already mentioned. At this content, 4 secondary variables have been considered, namely:

- Perceptual Indicators about the current legislation applicable to the public administration in Greece
- Perceptual Indicators regarding the necessary actions in order to *eliminate the deficiencies* in the national administrative system (*in terms of legislation*)
- Perceptual Indicators regarding enforcing the administrative rules specific to the public administration
- Perceptual Indicators regarding the necessary actions for a better delivery of the activity within the public administration (*in terms of legislation*)

Step 1: estimation of indicators for “rule of law”

- 1) The perceptions about the current legislation applicable to the public administration in Greece were factor analysed. The Kaiser-Meyer-Okin (KMO) statistic was 0. 548 indicating the validity of the factor analysis method applied. The solution resulted in 2

factors accounted for 68. 1% of total cumulative variance. The resulted factors were labelled: (1) Stability and clearness (variance explained=40. 5%) and (2) Complexity (variance explained=28. 4%). Two items loaded on the *first* factor, with factor loadings ranging from . 0. 820 to 0. 876. Two items were also loaded on the *second* factor, with factor loading ranging from -0. 549 to 0. 909. The perceptual indicators and their factor loadings are presented in the following Table:

Perceptual Indicators about the current legislation applicable to the public administration in Greece	Factors	
	Stability and clearness	Complexity
stability	,876	-,026
Clearness	,820	-,088
complexity	,084	,909
Completeness	,419	-,549

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 3 iterations.

2) The perceptions regarding the necessary actions in order to *eliminate the deficiencies* in the national administrative system (*in terms of legislation*) were also factor analysed. The Kaiser-Meyer-Oklin (KMO) statistic was 0. 507 indicating the validity of the factor analysis method applied. The solution resulted in 2 factors accounted for 56. 6% of total cumulative variance. The resulted factors were labelled: (1) Necessity for Rigorous control (variance explained=29. 4%) and (2) Necessity for Flexible actions (variance explained=27. 2%). Two items loaded on the *first* factor, with factor loadings ranging from -0. 603 to 0. 737. Two items were also loaded on the *second* factor, with factor loading ranging from -0. 687 to 0. 885. The perceptual indicators and their factor loadings are presented in the following Table:

Perceptual Indicators regarding the necessary actions in order to eliminate the deficiencies in the national administrative system (<i>in terms of legislation</i>)	Factors	
	Necessity for Rigorous control	Necessity for Flexible actions
other	,737	-,134
Rigorous control of the legality of administrative acts	,668	,282
Domestic political consensus concerning the rules applicable to the public administration	-,603	-,080
Speeding the procedure to adopt the rules applicable to the public administration	-,136	,885
Strict supervision of enforcement of the administrative rules	-,310	-,687

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 3 iterations.

3) Following, the Perceptual Indicators regarding enforcing the administrative rules specific to the public administration were factor analysed. The Kaiser-Meyer-Okin (KMO) statistic was 0. 588 indicating the validity of the factor analysis method applied. The solution resulted in 2 factors accounted for 77,6% of total cumulative variance. The resulted factors were labelled: (1) Lack of contradictory and application methodologies (variance explained=50%) and (2) contradictory legal provisions (variance explained=27. 6%). Two items loaded on the *first* factor, with factor loadings ranging from -0. 998 to 0. 998. Two items were also loaded on the *second* factor, with factor loading ranging from -0. 728 to 0. 754. The perceptual indicators and their factor loadings are presented in the following Table:

Perceptual Indicators regarding enforcing the administrative rules specific to the public administration	Factors	
	Lack of contradictory and application methodologies	contradictory legal provisions
The existence in the same time of contradictory methodologies for law enforcement	-,998	,063
The lack of methodology for applying the provisions in force	,998	-,063
The existence in the same time of contradictory legal provisions	-,027	,754
The lack of the legislative framework necessary for efficient delivery of administrative activities	,067	-,728

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 3 iterations.

4) The Perceptual Indicators regarding the necessary actions, *in terms of legislation*, for a better delivery of the activity within the public administration were then factor analysed. The Kaiser-Meyer-Okin (KMO) statistic was 0. 648 indicating the validity of the factor analysis method applied. The solution resulted in 2 factors accounted for 76,8% of total cumulative variance. The resulted factors were labelled: (1) Necessity for stabilization of the framework in force (variance explained=41. 85%) and (2) Necessity for lapidarian legislative provisions (variance explained=34. 95%). Three items loaded on the *first* factor, with factor loadings ranging from -0. 950 to 0. 820. One item was loaded on the *second* factor, with factor loading -0. 991. The perceptual indicators and their factor loadings are presented in the following Table:

Perceptual Indicators regarding the necessary actions, <i>in terms of legislation</i> , for a better delivery of the activity within the public administration	Factors	
	Necessity for stabilization of the framework in force	Necessity for lapidarian legislative provisions
Regulation of new administrative realities	-,950	,287
Stabilization of the normative framework in force	,820	,533
Increasing the complexity of the legal provisions	,309	,222
A better correlation of the legislative provisions	-,013	-,991

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 3 iterations.

Step 2: Estimation of reliability and predictability indicators

The factors created at step 1 (taking values the estimated factor loadings from step 1) were following factor analyzed. The Kaiser-Meyer-Olkin (KMO) statistic was 0. 603 indicating the validity of the factor analysis method applied. The solution resulted in 3 factors accounted for 67. 8% of total cumulative variance. The resulted factors were labelled: (1) Necessity for flexibility, stability and applicability (variance explained=29. 1%); (2) Necessity for Rigorous control (variance explained=20. 5%); and (3) Necessity for clear legislative provisions (variance explained=18. 2%); Three items loaded on the *first* factor, with factor loadings ranging from -0. 869 to 0. 911. Two items loaded on the *second* factor, with factor loadings ranging from 0. 709 to 0. 894. The perceptual indicators and their factor loadings are presented in the following Table:

Reliability and predictability indicators	Factors		
	Necessity for flexibility, stability and applicability	Necessity for Rigorous control	Necessity for clear legislative provisions
Necessity for Flexible actions	,911	,028	-,024
Lack of contradictory and application methodologies	-,869	,275	-,105
Necessity for Stabilization of the framework in force	,640	,427	,117
Necessity for Rigorous control	,035	,894	-,017
Complexity	-,553	,709	,051
Necessity for lapidarian legislative provisions	-,005	-,114	,938
Stability and clearness	-,139	-,230	-,740
contradictory legal provisions	,089	,109	,911

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 6 iterations.

3.2. Transparency indicators

Regarding the indicators of transparency, the variables corresponding to the “Openness towards the citizen” were considered. At this content, 4 secondary variables have been considered, namely:

- Perceptual indicators regarding applicable statements to the public administration in Greece;
- Perceptual indicators regarding applicable statements to the public administration in EU-15;
- perceptual indicators regarding what the public administration in Greece ensures, within the relation with the citizens;
- perceptual indicators regarding the features characterise the public administration system in Greece.

Step 1: Perceptual Indicators regarding “Openness towards the citizen”

1) At the question “to what extent the following statements are applicable to the public administration in your country” the factor analysis solution resulted in 1 factor accounted for 77.5% of total cumulative variance. The resulted factor was labelled “Equality before the law”. The Kaiser-Meyer-Olkin (KMO) statistic was 0.581 indicating the validity of the factor analysis method applied. The factor loadings are presented in the following Table:

Perceptual indicators regarding applicable statements to the public administration in Greece	Factor
	Equality before the law
Administration is serving the citizen	,866
In relation to public authorities the citizens are not discriminated	,814
All citizens are equal before the law	,954

Extraction Method: Principal Component Analysis.

A 1 components extracted.

2) Referring to the Perceptual indicators regarding applicable statements to the public administration in EU-15, the solution resulted in 1 factor accounted for 61.6% of total cumulative variance. The resulted factor was labelled “non- discrimination of citizens”. The Kaiser-Meyer-Olkin (KMO) statistic was 0.625 indicating the validity of the factor analysis method applied. The factor loadings are presented in the following Table:

Perceptual indicators regarding applicable statements to the public administration in EU-15	Factor
	non- discrimination of citizens
Administration is serving the citizen	,738
In relation to public authorities the citizens are not discriminated	,852
All citizens are equal before the law	,761

Extraction Method: Principal Component Analysis.

A 1 components extracted.

3) The perceptual indicators regarding what the public administration in Greece ensures, within the relation with the citizens, were factor analyzed. The solution resulted in 2 factors accounted for 73.3% of total cumulative variance. The resulted factors were labelled: (1) Non – discrimination (variance explained=49. 5%) and (2) Non – discrimination of persons with disabilities (variance explained=23.8%). Four items loaded on the *first* factor, with factor loadings ranging from 0. 691 to 0. 857. One item was loaded on the *second* factor, with factor loading -0. 954. The Kaiser-Meyer-Oklin (KMO) statistic was 0. 591 indicating the validity of the factor analysis method applied. The factor loadings are presented in the following Table:

Perceptual indicators regarding what the public administration in Greece ensures, within the relation with the citizens	Factors	
	Non – discrimination	Non – discrimination of persons with disabilities
Religious non – discrimination	,857	-,017
Ethnical non – discrimination	,735	,208
Gender non – discrimination	,691	,485
Sexual non – discrimination	,848	-,046
Non – discrimination of persons with disabilities	,014	,954

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 3 iterations.

4) The perceptual indicators regarding the features characterise the public administration system in Greece, were then factor analyzed. The solution resulted in 4 factors accounted for 59,3% of total cumulative variance. The resulted factors were labelled: (1) Procedural non-equity (variance explained = 18.3%); (2) Organizational rigidity (variance explained=17%); (3) Inefficiency (variance explained=12.8%) and (4) Coherence of actions (variance explained=11.2%). Four items loaded on the *first* factor, with factor loadings ranging from -0. 520 to 0.883. Five items were loaded on the *second* factor, with factor loadings ranging from 0. 53 to 0.821. Four items were loaded on the *third* factor, with factor loadings ranging from -0.642 to 0.600. Finally, two items were loaded on the fourth factor, with factor loadings ranging from 0.435 to 0.727. The Kaiser-Meyer-Oklin (KMO) statistic was 0.522 indicating the validity of the factor analysis method applied. The factor loadings are presented in the following Table:

Perceptual indicators regarding the features characterise the public administration system in Greece	Factors			
	Procedural non-equity	Organizational rigidity	Inefficiency	Coherence of actions
Procedural non-equity	,883	,032	,010	-,183
Decisional subjectivity	,752	,106	-,073	,452
Procedural simplicity	,566	-,142	,113	-,105
Political independence	-,520	,397	,427	-,267
Procedural equity	-,299	,039	,267	-,090
Organizational rigidity	,266	,821	,235	-,275
Political servility	-,197	,707	,058	,215
Institutional opacity	-,509	,589	,000	,219
Decisional objectivity	-,417	,574	-,341	-,270
Procedural complexity	,509	,530	-,270	,337
Organizational dynamism	,199	,228	-,642	-,402
Inefficiency	-,196	-,074	-,621	,158
Efficiency	-,071	,021	,604	-,165
Incoherence of actions	,060	,526	,600	,428
Coherence of actions	-,089	-,118	-,115	,727
Institutional transparency	,072	,178	-,047	,435

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 8 iterations.

Step 2: Estimation of transparency indicators

The factors created at step 1 (taking values the estimated factor loadings from step 1) were following factor analyzed. The Kaiser-Meyer-Olkin (KMO) statistic was 0.590 indicating the validity of the factor analysis method applied. The solution resulted in 4 factors accounted for 85% of total cumulative variance. The resulted factors were labelled: (1) Equality (variance explained=35%); (2) Coherence of actions (variance explained=19%); (3) Organizational non- rigidity (variance explained=17%); and (4) Inefficiency (variance explained=14%). Four items loaded on the *first* factor, with factor loadings ranging from -0.775 to 0.850. Two items loaded on the *second* factor, with factor loadings ranging from -0.667 to 0.907. One item loaded on the third factor with factor loading -0.939. Additionally, one factor loaded on the fourth factor with factor loading 0.975. The perceptual indicators and their factor loadings are presented in the following Table:

Transparency indicators	Factors			
	Equality	Coherence of actions	Organizational non-rigidity	Inefficiency
Non – discrimination of persons with disabilities	,850	,208	,048	-,165
Equality before the law	,843	,070	,416	,043
Procedural non-equity	,831	-,065	-,178	,090
non- discrimination of citizens	,775	-,444	,238	-,093
Coherence of actions	,120	,907	,105	,077
Non – discrimination	,221	-,667	,463	,343
Organizational rigidity	-,058	,014	-,939	,025
Inefficiency	-,067	-,007	-,007	,975

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 6 iterations.

3.3. Responsibility indicators

Regarding the indicators of responsibility, the variables corresponding to the “Self-responsibility of the public administration” were considered. At this content, 6 secondary variables were considered, namely:

- Perceptual indicators for the responsibility for the failures of public administration in EU;
- Perceptual indicators for the responsibility for the failures of public administration in Greece;
- Perceptual indicators referring to the activities achieved periodically in respondents’ institution;
- Perceptual indicators of the features characterise the civil servants in Greece;
- perceptual indicators with regards to solving a matter with administrative specificity in Greece;
- Perceptual indicators about citizens’ involvement in the decision-making process.

Step 1: Perceptual Indicators regarding “Self-responsibility of the public administration”

1) Regarding the perceptions about the following statement: “ Generally, in a European country, the responsibility for the failures of public administration as a whole, belongs to...” the factor analysis solution resulted in 3 factors accounted for 79. 3% of total cumulative variance. The resulted factors were labelled: (1) local authorities’ responsibility for the failures of public administration in EU (variance explained: 32,1%); (2) Prime Minister’s responsibility for the failures of public administration in EU (variance explained: 26%); and (3) Citizens’ responsibility for the failures of public administration in EU (variance explained:

21. 2%);. Three items loaded on the *first* factor, with factor loadings ranging from -0. 945 to 0. 945. Three items loaded on the *second* factor, with factor loadings ranging from -0. 783 to 0. 903. Two items loaded on the third factor with factor loadings ranging from 0. 837 to 0. 831. The Kaiser-Meyer-Oklin (KMO) statistic was 0. 501 indicating the validity of the factor analysis method applied. The factor loadings are presented in the following Table:

Perceptual indicators for the responsibility for the failures of public administration in EU	Factors		
	Local authorities' responsibility for the failures of public administration in EU	Prime Minister's responsibility for the failures of public administration in EU	Citizens' responsibility for the failures of public administration in EU
Local authorities	,945	,020	,035
Contract-based employees	-,945	-,020	-,035
Government	,779	,114	,060
Prime Minister	,231	,903	,075
Parliament	,157	,791	-,298
Civil servants	,300	-,783	-,318
Citizens	,070	-,074	,891
President of the state	,054	,100	,837

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 4 iterations.

2) With regards the same as the above statement, but referring to Greece, the perceptual indicators were factor analyzed and the solution resulted in 4 factors accounted for 73.2% of total cumulative variance. The resulted factors were labelled: (1) Local authorities responsibility for the failures of public administration in Gr (variance explained: 21.2%); (2) Contract-based employees responsibility for the failures of public administration in Gr (variance explained: 19%); (3) Government responsibility for the failures of public administration in Gr (variance explained: 16.5%); and (4) President of the state responsibility for the failures of public administration in Gr (variance explained: 16. 5%); Two items loaded on the *first* factor, with factor loadings ranging from 0.806 to 0.809. Three items loaded on the *second* factor, with factor loadings ranging from -0.550 to 0.791. Two items loaded on the third factor with factor loadings ranging from -0.506 to 0.893. Finally, one item loaded on he fourth factor with factor loading 0.893. The Kaiser-Meyer-Oklin (KMO) statistic was 0.501 indicating the validity of the factor analysis method applied. The factor loadings are presented in the following Table:

Perceptual indicators for the responsibility for the failures of public administration in Greece	Factors			
	Local authorities responsibility for the failures of public administration in Gr	Contract-based employees responsibility for the failures of public administration in Gr	Government responsibility for the failures of public administration in Gr	President of the state responsibility for the failures of public administration in Gr
Local authorities	,809	-,117	,011	-,011
Civil servants	,806	,020	-,180	,180
Contract-based employees	,310	,791	,187	-,187
Parliament	-,264	,746	-,009	,008
Citizens	,243	-,550	,426	-,426
Government	-,099	,088	,893	,130
Prime Minister	,388	,026	-,506	,506
President of the state	,099	-,088	,130	,893

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 7 iterations.

3) The indicators referring to the activities achieved periodically in respondents' institution were following factor analyzed. The solution resulted in 2 factors accounted for 65.7% of total cumulative variance. The resulted factors were labelled: (1) Assessments of the activities and missions (variance explained: 33.6%); (2) Monitoring the ongoing activities and action plans (variance explained: 32.1%); Two items loaded on the *first* factor, with factor loadings ranging from 0.917 to 0.918. Four items loaded on the *second* factor, with factor loadings ranging from -0.647 to 0.827. The Kaiser-Meyer-Okin (KMO) statistic was 0.507 indicating the validity of the factor analysis method applied. The factor loadings are presented in the following Table:

Perceptual indicators referring to the activities achieved periodically in respondents' institution	Factors	
	Assessments of the activities and missions	Monitoring the ongoing activities and action plans
Assessments of the activities	,918	,036
Missions of internal audit	,917	,114
Monitoring the ongoing activities	,030	,827
Action plans	-,402	,657
Strategies for labour organization	-,139	-,647
Assessments of the employees	,389	,614

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 3 iterations.

4) The indicators referring to the features characterise the civil servants in Greece were then factor analyzed. The solution resulted in 3 factors accounted for 89.7% of total cumulative variance. The resulted factors were labelled: (1) Morality (variance explained: 34%); (2) Corruption (variance explained: 31.3%); and (3) Political non-servilism (variance explained: 24.4%); Three items loaded on the *first* factor, with factor loadings ranging from 0.936 to 0.973. Four items loaded on the *second* factor, with factor loadings ranging from 0.789 to 0.935. Finally, five items loaded on the *third* factor, with factor loadings ranging from -0.871 to 0.674. The Kaiser-Meyer-Okin (KMO) statistic was 0.587 indicating the validity of the factor analysis method applied. The factor loadings are presented in the following Table:

Perceptual indicators of the features characterise the civil servants in Greece	Factors		
	Morality	Corruption	Political non-servilism
Morality	,973	,118	,164
Political independence	,973	,118	,164
Objectivity	,936	-,031	,196
Corruption	-,127	,935	,059
Subjectivity	,041	,924	,287
Intolerance	,384	,797	-,338
Professionalism	,501	,789	-,248
Political servilism	-,175	,320	-,871
Immorality	,146	,584	-,730
Tolerance	,616	,360	,674
Integrity	,616	,360	,674
Lack of professionalism	,289	,198	,607

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 20 iterations.

5) Following, the perceptual indicators with regards to solving a matter with administrative specificity were factor analyzed and resulted in one factor accounted for 76. 3% of total cumulative variance. The resulted factor labelled “To know civil servants in the system means to have an advantage”. The Kaiser-Meyer-Okin (KMO) statistic was 0. 690 indicating the validity of the factor analysis method applied. The factor loadings are presented in the following Table:

Perceptual indicators with regards to solving a matter with administrative specificity in Greece	Factor
	To know civil servants in the system means to have an advantage
The gifts” and/or “mutual services” enhance the civil servants’ kindness	,914
To know civil servants in the system means to have an advantage	,889
Declared political affiliation may hasten or slow the progress of matters	,816

Extraction Method: Principal Component Analysis.

A 1 components extracted.

6) Referring to the citizens’ involvement in the decision-making process, taking into consideration the administrative practice in Greece, the relevant indicators were factor analyzed. The solution resulted in 2 factors accounted for 79% of total cumulative variance. The resulted factors were labelled: (1) citizens’ involvement in the decision-making process Postpones a concrete decision- making (variance explained: 42%); (2) citizens’ involvement in the decision-making process Consumes the resources of administration, without proving its practical utility (variance explained: 37%). Two items loaded on the *first* factor, with factor loadings ranging from 0.714 to 0.858. One item loaded on the *second* factor, with factor loading 0.924. The Kaiser-Meyer-Okin (KMO) statistic was 0.607 indicating the validity of the factor analysis method applied. The factor loadings are presented in the following Table:

Perceptual indicators about citizens’ involvement in the decision-making process	Factor	
	citizens’ involvement in the decision-making process Postpones a concrete decision- making	citizens’ involvement in the decision-making process Consumes the resources of administration, without proving its practical utility
Postpones a concrete decision- making	,858	,235
Enhances the degree of dissatisfaction concerning the actions of administration	,714	-,463
Consumes the resources of administration, without proving its practical utility.	,044	,924

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 3 iterations.

Step 2: Estimation of responsibility indicators

The factors created at step 1 (taking values the estimated factor loadings from step 1) were following factor analyzed. The Kaiser-Meyer-Olkin (KMO) statistic was 0.510 indicating the validity of the factor analysis method applied. The solution resulted in 4 factors accounted for 74.5% of total cumulative variance. The resulted factors were labelled: (1) morality (variance explained=20.5%); (2) Political non-servilism (variance explained=20.4%); (3) Corruption (variance explained=18.2%);. And (4) Assessments of the activities (variance explained=15.4%);. Four items loaded on the *first* factor, with factor loadings ranging from -0.775 to 0.850. Two items loaded on the *second* factor, with factor loadings ranging from -0.667 to 0.907. One item loaded on the third factor with factor loading -0.939. Additionally, one factor loaded on the fourth factor with factor loading 0.975. The perceptual indicators and their factor loadings are presented in the following Table:

Responsibility indicators	Factors			
	morality	Political non-servilism	Corruption	Assessments of the activities
Morality	,924	-,098	,003	-,025
citizens' involvement in the decision-making process Consumes the resources of administration, without proving its practical utility	,798	,009	,104	,113
Citizens responsibility for the failures of public administration in EU	-,664	,511	,114	-,329
Local authorities responsibility for the failures of public administration in Gr	,584	,340	,011	-,175
Political non-servilism	,044	,825	-,221	-,463
citizens' involvement in the decision-making process Postpones a concrete decision- making	-,161	,820	,257	-,016
Contract-based employees responsibility for the failures of public administration in Gr	-,083	-,801	,216	-,214
Local authorities responsibility for the failures of public administration in EU	,489	,532	,021	-,232
Corruption	,021	,079	,936	-,267
Prime Minister responsibility for the failures of public administration in EU	,041	,078	,857	,449
To know civil servants in the system means to have an advantage	-,116	,513	-,790	,145
Monitoring the ongoing activities and action plans	-,518	,026	,540	,513
Assessments of the activities and missions	,488	-,346	-,102	,715
President of the state responsibility for the failures of public administration in Gr	-,050	,015	,002	,634
Government responsibility for the failures of public administration in Gr	,020	,031	,010	-,616

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 7 iterations.

3. 5. Final stage: Indicators of convergence aiming at a) reliability and predictability; b) transparency; and c) responsibility

This final stage corresponds to the step 3 of the proposed methodological approach. At this step a factor analysis model of the indicators estimated at the previous step 2 is going to be developed. The indicators of a) reliability and predictability; b) transparency; and c) responsibility are going to be factor analyzed via exploratory factor analysis based on the method of Principal Components with Varimax rotation.

The Kaiser-Meyer-Olkin (KMO) statistic was 0.610 indicating the validity of the factor analysis method applied. The solution resulted in 4 factors accounted for 79.8% of total cumulative variance. The resulted factors were labelled: (1) Equality but corruption (variance explained=22.5%); (2) Activities' assessments (variance explained=20%); (3) Necessity for morality flexibility, stability and applicability (variance explained=19.5%);. And (4) Organizational rigidity (variance explained=17. 8%); Three items loaded on the *first* factor, with factor loadings ranging from -0.595 to 0.941. Three items loaded on the *second* factor, with factor loadings ranging from -0.629 to 0.856. Three items loaded on the *third* factor, with factor loadings ranging from -0.799 to 0.799. Two item loaded on the last factor with factor loadings ranging from -0.941 to 0.880. The perceptual indicators and their factor loadings are presented in the following Table:

Indicators of convergence aiming at a) reliability and predictability; b) transparency; and c) responsibility	Factors			
	Equality but corruption	Activities' assessments	Necessity for morality flexibility, stability and applicability	Organizational rigidity
Equality	,941	,034	,087	,148
Corruption	,896	,141	-,271	-,113
Necessity for clear legislative provisions	-,595	,555	-,462	-,063
assesments_of_the_actvities	-,142	,856	,187	,059
Inefficiency	-,058	-,761	-,141	,141
Necessity for Rigorous control	-,382	-,629	,087	,004
morality	-,278	,129	-,799	,346
Necessity for flexibility, stability and applicability	-,340	,299	,779	,350
coherence_of_actions	-,101	,158	,696	,127
organizational_non_rigidity	,082	-,037	,079	-,941
non_servilism	,195	-,186	,215	,880

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 9 iterations.

4. Discussion

The paper is based on the research (and its survey questionnaire developed) within the frame of the project *European Administrative Space (EAS)*, via NSPSPA; UNIVERSITY OF THE AEGEAN; NEW BULGARIAN UNIVERSITY; UNIVERSITY OF RIJEKA; and EPLO (2010).

The aim of this paper was to develop a statistical tool to identify the factors indicating administrative convergence, in order to provide an insight into the latent structure of bureaucracy in a country or a set of countries. That tool has been based on exploratory Factor Analysis, applied at three- steps.

This paper developed indicators of administrative convergence aiming: a) reliability and predictability; b) transparency; and c) responsibility. The methodological approach proposed is a three- step exploratory factor analysis, in order to reduce data, via correlating the variables of each stage and so identifying the factors indicating the variables of the previous stage. The method employed is the commonly used method of Principal Components, via Varimax rotation

A three- step Factor Analysis was then conducted and a pilot study for Greece was developed (using data collected from 22 employees in Greek public administration, during December 2010). The pilot study's results indicate that the methodology proposed is applicable for the subject of research, while the data are well-fitted to the estimated models. Furthermore, some basic issues for estimating a viable factor analysis model are following considered:

- Of important significance is the value of the factor loading corresponding to a specific variable- actually the factor loading is the correlation of the factor with that variable. This is the reason that a factor is identified by the set of variables with strong correlation with it.
- In order to estimate the number of the resulted factors the criterion of the eigenvalues (to be greater than 1), is the most typical to be applied. In addition, the most typical method for the extraction of the factors is Principal Components, while the most typical rotation (of the factor loadings) is Varimax rotation (by which the factors accounted for the most of total cumulative variance of the corresponding variable are amplified).
- Another important issue is the size of the sample- a minimum of 100 responses is necessary, in order to estimate a valid factor model.
- Reliability analysis of the short- stage variables (before factor analysis) has the potential to improve factor analysis and results.

Future research includes an application based on a more reliable sample, with the appropriate size.

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SOCIO-STATISTICAL RESEARCH ON THE INTERNALIZATION OF THE EUROPEAN ADMINISTRATIVE SPACE PRINCIPLES IN THE ROMANIAN PUBLIC ADMINISTRATION

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Abstract

The current pace of European integration reforms in Romania gives us the opportunity to analyze the way different social entities encapsulated values and principles emerged from the European policies. For any state, and especially for the ones newly adhered to the European Union, public administration is or must become receptive to the major social transformations, thus ensuring the necessary infrastructure for its operationalization. In this context, the un-formalized European acquis as expressed by the principles of the European Administrative Space (EAS) becomes a true standard whose internalization at national administrative level may give us the relevant information on the depth of the European integration process.

Starting with the EAS principles, the authors conceptualized a specific instrument/questionnaire as to assess in a socio-statistic perspective, its internalization. Designed within the framework of modern theories of organizational sociology, that view the internalization as a process of organizational learning and change, and using a relevant sample of Romanian civil servants, the questionnaire offered important and useful results to the future national policies and strategies necessary to the harmonization of the Romanian administration to the European one.

Keywords: EAS principles, socio-statistics, Romanian public administration.

1. Theoretical background

1.1. On the internalization of norms

Scholars of social sciences have tried to demonstrate that international rules influence state behavior by pointing to correlations between the existence of rules and apparent rule-guided state actions (Cortell and Davis, 1996). In fact, part of the relevant doctrine, identified two processes or pathways by which an international institution's rules or norms can become institutionalized at the domestic level. First, it was by infusing the beliefs and values of actors within the state; as pointed by R. McElroy (1992, in Cortell and Davis, 1996, 453): "The conscience of a state decision maker can lead him to actually decide in favor of a particular policy action at least in part because of its moral significance." Second, it has been argued that a regime's tenets may become enmeshed in a country's domestic political processes through the standard operating procedures of bureaucratic agencies. Cortell and Davis (1996, 453-454) suggest however two complementary pathways little discussed by the literature. First, government officials and societal actors can invoke an international rule to further their

own particularistic interests in domestic policy debates; in other words, a domestic actor can use the existence of an international rule to justify his/her own actions or to call into question the legitimacy of another's. A second way by which an international institution's rules can become institutionalized into the domestic political process is through their incorporation or embodiment in national laws.

However, these pathways, as described by Cortell and Davis (1996, 454) will not lead international rules and norms to affect a state's policies in every instance. In fact, there is likely to be some variation in the domestic impact of international rules across countries and across different issue areas within single countries. This variation reflects two factors: the domestic salience of the international rule or norm; and the domestic structure that prevails during a given policy debate.

Relevant to the scope of this paper is the concept of domestic salience. It is conceived as largely relevant to the aspect of internalization of norms, as understood by the authors of this paper. In the words of Cortell and Davis (1996, 456), an international norm's domestic salience largely derives from the legitimacy accorded it in the domestic political context. Usually, "an international rule lacks domestic salience if the state has denied the rule's legitimacy. Such denials might take the form of the state's repeated lack of compliance with the norm's obligations, or its refusal to ratify agreements associated with the international rule".

By internalizing norms, this paper will therefore refer to the situation in which international norms receive the state's acknowledgement of the latter's legitimacy.

1.2. On the European Administrative Space

The conceptualization and transformation of the "European Administrative Space" (EAS) into an instrument for evaluating the public administration reforms in the Central and Eastern European countries was developed by SIGMA with the support of the PHARE projects, in response to the European Council's requests regarding the process of accession to the EU, formulated at Copenhagen, Madrid or Luxemburg between 1998 and 1999.

According to Fournier (1998, 121), the European Administrative "is gradually taking shape. In order to implement Community decisions, the public servants of Member States meet frequently. They get to know each other and trade views and experiences. Patterns of communication develop which have an impact on decision-making, so that common solutions are often found. Officials and experts from European States are becoming used to examining issues jointly, including those having to do with public administration. A European administrative space is emerging with its own traditions which build on but surpass the distinctive administrative traditions of the Union. Administrative reliability, which is necessary for the rule of law, effective implementation of policy and economic development, is one of the key characteristics of this space".

It is obvious that until recently, this administrative space was limited by the national borders of the sovereign states and was the product of the national legislations. The evolutions that followed (gravely marked by the creation and enlargement of the European Union that determined the development of the national administrative spaces towards supranational

dimensions) lead to the dissolution of the traditional boundaries of sovereignty (Matei and Matei, 2010).

The European Administrative Space is a metaphor with practical implications for Member States and embodying, *inter alia*, administrative law principles as a set of criteria to be applied by Candidate countries in their efforts to attain the administrative capacity required for EU Membership” (OECD, 1999, 9).

The existence of an European Administrative Space implies that the national public administrations are ruled based on common European principles, norms and regulations, uniformly implemented within a relevant territory (Cardona, 1999, 15). In a summarized view, these principles reflected upon the reliability and predictability of the public administration, its openness and transparency, efficiency and effectiveness and accountability. For the scope of this Paper, only the rule of law, openness to the citizens and accountability are to be considered.

2. Operationalizing the european administrative space

2.1. Rule of Law

From a point of view, the rule of law is a “multi-sided mechanism for reliability and predictability” (OECD, 1999, 12). As a principle of the European Administrative Space, it may be rephrased as “administration through law”, a principle meant to assure the *legal certainty* or *juridical security* of the public administration actions and public decisions.

Other connotations of this principle may be observed when we refer to the opposition of the rule of law in regard to the arbitrary power, cronyism or other deviations of the latter that should not be seen as similar to the discretionary power applicable in cases when, within the legal framework, a certain degree of decisional freedom is allowed.

Exercising the discretionary power is limited by the principles of administrative law by means of which the public administration is forced into acting in good trust, follow the public interest, use fair procedures for equal and non-discriminatory treatment and respect the legal principle of proportionality.

Operationalizing the rule of law is a rather difficult attempt. Taking into consideration the SIGMA papers on the European Administrative Space, the constitutional doctrine (specifically the one relevant to the characteristics of the general, legal norm) as well as the works of other scholars on public administration reforms in Central and Eastern European acceding countries, this paper considers that rule of law is quantifiable by means of: 1. law stability and 2. political consensus on the content and implementation procedures of the law.

In what concerns the question of *law stability*, Central and Eastern European Countries have genuinely known a rather unstable legal framework (Agh, 2005); that actually generated several negative remarks of the European Commission on the progress towards accession to the European Union (The 1998-2004 Regular Reports; The 2005-2006 Monitoring Reports). Therefore, a clear vision of the stability of the law is necessary when discussing the actual put in practice of the rule of law principle.

Political consensus on the final form of the law as well as on the methods for implementing the law is again, a very important factor in the making and maintenance of the rule of law. For the Central and Eastern European Countries, the process of accession to the European Union was overall perceived as a positive one (that giving the very high percentages of Euro-optimists in the Euro-barometers): hence, many of the political factors in the reforming times were in agreement on following the exact patterns set forward by the European institutions. That did not necessarily create a true culture for the rule of law, but it at least strengthened its institutional building.

2.2. Openness towards the citizen

The principle of openness and transparency draw from the reality that public administration is the *resonator of the society*, assuring the interface with the citizen, the user of its services (Matei and Matei, 2010).

The development of different social phenomena, such as the corruption or mal-administration, must be controlled by the society. This urges the administration to become available and to offer sufficient information to the exterior. As such, the openness and transparency refer to these exact attitudes and constitute the necessary instruments for achieving the rule of law and the equality before the law and its representatives. Assuring the openness and transparency, we protect both the public and individual interests.

The reference goes here to the practices imposed by the administrative principles, like in the case of administrative actions being accompanied by statements of reasons, etc. To this, we may add the necessity for the public administration to grant a non-discriminated access to public recordings and recognize the possibility of citizens to address complaints in case of mal-administration.

It should be noted that openness gained new characteristics once the public administration was considered to be a public service. In this context, openness becomes acquisitiveness to the citizens or other authorities' initiatives regarding the improvement of public services and their getting closer to the citizen. A new concept emerged, largely described by OECD (1996) that of the open administration (Matei and Matei, 2010).

For the scope of this paper, the operationalization of the criterion of "openness to citizens" took into account the issues of discrimination and equality before the law. Deriving from a democratic rule of law, an open public administration was considered to be the one which allowed citizens to participate to the decision-making process, without being discriminated on grounds of sex, race, ethnicity, fortune, etc. (Iancu, 2010).

Also, considering that in the process of acquiring domestic salience of the principles of administrative openness and transparency, Western practices and principles of administration were delivered as good examples, Eastern countries actually legitimized their changes by creating an ideal picture of the European Union of the 15s. In fact the authors analyzed the potential clash the individual civil servants saw between their administration and that of the European Union's older Member States.

2.3. Self-responsibility of the public administration

As formulated by OECD (1999), accountability is one of the instruments showing that principles like the rule of law, openness, transparency, impartiality, and equality before the law are respected; it is essential to ensuring values such as efficiency, effectiveness, reliability, and predictability of public administration. As it is described in the doctrine, accountability means that any administrative authority or institution as well as civil servants or public employees should be answerable for its actions to other administrative, legislative or judicial authorities.

Furthermore, accountability also requires that no authority should be exempt from scrutiny or review by others, which means that, simultaneously or priorly, mechanisms for implementation are created. These mechanisms contain a complex of formal procedures that give a concrete form to the accountability act, as well as supervision procedures that aim to ensure the administrative principle of “administration through law”, as it is essential to protect both the public interest and the rights of individuals as well (Matei and Matei, 2010).

In operationalising the principle of accountability, this paper introduced the concept of self-responsibility of the public administration, meaning the capacity the latter shows in acknowledging its behaviors when confronted with the citizens. Closely connected to the principle of openness and transparency, self-responsibility was defined by means of formal organization, legal procedures and current practices it exhibits in the interaction with the citizens.

The items presented above received a particular attention because of the assumptions this paper made: public employees tend to assume that the responsibility for mal-practices belongs to the heads of their organizations or even to the citizens themselves. The eventual absence of internal evaluation and control of practices would most likely conclude the lack of internal salience of any accountability-related norm. Corruption was another subject of interest in this paper: as argued by Matei, Roșca and Andrei (2009), public administration in transition countries face the doubts of corruption and therefore tend to be considered by their citizens and sometimes, their employees, as less trust-worthy than they actually are. In this respect, the legal procedures aiming at ensuring the existence of accountability mechanisms seem rather not-internalized, than salient.

3. Empirical evidences on the internalization of the European administrative space in Romania

The socio-statistic research presented in this paper was based on a representative sample of Romanian civil servants and public employees from the central and local public administration and other areas of the public sector, such as education, health, etc.

3.1. Description of the sample

The research was conducted based on a questionnaire (Annex 1) that was distributed in March 2008 to 634 subjects, of which 592 offered valid inputs. According to the working place of the subjects, 22.2% of the interrogated subjects were civil servants employed in the central public administration, 5.4% worked as civil servants in the territorial administration and 26.9% in the local public administration. The current developments present in the Romanian society and the implementation of the European Administrative Space concept have

determined the presence, in the sampling, of representatives of the tertiary sector. This is because the latter are included in the delivery of services of public interest, organized as a consequence of the privatization of former public services or the creation of public-private partnerships (15.1%), autonomous organizations (3.7%) and the quaternary sector (26.7%).

3.2. Structure of the questionnaire

The questionnaire is structured on three major themes, correlated to the basic principles of the European Administrative Space: rule of law, openness towards citizens and self-responsibility of the public administration.

The variables defined and used in the questionnaire are to be found on three levels of aggregation, in connection to the objectives of investigation as formulated for the three major themes. In order to evaluate the quantitative characteristics associated to each primary variable, we used the report scales with values in the following set {1, 2, 3, 4, 5} or {0, 1}. The values of the scales are equidistant. The primary variables are directly defined based on the questions of the questionnaire. The primary variables were grouped in relation to the connections set between them by the relevant doctrine. The aggregation module was established in relation to the common statistical methods. Usually, we calculated the level of values and (or) the descriptive indicators that characterize the mean, the variance, the asymmetry and skewness for the majority of primary and aggregated variables

3.3. Research output

3.3.1. Rule of law

The Rulelaw (q1) variable was designed as a level 3 aggregated variable and obtained from the aggregation of level 2 variables. The latter referred to: the legislative sustainability (SusLeg – q11), elimination of deficiencies in the national administrative system (ElDef – q12), the causes of deficiencies in applying the administrative ruling (CausDef – q13), the necessary conditions for the welfare of administrative activities (NecCond – q14), as well as the necessary conditions for stabilizing the legislative framework (NecStab – q15).

a) The legislative sustainability (SusLeg)

The variable offers an empirical image of the level of sustainability of the legal and normative framework of the public administration. It is formed by aggregating four primary variables which quantify the perception on stability (q11a), clarity (q11b), complexity (q11c) and comprehensiveness (q11d). The statistical analysis proved a **low level of the knowledge** of the European Administrative Space principles and a high interest in considering the **complexity as the most important feature of the system**.

b) Eliminating the deficiencies in the national administrative system (ElDef)?

The variable attempts to identify the ways to eliminate the deficiencies in the national administrative system, suggesting as premises for analysis: the internal political consensus (q12a), the control of the legality of administrative acts (q12b), the speeding of the procedures aimed at adopting the law (q12c) and the control of the law application (q12d).

The most notable observation here is that the majority of answers advocate in favor of a **rigorous control of the legality of administrative acts** and almost equally they indicate the

rest of the methods. Also, one may observe that the answers generally tend to choose a complex of alternatives aimed at the good functioning of the national administrative system.

The analysis of several relevant characteristics of the four variables indicate a majority option (56.2%) towards the need of **control of decision-making process**. The rest of variables are equally representative (38.4%-41%). The Skewness Coefficient close to 0 in a rather equal value (0,237-0,247) indicates a symmetrical distribution of the answers.

c) Enforcing the administrative rules

Defining these variables started from the existent situation in the Romanian public administration, one that suggested the absence of the law and the instruments and procedures needed for its implementation as well as the methodological inconsistency. In this context, the four variables refer to the concomitant existence of several contradictory legal procedures (q13a), and methodological and procedural provisions (q13b), and the absence of a proper legislative framework for driving an efficient administrative action (q13c) and of a methodology for the proper application of the law (q13d).

The analysis of the statistical characteristics of the four variables point a high percentage (48.35%) of **contradictory legal provisions**, while for the rest of variables, the percentage is approximately equal (38.26%-39.13%).

The simultaneous appearance of several types of causes that affect the application of administrative rules may be pointed by analyzing the sum dependent variable (Table 15). If we eliminate the lack of options for one of the four variables, we find that 48.5% of the answers opt for the **simultaneity of several causes of the ill enforcement of administrative rule**.

d) Improving the legal framework specific to the administrative rules

Deepening the internalization of the European Administrative Space principles and values in the Romanian public administration needs continuous and diverse legal provisions so as to more properly describe the new realities of the reformed national administration. The actual assessment offers a more opportune perspective on four directions derived from both the strategic reform orientation as well as from the good European practices and the principles of the European Administrative Space.

In this context, four variables present the stabilization of the normative framework in force (q14a), regulation of new administrative realities (q14b), increasing the complexity of the legal provisions (q14c), as well as a better correlation of the legislative provisions (q14d). There was the possibility of multiple answers, and an analysis of the results gave us the certitude of the need to approach the process described by the four variables in a more complex manner. The analysis of the statistical characteristics of the four variables shows a high ratio (60.5%) of the options regarding the **better correlation of the legal provisions**, followed by the **stabilization of the legal framework** (46.1%).

e) Stability of legal framework of the public administration

The study of different reports on the state of art and the problematic of the Romanian public administration pointed towards some of the most important problems regarding the stability of the legal framework of the public administration. The multitude of legal texts, as well as their

frequent amendments determined a serious and disruptive phenomenon which endangers, as will be shown, the internalization of the European Administrative Space principles.

In this context, we considered necessary to introduce several control variables that should evaluate the views inside the system in regard to the stability of a certain legal framework. Using such control variables is to be considered complementary to the already defined variables of the European Administrative Space principles.

The characteristics of the control variable denote, on one hand, the general opinion (46.8%) according to which the **legal framework is stable after a minimum of 5 years practice**. Also, 38.6% of the answers link the stability to a minimum 10 years practice, while only 14.6% support the idea of stability as linked to a minimum 1 year of practice. Naturally, considering the type of variables, the one in question is independent in connection to all other aggregated variables, its Pearson correlation coefficients being between -0.042 and 0.032.

3.3.2. Openness towards the citizen

The evaluation of the openness towards citizens of the public administration is based on four aggregated variables of level 2, which in accordance to the principles of the European Administrative Space and their content take into consideration: firstly, the internal assessment, from a national and European perspective, of the level of multiplication and implementation of the situations in which administration works for the citizen, does not discriminate them and treats them equally. Secondly, the degrees of multiplication and implementation of the non-discriminatory attitudes (towards religion, ethnicity, gender, sex, disabilities), as well as different other important characteristics of the public administration regarding the institutional transparency, the procedural simplification and equity, the efficiency, the dynamism and coherence of the actions, the decisional objectivity and the political independence.

For the scope of this analysis, we have taken into consideration the features presented by the national and European public administrations when connected to the citizens. Also, the questionnaire analyzed the perception on the non-discrimination (based on religion, ethnicity, gender, sex and disabilities) of the citizen in relation to the public administration. The characteristics of an open administration were also taken into consideration. As such, we included there the institutional transparency, the simplification, equity and decisional and procedural objectivity, as well as the political independency.

These characteristics which are not to be treated exhaustively, have been evaluated by introducing several complementary, binary variables whose aggregation should offer us a proper image on the current state of art in the Romanian public administration.

We observed that the considerably low means of several variables refer to the administrative simplification (0.0835), the organizational dynamics (0.0975) and the coherence of the actions (0.0922). This might lead to more serious analyses on the evolution of the bureaucratic processes in the Romanian public administration. The qualitative conclusions expressed by the media as well as by scholars and practitioners regarding the low efficiency of the Romanian public administration, **the lack of institutional transparency and decisional objectivity** are confirmed by our data. As such, the aspects we analyzed remain, in perspective, the most important characteristics to influence the general level of internalization

of the principles and values of the European Administrative Space. The highest mean (0.2522) we obtained for the **political independency** may be explained due to the structure of the sample we used, which includes a significant high ratio of high civil servants that are usually the target group for political interventions. An analysis of the **Pearson correlation notes positive correlations, of low intensity (0.078-0.412) between all the variables in question, except that of political independency, negatively correlated to the rest of variables.**

The four aggregated variables offered both an evaluation regarding the level of internalization of the principles and values of the European Administrative Space regarding the openness of the Romanian public administration towards citizens (q21, q23, q24), as well as an image on the way the answer givers see the European administration as a service in the benefit of the citizen (q22). The idea of seeing the **national and European public administration as a public service working for the citizens** strengthens the latter characteristics regarding the non-discrimination and equality in connection to the public service.

Amongst the empirical opinions expressed, the two variables – one referring to the Romanian administration (q21) and the other regarding the European administration – are correlated statistical (0,447).

3.3.3. *Self-responsibility of the public administration*

Level 3 aggregated variable to be built attempts to analyze the internal transformations, specific to administrative organizations that may lead to the increase of internal responsibility and to create the conditions for evolution of the public administration in accordance to the processes of the European Administrative Space.

The independent variables are multiple, and they will lead to:

- evaluation of the responsibility for the administrative “failure” to the European level (q31) or the national one (q32);
- description of the instruments and frequencies of using the latter to the practice of the public administration (q33);
- description of the main characteristics of the civil servants of the national public administrations (q34);
- emphasizing the simpler “ways” to solve the problems raised by citizens (q35);
- self-assessment of the opinions of the public authorities regarding the implication of the citizens in the decision-making process (q36).

a) General, national view of the administrative “failure” in a European country

The administrative “failure” refers to the concept of mal administration, the absence or inconsistency of the democratic procedures of the administrative system, the lack of a strategic vision at central or local level and, of course, the inefficiency of administrative processes. In this context, the variables will empirically evaluate the responsibility specific to the main actors of the decisional and operational bodies of the administration. The assessment offers a comparative landmark for the Romanian public administration, in comparison to the perception of the European realities. As expected, the **highest responsibility is placed under the central Government (58.6%)**, the local authorities (47.5%) and the civil servants (28.2%). It is rather interesting the opinion on the responsibility of the citizens (11.7%), far higher than the responsibility placed to the President/leader of the state.

b) Evaluation of the administrative “failure” in Romania

In the context of understanding the “failure” just in the previous chapter, the actors taken into consideration are the national ones. The most important changes in the views expressed by the answer givers refer to the increase in the complexity of responsibilities with almost 11%, as well as of the President’s responsibility (with 4%), that of the Prime Minister’s (with 5%), of the Parliament (with 5.5%), as well as of the other actors, except the citizens.

Just in the European case, **the responsibility belongs, in average, to 2 up to 3 actors**, but due to a standard deviation, it points to a relevant responsibility of more than four actors.

c) Instruments and procedures for the organization of daily public administration activities

The internalization in daily activity of the public administration of several instruments, procedures and best practices of the European administrations of the European Administrative Space represents one of the most important objectives of the diversification and further investigation of the principles of the European Administrative Space.

Analyzing the current activity of several administrations, the present assessment took into account six instruments and procedures relevant to the organization and scientific planning (q33a, q33b), internal audit (q33c), assessment of the employees and their activity (q33d, q33e) and the monitoring of the activities (q33f). The frequencies of the relevant answers are presented in Table 46.

We observe that the most often used instruments are: **assessment of the employees** (55.3%), **internal audit** (41%) and **action plans** (39%). Their high frequency is determined by the necessity to respect several legal provisions specific to public administration in Romania.

d) Characteristics of the Romanian civil servants

We have included in this study several variables on civil service, based on our conclusion that almost all the studies regarding the public sector reform and public management reform give a special attention to the development of the civil service as a politically independent, meritocratic, professional and ethical service. In this context, we have stopped to six independent variables which in our view are the most relevant for the extension of the European Administrative Space: objectivity (q34a), political independence (q34b), morality (q34c), tolerance (q34d), professionalism (q34e) and integrity (q34f). All their opposite characteristics were also evaluated and presented. Using a bivalent evaluation, we consider the study of the six variables to be relevant (the other variables remained complementary).

The research showed three important groups of the main characteristics of the civil servants – **professionalism and tolerance** (40-50%), **morality and political independence** (32-37%) and **integrity and objectivity** (25-28%).

Generally, the options were significant increase for professionalism and political independence; this comes as a contradiction with the current academic and public opinion views. This situation may be justified by the fact that our target group was formed out of civil servants (management and operational). Placing together the answers, we find a considerable relevancy to two up to three characteristics (41%), but also, of all other characteristics (3.8%).

e) Evaluation of preferential attitudes in civil services

Public administrations in the states that have recently become part of the European Union are suspected, just fully, to have developed **favorable attitudes towards certain citizens**. This attitude, not in line with the principles of the European Administrative Space, is determined by several causes amongst which, for this present study, we have selected only the following:

1. granting of gifts or mutual services in exchange of public services (q35a);
2. existence of mutual acquaintances or direct connections (friendship relations, family relationships) (q35b);
3. membership in the same party of interest groups (q35c).

f) Perception on the impact of the citizens on decision-making process

The implication of citizens in the decision-making process is clearly established in the Romanian legal provisions. The studies and analyses **reveal an attitude, not quite favorable, of the public administrators**. As such, the variable is quite relevant, and it evaluates the negative perception the citizens have in connection to the public authorities.

The independent variables separately evaluate:

1. “the discontent” with regard to the administrative actions due to the citizens’ involvement in the decision-making process (q36a);
2. “the delay” in taking a decision due to the involvement of citizens in the decision-making process (q36b);
3. “the lack of practical utility” of the involvement of citizens in the decision-making process (q36c).

4. Conclusions

These conclusions aim to make a quantitative assessment of the internalization of the principles and values of the European Administrative Space in the Romanian public administration. These principles referred to the rule of law, openness towards citizens and self-responsibility of the public administration. For the rule of law variables, the research showed a medium internalization ($m = 2,47$), with a majority of answers favoring the **instability, confusion, simplicity and incompleteness of the Romanian legal framework**. The Romanian public administration seems to be **open towards its citizens** (at least in terms of the existent legal framework), but **fails in producing solid proofs for not being subject to corruption**. If things seemed to go in the wrong direction for a sound public administration development, then the **responsibility was considered to be both in the hands of the central and local governments**. **Citizens are somehow passive viewers** of the public administration: not sharing any relevant responsibility for the failure of the administration, they become visible only when being directly affected, interested in the decision-making process. Then, civil servants perceive them as obstacles in the well functioning of the system, and they perceive **the system as unfriendly and corrupt**.

The research showed that there is a serious need for deepening the analysis on the apparent clash between substantive and formal in public administration reforming. To this end, this paper offers a starting point and advocates in favor of expanding the public administration research towards quantitative and qualitative analyses, rather than to pure descriptive arguments.

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Annex. Questionnaire

q1: Rule of law

q11. In your opinion, the current legislation applicable to the public administration in your country is ... (tick the alternatives applying for *a*, *b*, *c* and *d*):

	1	2	3	4	5
a.	Totally unstable	Rather unstable	Rather stable	Very stable	I do not know/I do not answer
b.	Very confuse	Rather confuse	Rather clear	Very clear	I do not know/I do not answer
c.	Very simple	Rather simple	Rather complex	Complex	I do not know/I do not answer
d.	Incomplete	Rather incomplete	Rather complete	Complete	I do not know/I do not answer

q12. In your opinion, *in terms of legislation*, in view to *eliminate the deficiencies* in the national administrative system, it is necessary ... (please tick the alternatives that apply. More answers are possible):

a.	Domestic political consensus concerning the rules applicable to the public administration	
b.	Rigorous control of the legality of administrative acts	
c.	Speeding the procedure to adopt the rules applicable to the public administration	
d.	Strict supervision of enforcement of the administrative rules	
e.	Others (please mention).	

q13. Taking into consideration your professional experience in enforcing the administrative rules specific to the public administration, you witness. . . . (please tick the alternatives that apply. More answers are possible):

a.	The existence in the same time of contradictory legal provisions	
b.	The existence in the same time of contradictory methodologies for law enforcement	
c.	The lack of the legislative framework necessary for efficient delivery of administrative activities	
d.	The lack of methodology for applying the provisions in force	

q14. In your opinion, *in terms of legislation*, for a better delivery of the activity within the public administration, it is necessary. . . . (please tick the alternatives that apply. More answers are possible):

a.	Stabilization of the normative framework in force	
b.	Regulation of new administrative realities	
c.	Increasing the complexity of the legal provisions	
d.	A better correlation of the legislative provisions	

q15. Generally, how would you appreciate the stability of the legislative framework?

a.	If the rules are in force for over 10 years, the legislative framework is stable	
b.	If the rules are in force for over 5 years, the legislative framework is stable	
c.	If the rules are in force for over 1 year, the legislative framework is stable	

q2: Openness towards the citizen

q21. In your opinion, to what extent the following statements are applicable to the public administration in your country? (please tick the alternatives that apply)

		1	2	3	4	5
		To a very low extent	Rather to a low extent	Rather to a large extent	To a very large extent	I do not know/I do not answer
a.	Administration is serving the citizen					
b.	In relation to public authorities the citizens are not discriminated					
c.	All citizens are equal before the law					

q22. In your opinion, to what extent the following statements are applicable to the public administration in EU-15 (France, United Kingdom, Germany, Italy, Spain, Portugal, Greece, Ireland, Austria, Belgium, Luxembourg, The Netherlands, Sweden, Denmark, Finland)? (please tick the alternatives that apply)

		1	2	3	4	5
		To a very low extent	Rather to a low extent	Rather to a large extent	To a very large extent	I do not know/I do not answer
a.	Administration is serving the citizen					
b.	In relation to public authorities the citizens are not discriminated					
c.	All citizens are equal before the law					

q23. Based on your professional experience, within the relation with the citizens, the public administration in your country ensures ... (please tick the alternatives that apply):

		1	2	3	4	5
		To a very low extent	Rather to a low extent	Rather to a large extent	To a very large extent	I do not know/I do not answer
a.	Religious non – discrimination					
b.	Ethnical non – discrimination					
c.	Gender non – discrimination					
d.	Sexual non – discrimination					
e.	Non – discrimination of persons with disabilities					

q24. In your opinion, which of the following features characterise the public administration system in your country? (please tick the alternatives that apply. More answers are possible)

	Institutional transparency		Institutional opacity
	Procedural simplicity		Procedural complexity
	Efficiency		Inefficiency
	Organizational dynamism		Organizational rigidity
	Coherence of actions		Incoherence of actions
	Procedural equity		Procedural non-equity
	Decisional objectivity		Decisional subjectivity
	Political independence		Political servility

q3: Self-responsibility of the public administration

q31. Generally, in a European country, the responsibility for the failures of public administration as a whole belongs to ... (please tick the alternatives that apply. More answers are possible):

a.	President of the state
b.	Prime Minister
c.	Government
d.	Parliament
e.	Local authorities
f.	Civil servants
g.	Contract-based employees
h.	Citizens

q32. For your country, the responsibility for the failures of public administration as a whole belongs to... (please tick the alternatives that apply. More answers are possible):

a.	President of the state	
b.	Prime Minister	
c.	Government	
d.	Parliament	
e.	Local authorities	
f.	Civil servants	
g.	Contract-based employees	
h.	Citizens	

q33. In your institution, the following are achieved periodically ... (please tick the alternatives that apply. More answers are possible):

a.	Strategies for labour organization	
b.	Action plans	
c.	Missions of internal audit	
d.	Assessments of the employees	
e.	Assessments of the activities	
f.	Monitoring the ongoing activities	

q34. In your opinion, which of the following features characterise the civil servants in your country? (please tick the alternatives that apply. More answers are possible)

a.	Objectivity		g. Subjectivity
b.	Political independence		h. Political servilism
c.	Morality		i. Immorality
d.	Tolerance		j. Intolerance
e.	Professionalism		k. Lack of professionalism
f.	Integrity		l. Corruption

q35. In solving a matter with administrative specificity, do you consider that ... (please tick the alternatives that apply):

		1	2	3	4	5
		To a very low extent	Rather to a low extent	Rather to a large extent	To a very large extent	I do not know/I do not answer
a.	„The gifts” and/or „mutual services” enhance the civil servants’ kindness					
b.	To know civil servants in the system means to have an advantage					
c.	Declared political affiliation may hasten or slow the progress of matters					

q36. In your opinion, taking into consideration the administrative practice in your country, the citizens’ involvement in the decision-making process... (please tick the alternatives that apply):

		1	2	3	4	5
		Total disagreement	Rather disagree	Rather agree	Total agreement	I do not know/I do not answer
a.	Enhances the degree of dissatisfaction concerning the actions of administration					
b.	Postpones a concrete decision- making					
c.	Consumes the resources of administration, without proving its practical utility.					

CIVIL SOCIETY AND EUROPEAN ADMINISTRATION SYSTEM

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Introductory thoughts

The advent of the White Paper on European Governance in the EU legal policy environment has definitely added a brand new legitimate procedure to the complex process of European integration. This refers to the direct dialogue between the European institutions and the structures of civil society. According to the European Commission, civil society should play an important role in the development of the EU policies. Institutions and Member States should enhance their political will in order to improve consultation with the stakeholders on EU policies. To this end, the European Parliament plays a key part, given its role as representative actor of the society.

The Lisbon Treaty strengthens the democratic equality among the participants in the European integration process by introducing as well the meaning of the European Citizens' Initiative. Article 11 on participatory democracy provides that, with the initiative of at least one million EU citizens, from a significant number of Member States, the Commission may be invited to submit appropriate proposals on matters where citizens considered that a legal act from the Union was necessary.

Through this latest revision, the registered Union Treaty makes a new constitutional framework respectable, particularly through the establishment of multileveled governance. This institutional development suggests, on the one hand, a more practical involvement in the decision making bodies, such as the Committee of the Regions that used to have a supporting role, and on the other hand, a more practical respect for the principles, such as subsidiary, which contribute substantially to the decentralization at a community level. Initially this multileveled governance reflects the necessity of running the partnership as a focal point of the community (intergovernmental) method and the starting process of European integration. In addition, however, it contributes to the cultivation of a common public sentiment in the community governance framework, which can be expressed either through European solidarity or European citizenship, since the direct link between these processes is social and economic development.

The above considerations allow *the case of European citizenship to be a central issue in the creation a common European future*. Citizenship is considered, not randomly, as a crucial tool for the constitution of a *common political consciousness* and also of a European identity that is founded on the community of rights and values, between different perceptions and interpretations of the strategies and modalities that the political actors invoke. (Fritz Scharpf : 1999, 16επ.). Consequently, the uptake of this option indicates the true scope of a joint

intention towards a bi-national based community, which does not correspond in any way to the recognition of a *community population, state or even nation*.

First chapter

Determination of the citizen's role and the importance of the Europeanization in the framework of the European Administration System

1. The civil society concept according to the EU

The concept of civil society is open to many different interpretations derived from the various academic areas of concern. This exaggeration often adds to the intense mood of the so-called factors of production of community action, which are recorded as members of civil society. (Weisbein : 2007, 51-52). This interest, which is expressed through the inclusion of certain actors in civil society, can sometimes be translated in terms of hope for a democratic revival of the European system but also in terms of danger as a risk and sometimes challenge of the classical state organization that we have seen in Europe. (Salmon: 2007).

Civil society produces a new form of political professionalism that is required to manage ethical issues and also important in order to use a new type of political action, such as the networks and the (non-governmental) organization. (Χτούρης: 2004). The above problematic leads us to the necessity for universalisation of the structure of society in either a global institutional scale or a regional institutional whole (ex. European Union- European formation of civil society, Georgakakis: 2007,178).

The democratic dynamism that should govern a continuous and strong relationship, between an integrated European civil society and the EU institutional decision-making process, depends on the accurate and complete application of the *five principles of good governance*, which became part of the European integration procedure after 2001. These are *the principles of transparency, participation, accountability, effectiveness and coherence*.

Primarily, applying these principles creates the obligation to the European institutions to be very careful on their decisions while dealing with matters of transparency and wide publicity. The decision-making process must always be made at an appropriate level and at the right time in order to produce the desired results. Everyone, without exceptions, is obligated to participate responsibly in the decision-making process. Under these circumstances, citizens are invited to participate directly in the elaboration and implementation of the EU policies while a continuing effort is required to ensure consistency, which legitimizes the existence and general function of the Union.

Integrating the human factor (civil society) in the above problematic (neo-institutional approach), as a dynamic component of Europeanization, derives its importance from the prediction of restrictions on the extent and content of the role the institutions have to play. (Schneider & Aspinwall: 2001, 177). Finally, any influence that comes from the European institutions towards the civil society is exercised mainly through the processes of practical training and socialization. It seems that the reasonable and complex choices, in order to strengthen the relations between these two poles, are not very applicable. More and more new organizational dynamics are advanced and they manage to exceed, at least for the time being, the limits of a pragmatic interpretation (constructivist approach). This concept translates into a

strong interest in the change of interests and identities (especially those who show stability) of the various actors (Tsinisizelis, Chrisochou, Ifantis, Stauridis, Xenakis; 2009, 37).

The European Union often surprises us with its new, functional and natural choices, such as the appearance of *states without the people* (Keith Middlemas: 1995) or *states without soil*. (Grigoriou: 2007, 345). As European integration progresses, such gaps convert into obstacles. Therefore, to overcome these obstacles, we need to strengthen the social dimension of a pure institutional field, at least for the time being, and to legitimize their participation in the procedures of all the involved actors (Smith: 2004, 4). This legalization corresponds in a procedural total that places a form of specialized communal governmental practice, practicing coercion, at least under the arrangement of tolerance. (Jacques Lagroye: 1985). For a system that manages and governs the EU such a legitimizing development crashes into the lack of European society.

2. Europeanization's procedures and methods

The Europeanization begins in a European level and is completed in a national level. Therefore, if Europeanization becomes acceptable as a total of interactive processes, then, on the one hand, it does not have to set a priori the succession line of various fields. On the other hand, the opposite can occur, meaning that Europeanization can be the conclusion of a process but not exclusively as an economic completion of the states in the international space. That is to say, it can be also considered as the conclusion of the political completion of European space that insists to maintain economic priorities in each attempt to socialize the goals and interests of the members.

In the European political (virtual) system, the exercise of legislative power does not hold the central position as held in any other real political system. Accordingly, the controlling operations of this system are adapted obligatory in their particularities. (Magnet: 2000, 41επ.). Therefore, it is a fact that, the distribution of competences in the frame of the decision-making system has to coexist with a modern and effective controlling mechanism for any undertaken decision. The effectiveness, but mainly, the modern character of this controlling mechanism depends from the institutionally recognized –via the founding treaties - civil participation. The fate reserved by France and Holland, in the performance of a constitutional dimension in the organization and operation of a European institutional system, cannot be challenged, but it did fail to reverse the trend of the Union (meaning the Member States) towards completion. (Oberdorff: 2007, 5).

These thoughts are articulated under the influence of an institutional reality that considers the choice of the federal component as given not only for the European prospect but also for its democratic dimension. Trying to combine supranational and intergovernmental elements, in the peculiar (*sui generis*) EU institutional structure, it permits the states to dominate a direct participation in this system, and therefore, to describe themselves as sole sources for the operation of democratic legitimacy.

Europeanization is often treated as a procedural system that transforms and whose nature depends on its obtained results. Under no circumstances though we cannot claim that this process is seen as one way towards harmonization and convergence. (Featherstone & Radaelli: 2003, Héritier & al.: 2001). Europeanization is like a series of methods that characterize the decisive influence of the EU on member states, and especially on their public

policies. Moreover, it seems to have a significant influence in the globalization process by accelerating the globalized procedures of the financial or commercial transactions (Oberdorff: 2007, 7). Therefore the important, but not final, outcome of this significant transformation are: *the mandatory energy rates, the incorporation of any other regional transformation, the radical change of values, organizational structures or action plans of the organizations and, finally, the entrenchment of public policies from the European decision-making centre.*

Second chapter

The common interest of the European citizens in accordance with the Europeanization's process

1. The strategic importance of the europeanization of the civil society. the basis of the groups of interest

During the first phase of European integration, where the entire European project was associated almost exclusively with the political decision-making centres, a successful outcome of strategic planning was attributed by the followers of neo-functionalism (Stone Sweet, Sandholtz, Fligstein : 2001) on the ability of the system to be able to use, though not so often, the interest groups and especially those with a strong financial profile. During the 1990s, the economic identity of these interest groups was converted into socio-economic. Taking into consideration their intense wish for a central institutional mechanism in the Union the socio-economic groups would attract a positive interest from the European public opinion. These developments, however, ultimately failed to overcome the technical nature of the social participation in the processes of European integration (Lavdas, Mendrinou, Xantzigiani: 2006, 632).

This overcome is connected with the clarification of the process of legitimacy of European politics and economic integration. These procedures have not been forecasted to justify their (democratic and indirect) legitimacy as a simple representation of the state mechanism, or the interest of the community, as a simple synthetic performance of various individual national interests (Benjamin Angel & Florence Chaltiel-Terral :2008). In addition, the direct election of the members of the Parliament does not automatically translate this legitimacy.

The mutation status of legitimizing the decisions, which makes the community system from indirect to direct, requires the complete identification of the European citizenship with the European democratic culture (H. Wallace: 1993, 293). The European citizen should not be characterized merely as a vehicle of the two key institutions of direct democracy, *the right of popular initiative and the right of expression through a (non-binding) referendum*. Undoubtedly, both are regarded as the basis of *European participatory democracy*. (Jean-Paul Jacqu   : 2009). However, in order to activate directly the European citizen into the democratic legitimizing processes of the decision-making system (public European space or political Europe) it is required, in addition, a more direct and generalized activation of the European citizenship, a complete and conscious promotion of the sensitive political and social reflexes *as a responsible citizen*. Article 11 of the EU Treaty, as formulated in the frame of the Lisbon Treaty, declares that, *in the given institutional period of the European completion, the participatory democracy is rendered real, after it is recognized to the European citizen – individually and collectively- the right of active participation in the processes of dialogue in all, without exception, the fields of action of the Union.* (Henri Oberdorff : 2009).

The above thoughts are definitely useful as a first attempt to conceptualize Europeanization, which is a total of institutional processes, strategic and regulatory adaptations that were caused by the prospect of European Integration. The identification of this field must include also all those dynamics which function based on the recognition of the importance of the role of the institutions (Featherstone: 2003, 3) and also the importance of the rules, the practices and the contributors that want to create a united Europe.

The relationship between governance and Europeanization is also affected by the type of Europeanization, which is being chosen and is inter depended on the variety of the methods through which governance is being exercised. *Negotiation, hierarchy and co-ordination* operate as the elements that can be distinguished, but mostly can contribute defining a chosen type of governance. *Governance through negotiating* accepts the mission of the developing process of Europeanization. *Governance through a hierarchical system* includes both the positive and the negative side of European integration. At last, the *coordinated governance* emphasizes on the necessity of coordination and of a specific methodology that is being chosen for the above relationship to be efficient (Bulmer & Radaelli: 2004). However, regarding governance there is another three-parted distinction through *hierarchy, the involvement of new parts/ factors and acquiring an equity interest* (Kohler-Koch & Eising: 1999, 14επ.).

In order to come to an understanding on the complexity of the Europeanization process thus not acquires only a deeper look towards governance. It also depends significantly on the specialized content of the European rules and the legal standards. And this is because many of the decisions taken by the community are considered to be the result of a process of de-construction, which imposes flexible but general provisions (legal standards) (Andersen: 2004). As a result, European legal provisions have usually a constructive mission since they define the procedural rules. This mission requires as necessary the general content of the rules. If the provisions were required to play a regulatory role, then their content should be clearly more specific (Mörth: 2003, 159επ.). This specification, allows us to understand the reason why national legal systems can act more freely when setting up their administrative acts. The convergence in a more formal (institutional) level is not necessarily consistent with the convergence of practices.

Referring to factors indicates multiple types of groups, which represent mostly financial interests, and less often environmental or other social groups. These groups, that are based almost exclusively in Brussels, are being upgraded notably within the frame of the neofunctionalist theory of European integration, gaining roles and responsibilities on European level, while raising significantly numbers after the birth of the E. U in Maastricht (Cram: 1997). Unlike the United States of America, these organized groups of interest in Europe are not necessarily “non profit”, however the turn their interest on the field of social economy. Interest groups gradually transfer its interest and political lobbying by European public policies in a democratic way to establish the working relationship between civil society and public actors

As a result, the European civil society appears to have many peculiarities and is legalized to play a significant role on the level of the participatory democracy, which, after the review of the Lisbon Treaty (2009), is elevated to the cornerstone of the European integration process. The recognition of the important role civil society has undertaken, justifies the views supported by the neofunctionalist theories, emanates directly from the European institutions

(European Commission) and leaves member states outside, while at the same time enhances the Union's responsibilities.

The given diversity of multiple players that hold a strategic position within the European context indicates the existence of more than one types of Europeanization. A form of Europeanization that we accept but does not entirely convince us, since it does not take into account all the parameters of collective action, is the one who links the completion of each European project to the simple everyday structures of civil society (internalization, Balme & Chabanet : 2002, 21ep.). Another form is the one that tries to cope with anything new (legal action, financial instrument, consultation process) that is being proposed by the European institutions (outsourcing).

This situation is considered as an important opportunity in order to succeed a radical change towards a strong association between the social (but national) participants with any European action. Of course, there is the concept of *inter-nationalization* that relates to factors of international composition, producers of rules on a European - but also national - scale, that are being used in inter-national strategies, but have not yet contributed to the total elimination of their national character (Sanchez-Salgado: 2007, 11ep.). Supranationalization is finally considered as a form of Europeanization. This form relates to the institutionalization of the factors on a European level.

2. The Europeanization of the civil society and the perspective of the European integration. The civil society as actor of legalization of the European administration system

The conceptual approach of Europeanization refers to the necessary search of some theoretical and analytical tools useful for studying the effects of the phenomenon of the European Community's Civil Society. Of course, Europeanization did not succeed in achieving acceptance neither on theoretical nor on empirical level. The concept of Europeanization is defined by various elements that do not allow it to contribute to the shaping of a common structural pattern on the European perspective. Moreover, this diversity of those determining elements is not accidental, since its conception is due to the fact that the process of the European construction tried, in this way, to provide with some convincing answers to the plurality of the problematic.

The study of the Europeanization processes (Cowles, Caporaso & Risse : 2001) is based on the peculiarities of the communal system of decision making as well as the particular characteristics that the European political system displays. In such a research, however, the importance of the international or national factors and, or dynamics that underlie the production of the policies or reforms, is enhanced (Rosa Sanchez- Salgado: 2007). This is pointing out the reason for the search of compatibility in the analysis of Europeanization, between European and national practices. Moreover, the given adaptability of European policies should be clarified in various national policies, administrative and institutional structures that differ so much from one member state to another.

Europeanization operates under different standards, which are distinguished on the basis of the chosen shape of European integration. Such a distinction refers to three forms: a. the positive European integration based on the definition of new European rules, b. the negative European integration, which requires the transformation of power distribution and its sources

in the wide European frame, and c. European integration - framework that concerns the values and possibilities of participatory democracy at a national level (Knill & Lehmkuhl: 1999). Eventually, in more practical terms, it is demonstrated an undeniable interdependence between Europeanization and European integration. Integration is a part of the Europeanization process. Therefore, the interesting part in this relationship is undoubtedly passed on how and what exactly expresses the collective action, the representation of interest, the management tools, the general European targets and the new patterns the governance cultivates.

It is well known that European policies are based on the separation of the fields. Thus, estimated as deliberate choices, on the one hand, the integration of EU policies into a coherent whole, and on the other hand, their flexible implementation, which is based mainly on the consideration of its regional impact, and results in a more sustainable and balanced regional development within the Union. This is achieved through the strengthening of the cooperation between the local authorities and the Committee of Regions, as well as, through the institutional promotion of respect for the member states towards their ability to involve local actors in defining the community policies.

The procedures that were adopted to contribute to the European integration process seem to be limited to the idea of some elite socializing at a European level and also to ignore the need for social inclusion and active participation of the general public (European Civil Society, Jeffrey Checkel: 2001, 19). Of course, in the name of this broad European public, a united Europe should be ruled through common policies and institutional mechanisms. Therefore, the configuration of the decision making system and the exercise of governmental and managerial work in the field of the EU does not seem to choose a strong connection within the main socialization factors, who acted decisively in the case of establishing the structures of nation states, i. e. family, school, social patterns and media (Andy Smith: 2004).

Finally, we conclude that Europeanization of non-state actors (for example the functional involvement in the processes of European integration) means integrating the management of diversity and complexity of the processes of European political transformation. These thoughts lead us, of course, to a more difficult path of this polycentric shape, which is the determination, through objective (cultural aspects) and subjective criteria (collective, possibly also synthetic identity, and social cohesion), of the concept of *European people* (Weiler & al.: 1995). The definition of this concept is necessary if we want to see the case of setting up a European representative democracy, in which the majority view may elect a government. It is also necessary though, for the recognition of a European civil society (Gellner: 1996).

Independently from the useful tools this interpretation provides us, it is a fact that it leads us to a very sensitive part on the operation of the European governance system, its democratization. European population (municipality) does not exist. European governance finds the way to express through techniques, but the deficit of popular sovereignty in the EU cannot allow its control as undemocratic construct. The European Treaties (from the first season of Rome, 1957) establish a community mechanism as the one and only ideal laboratory of pluralistic democracy, and the responsibility for such an operation is taken by the partnership of the nation states (Jacques Delors: 1990).

Therefore, the community democracy corresponds to an indirect legitimacy, namely by the member states. The single, by exception, immediate legalization matters in the case of European Parliament, the only institution that is directly elected by the EU citizens (citizens

of the member states of the European Union). This important point justifies also the designation of European integration as a process that is continuous and strong for the European people.

This democratic deficit, which is often spread in the community decision-making system, automatically refers us to a particular problem, the Europeanization of the institutional base of a democratically expressed disagreement. In this case there are three different types that challenge this need: a. when the disagreement stems from the same nation but juxtapositions are caused however by Community decisions, b. when the disagreement corresponds to differences that arise between social partners, but due to issues of European importance and c. when the dispute has a purely European nature and the resolution of the problem is undertaken by European institutions, such as the European Commission, the European Parliament or the European Court of Justice (Arnaud Mercier : 2003).

The above points lead us inevitably to the problem of ambiguity of the democratic character of the community. On one hand, we are facing a weak political legitimacy, as a result of the low expectations the European citizens have towards the European integration process. On the other hand, we must respect that the democratic character of the existing regularization of this system is widely recognized (Frédéric Esposito: 2007, 55).

Conclusion

In no case, the E. U governance cannot not-and most especially-does not deserve to be regarded as a product of de-politicization or copy of a neoliberal political model system established in the European Union. Instead, it should be considered as a fundamental tool that allows a dynamic and revised revival of the Community method, based on the politicization of the Commission, one necessary institutional choice for the democratization of the decision-making system in the European Union.

However, regardless the institutional development of the role of the European Commission, the institutional enhancement of the European Parliament is also needed. And it is so, because the Parliament is the profound catalyst within the gulf of the EU for institutional changes in favor of reducing democratic deficit, maintaining inter-institutional balance within the E. U, and also maintaining the cohesion on the policies been made and the liability on the participation of all stakeholders involved.

Moreover, the analysis of the term “governance” as the art of ruling or as the moral expression of power seems to attract a larger group of people within the gulf of the European Parliament than in the level of national parliaments, which appears to be clearly in favor of a post-national perspective.

Establishing an open dialogue with the interest groups indicates the participation of any public or private organization, that represents or claims particular – and often strong- financial interests, where in that case is expressed as the official representative of a particular social group (Hélène Michel : 2007, 236).

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BULGARIAN ADMINISTRATION UNDER THE CONDITIONS OF JOINING THE EUROPEAN ADMINISTRATION SPACE (EAS)

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Contemporary state administration is continuously challenged by the fast-changing national and international conditions. In modern states, administration on all levels of governance is continuously in the process of elaboration and adaptation to the changes that surround it. State administration does not exist for itself. It exists to serve the state and the society.

In the context of the already full membership of Republic of Bulgaria in the European Union as of January the 1st 2007, one of the most desired benefits and simultaneously one of the greatest challenges is taking advantage of the huge financial support for development given by the EU funds, one that creates unprecedented opportunities for sustainable economic growth. The foreseen resources for Bulgaria for the period 2007-2013 are more than 7 blns. Euro in the Cohesion policy alone and over 3 blns. in the Common agricultural policy.

The EU member-states' experience shows that EU policies' financial instruments really influence development by increasing the economic, human, social and ecological capital of the assisted countries and regions and contribute to introducing innovative approaches in policy-making. In order to achieve such effect, the funds' necessary means should not just be expended timely and according to formal requirements, they have to be used effectively, that is, an ever larger significance is acquired from the necessity of institutions acting adequately, capable of maintaining the European law and achievements, as well as administrative capacity of project developing and management and good knowledge in specific rules and procedures attending the allocation of funds.

The European Administrative Space membership involves that national administration work and is being governed on the basis of common European principles, rules and regulations. Meeting European requirements and criteria goes through modernization and reforms of national administrative systems. A key requirement to incorporate national administration in the European administrative space is building a new type of administrative capacity. Besides, sustaining administrative capacity is related with the implementation of European principles of good governance – an element of the Lisbon Strategy. These are taken as indicators and reference point of the administration's activity, directly corresponding to formulated requirements for a good state administration.

Bulgaria's EU membership sets new higher standards for development to Bulgarian administrative system. In this context a priority task is building adequate administrative capacity both for realizing the set of reforms and effective maintaining of EU policies, and bettering the governance capacity of Community funding and securing a higher quality of administrative activity.

Developing administrative capacity is an important requirement not only for the European administrative space membership, it is also a necessary condition for observing the principles of “good state governance” formulated in the White Book of the European Commission.

Bulgaria aims at taking full-scale advantages from its membership in order to better its social-economic and societal development. In this context, the requirements involved as Community member face Bulgarian administrative system to ever bigger challenges. Therefore, the betterment of institutional and administrative capacity is of paramount significance for realizing the set of reforms and effective application of EU policies.

The governments of Republic of Bulgaria follow dynamic policy in modernizing state governance. This policy is structured around achieving three main goals:

- (1) modernization of state administration according to the norms of the constitutional state, the market economy, and the basic human rights;
- (2) sustaining the capacity for planning, coordination and realization of pre-integration processes – communally – and, in particular, of the negotiation process with the EU;
- (3) preparation of state administration for full-value functioning in the European Union immediately after the accession of Republic of Bulgaria.

As a result of implementing the strategic goals of such policy, the main laws were voted, and the concomitant normative acts related with the creation of the new organizational model of Bulgarian administration and the status of the civil servant. The whole packet of normative acts regulating the mechanism of administration and state services thrusts the conclusion that the necessary legal frame regulating state administration is now created. But, as the administrative practice reveals later, the accepted normative basis did not lead to solving the issues of Bulgarian administration and to the creation of long-term professional development working system. Despite imperfections in these laws, as a whole one can say that they are useful for the development of Bulgarian administrative system.

An important prerequisite for realizing priorities of administrative reform on a later stage is the acquiring of the Strategy for modernization of state administration – from accession to integration, which affects two main currents: sustaining state administration capacity and sustaining the administrative capacity for EU-membership related engagements performance.

We have to mention as an indisputable achievement the creation of professional public service and the professionalization of civil servants. It is with this goal that the Strategy for education of administrative servants was accepted, which is an important element of the human resources governance policy and in particular of building administrative capacity. The Strategy is directed at the level of professional skills and qualifications of servants on all levels of administration through their personal, professional and service-related development. Another aspect of this policy was the making of common approach in qualification and re-qualification of administrative servants, which was realized through the establishment of Institute for Public Administration and European Integration. Its main activity is related to the professional qualification of civil servants from the field of public administration and European integration.

In Bulgaria the programme “Administrative Capacity” was developed. This is a strategic document and at the same time an instrument for acquiring EU financial means from the administrative area within the frames of the newly planned period.

The programme supports various beneficiaries – central-, district- and municipal-level administrative structures, public institutions, Ombudsman, local social mediators, judicial power authorities, non-governmental organizations, and others.

OPAC aims at supporting the civil society capacity for cooperation and dialogue with administration and judicial power authorities. The leading idea is to achieve quality formulation and implementation of policies in applying the partnership principle.

In considering the achievement of the ongoing reform in state administration, the government of Republic of Bulgaria is aware of the necessity for substantial investment in sustaining the modern state administration – professional and independent one, oriented towards the techniques of business management and solving issues of international character, relying on partnering and decentralization, based on information technologies and in service of the citizens.

The legal frame

The changes in legislation regulating public services presupposes the keeping of the main principle of creating politically neutral, competent and effective administration, as well as some other elements of functioning normative organization.

The measures are meant for elaborating the legal frame as to increase efficiency in the administration's activity and for providing legal frame for bettering administrative service.

The legislation regulating public service and its changes will in great part depend on clarifying the aims of these changes, as well as the expected results.

The laws that were voted were: The Administration act, Act of the Public Servant, Act for public errands, Act for the administrative service of physical and legal persons, Act for access to public information and a set of normative acts regulating the status of public servants and the overall organization of state administration. A Civil Servant Code of Conduct was introduced, which defines ethical rules of conduct for the civil servants. A State Administrative Commission was established, which guarantees and looks after maintaining the status of the civil servant and the lawfulness of competitions in appointing civil servants. Its functions did not expand in full scale and presently its activity is limited.

The institutional frame

The immediate task that guarantees successful strategy implementation is creating institutional frame for monitoring and evaluation which presupposes, on the one hand, openness and accountability and, on the other hand, guaranteeing the necessary financial and human resources.

Observing, coordinating and controlling the strategy implementations ought to be the result of collective efforts by *the minister of state administration, the minister of European affairs and the minister of finances*.

In the structure of the Council of Ministers, a special structural unit was created, one which supports the policy related to civil servants, the structuring of administration and administrative service.

In the respective ministries, executive agencies were created, with the aim of freeing the administration from activities untypical to its nature in the process of providing administrative services to citizens and legal persons, and also market mechanism in financing, the activity and management of these executive agencies were introduced.

Carrier development and education (increasing of qualification) of civil servants is highly difficult, for the reason that a minimum of rank is established, which thereby presupposes necessary length of service of 15-20 years for taking higher positions; there is a lack of overall regulation (procedure) for carrier growth; professional qualification is defined only as educational degree, and not as totality of general and specific knowledge, skills and experience; there is no reliable regulation for planning, financing and controlling the education of civil servants and its binding to carrier growth.

Mechanisms of accountability and good governance

In the course of the reform in state administration, a set of mechanisms of accountability and good governance were introduced, and further measures are undertaken for bettering the results from various administrations and their activity in order to achieve transparency and openness in their work's organization. Anti-corruption policy in this domain is directed in creating transparency and accountability guarantees in state administration activity on both central and local level, setting up clear and effective rules for interaction between citizens and administrative servants and transparency growth in decision-making on management level.

The government takes on the following measures: unification and transparency in implementing **the procedure in appointing servants, mobility and rotation, controlling** the observance of the distinction between appointments in political offices and appointments of other servants, optimizing **evaluation procedures and professional development and the competitions** for internal selection, as well transforming **the attestation** mechanisms in an actually operating instrument guaranteeing the civil servants' high professionalism; reinforcing anti-corruption "filters".

Electronic government

One of the rules for administrative servicing is the administrative regulation of service. Bettering the quality of services for citizens and the business, including electronically, by way of:

- Developing the "one desk" principle;
- Outsourcing;
- Public-Private Partnership (PPP);
- Electronic government (e-gov).

The electronic government comprises four fundamental directions for communication and services: Citizens, Business, Administration and organizing and optimizing business processes, processes in the interactions "Administration – Servants, and in communications with individual administrative structures.

As an EU member-state, Bulgaria has the right to fully take advantage of its membership in order to better its social-economic development. EU-membership responsibilities raise ever greater challenges for its administration. The bettering of the institutional and administrative capacity of Bulgaria as a member-state is crucial for the realization of reforms and the effective implementation of EU policies.

QUESTIONING FINANCIAL INDICATORS OF CIVIL SOCIETY DEVELOPMENT

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Abstract

Until the introduction of the full accrual accounting concept in 2008, the system of governmental and private non-profit organizations in Croatia was very inconsistent, but nevertheless, withstood for a long number of years. Most of the changes were brought in for the purpose of adjusting our legislative regulations to the Acquis Communautaire. The Croatian accession to the European Union was used to implement reforms in various sectors, and also in the accounting for non-profit organizations. On January 1ST, 2008, a new accounting system was introduced, based on the application of the full accrual concept of revenues and expenses. As a result, the divergence of accounting systems for governmental and private non-profit organizations was significantly reduced. The reform results suggest that it is justified and reasonable, for all non-profit organization groups, to apply the same internationally comparable and acceptable rules of measurement and evaluation, recognition, and economic classification of revenues and expenses.

1. Introduction

From the beginning of 1994 until the end of 2007, non-profit organizations in the Republic of Croatia had been applying the accounting system governed by the Regulation on Accountancy of Non-profit Organizations (Official Gazette 112/93). In spite of numerous essential and formal drawbacks, this system withstood the various criticisms within the professional society for a long number of years. In practice, different professional, but unofficial accounting and reporting solutions were used as substitutes for the inconsistent legislative provisions in regards to the charts of accounts, recognition of financial reporting elements and the content of financial statements alike. Such solutions were also accepted by outside data users, including the supervisory and statistics state bodies. In the meanwhile, budget and company accounting systems have been updated on several occasions. Most of the changes were brought in for the purpose of adjusting our legislative regulations to the Acquis Communautaire. This context represented an adequate moment for the systematic and professional standardization of the accounting system in non-profit organizations. The reform in the accounting for non-profit organizations was radically implemented. On January 1st, 2008, a new accounting system was introduced and it was based on the application of the full accrual concept and the relevant economic classification of revenues and expenses. As a result, the divergence of accounting systems for governmental and private non-profit organizations was significantly reduced.

2. Definiton of non-profit organizations in Croatia

There are different definitions of a non-profit organization depending on the different aspects such as the legal, financial and especially the economic aspect. The term *non-profit organization* is not explicitly legally defined within the existing legal texts of the Republic of Croatia. The Constitution of the Republic of Croatia proclaims the freedom of association as one of the fundamental political rights (Article 43): “Everyone shall be guaranteed the right to the freedom of association for the purposes of protection of their interests or promotion of their social, economic, political, national, cultural and other convictions and objectives. For this purpose, everyone may freely form trade unions and other associations, join them or leave them, in conformity with law. The exercise of this right shall be restricted by the prohibition of any violent threat to the democratic constitutional order and independence, unity and territorial integrity of the Republic of Croatia.”

Even though, there is no legal definition of a non-profit organization, it is possible to single out certain legal characteristics of non-profit organizations. The first characteristic is that this type of legal entity exists and operates for some other reason than generating profit. The emphasis here is not on avoiding generating profit, in the sense of accumulating net income surplus, but on the presence of a prevailing public benefit. The second characteristic of a non-profit organization is that it is prohibited from distributing the realized profits to third parties that could, due to their position, influence the work of the organization in order to acquire personal gains. The third assumption indicates that the characteristics of a non-profit organization do not necessarily depend on its legal form, i. e. the activities and the purposes of the organization are vital rather than the character of its legal identity (Vrhovski, 2005).

The most common definition of a non-profit organization includes those in relation to the founder. A *non-profit organization* is an organization whose objective is different from the profit-objective of its owner. Its *purpose* usually includes providing services (Anthony/Young, 1988, p. 49). This definition stresses the basic difference between profit and non-profit organizations.

The goals of non-profit organizations are, above all, oriented towards achieving better conditions for providing services based on available resources. The relations with the service users are achieved without direct market links. Non-profit organizations are not financed through the sales of goods or services on the market but are, as a rule, financed from other sources (various subsidy means, grants, alms, contributions, membership fees etc). Due to the nature of the activities of non-profit organizations, the measuring of expenses and benefits, and especially expressing provided benefits in terms of values is quite difficult.

In accordance with the manner of financing, and thus financial reporting, non-profit organizations in Croatia are also divided into two main categories:

- a) Governmental non-profit organizations or public non-profit organizations, and
- b) Non-governmental or private non-profit organizations.

If the activity of a non-profit organization is initiated and supported by the state, then it is performed in compliance with the state policy and is financed, directly or indirectly, out of the fiscal and quasi-fiscal state revenues. Such non-profit organizations are included in the national public sector, i. e. the general state sector. Namely, the public sector is determined

according to the methodology of the International Monetary Fund, the United Nations System of National Accounts and the European System of National Accounts.⁸⁶

The organization of non-governmental non-profit organizations is mostly founded on voluntary basis (they are made up of a group of citizens that have voluntarily joined in order to carry out certain activities). They are mostly financed through donations, grants, membership contributions and other similar specific forms of financing that are, as a rule, based on voluntary and humane grounds. In order for the non-profit organizations to achieve an optimal level in performing set goals and tasks, it is necessary to establish an adequate accounting information system as a support for managing non-profit organizations.

3. The Development of the Financial Reporting System

A separate accounting system for non-profit organizations in the Republic of Croatia was established at the end of 1993 and was to be applied starting from January 1, 1994. In the first year of its implementation, this system encompassed all non-profit organizations, therefore also the governmental non-profit organizations (budget users) and other (private) non-profit subjects regardless of the difference among them in terms of the process of their establishment or financing sources.

One year later, budgetary accounting was singled out as an individual system from the universal accounting system for non-profit organizations. All budgetary organizations that are financed out of the state budget or the budget of local and self-government authorities are obliged to implement the budgetary accounting system. The other non-profit organizations i. e. those that are financed mainly through other means (means provided by the founders, membership contributions, non-budget funds, donations, grants, sponsorships and the like) are obliged to conduct their accounting in line with the accounting system for non-profit organizations. After the budgetary organizations were excluded from the accounting of non-profit organizations, the necessary adjustments, due to new circumstance were not made within the accounting of non-profit organizations.

The identifiable feature of accounting for non-profit organization was fund accounting and the modified accrual as an accounting concept that determines the criteria for accounting recognition of economic events regardless of when cash transactions occur.

In process of choosing the accounting model, and by following some, superficial and inconsistent global experiences, the model of fund accounting was set up, that based on the different types and number of funds, had to be modified to suit our specific features. This model of fund accounting is especially developed in the United States of America for the needs of reporting of supported units, above all on state level. The implementation of such a system in Croatia, without significant adjustments, was unsuitable in its mere beginning.

Inconsistency in the accounting for non-profit organizations and the needs of non-profit organizations for certain type of information were especially evident in the inconsistency of applying the economic classification of revenues and expenses (structure of the chart of accounts) and subsequently the content of certain positions of financial statements.

⁸⁶ European System of Accounts – ESA.

Moreover, the analysis of financial statement content showed inconsistency of their elements with the content of books kept according to prescribed valuation methods.

The prescribed valuation method – the modified accrual accounting concept was actually the cash basis concept. Recognition of revenues was conditioned by the collection of revenues within the period or 20 days after the end of the accounting period.

Accordingly, expenses did not include the recognition of costs that were not paid within the period of 20 days after the accounting period. In the case of non-liquidity, as well as in other possible situations, significant unpaid amounts were not recognized or stated as expenses within the period in which they occurred.⁸⁷

This accounting system was abandoned by the end of 2007. Within the context of the accounting reform, the following changes were taken into account:

- a) Restructuring of fund accounting,
- b) Changes in the choice of accounting concepts,
- c) Changes in the form and content of financial statements,
- d) Harmonization of registering data in main and secondary books of accounts and
- e) Changes within the chart of accounts.

4. The reformed accounting and financial reporting system

The formal legal framework leading to the changes within the existing system of accounting and financial reporting for non-profit organizations was the new Accounting Act. Pursuant to the provisions of this Act,⁸⁸ the accounting of religious communities, political parties, trade unions and other non-profit organizations shall be prescribed by the Government of the Republic of Croatia. This was further enforced by the Regulation on Accountancy of Non-profit Organizations⁸⁹ that defines bookkeeping documents, business books, organization of bookkeeping, listing of assets and liabilities, principles for presenting assets, liabilities, own resources, revenues and expenses, content and implementation of the accounting plan, financial reporting and other areas related to the accounting of non-profit organizations.

The entities that are obliged to employ the new Regulation on Accountancy of Non-profit Organizations are mostly non-governmental non-profit organizations i. e. associations and alliances, funds, foundations, institutions, political parties, chambers, unions, religious and other communities, and all other legal entities whose basic goal is not generating profit and that are classified as non-profit organizations under specific regulations

In defining the entities obliged to implement this Regulation, it should be pointed out that that it does not apply and never did to the State Budget, the budgets of local and regional self-government units, budget and extra-budgetary users defined by the Budget Act and identified within the Register of State Budget Users.

⁸⁷ More on the assessment of the accounting system for non-profit organizations 2004-2007 see Vašiček V and D. (2007), *Stanje i potreba razvoja računovodstva neprofitnih organizacija*, Riznica (8/9).

⁸⁸ Official Gazette No. 109/2007, Article 2, Paragraph 5.

⁸⁹ Official Gazette No. 10/2008.

Namely, due to the similarities in the nature of their activity and the manner in which they were founded, it is often quite hard to determine whether they are governmental (budget) or nongovernmental (extra-budgetary) non-profit organizations. As already emphasized, in order to achieve a clear distinction, the Budget Act, the Regulation on defining budget users and keeping the Register of state budget users set forth the criteria for the recognition of budget users emphasizing the founding and/or ownership rights and the percentage of state or local budgets financing of overall expenses (50% and above).⁹⁰

Governmental non-profit organizations (budget and extra-budgetary users) published in the Register of state budget users are obliged to implement budget accounting. Therefore, all other non-profit organizations (non-governmental) are obliged to employ the non-profit accounting system.

Exempted from full implementation of accounting principles and financial reporting under this Regulation still remain the *small* non-profit organizations. Pursuant to Article 71 of the Regulation, a non-profit organization with an asset value and annual revenue, according to the data for three previous business years, under HRK 100,000 (cca EUR 13,000) is not obliged to complete and turn in financial statements and implement the double-entry bookkeeping and the account plan according to the stipulations prescribed by the Regulation. The Regulation on Accountancy of Non-profit Organizations does not stipulate the obligation to apply fund accounting. It still enables non-profit organizations to decide upon setting up a system of fund accounting and its adjustment to internal needs.

Starting from January 1, 2008, the full accrual concept was prescribed for the recognition of business transactions, i. e. the recognition of revenues and expenses.

The data obtained from the financial statements completed on accrual basis are more complete and thorough or in other words they have a greater span and scope in relation to the data presented in financial statements completed on the modified cash basis. The application of accrual basis ensures recording data on business transactions that will be extended through following accounting periods. These data can be found useful to financial statement users in assessing future trends towards increasing or decreasing of resources that are at the non-profit organization's disposal and the assessment of the ability of the organization to fulfil the tasks for which it was established as well as management's performance and their responsibility for entrusted resources.

The most significant features of today's system of accounting concepts are related to the following:

1. Capitalization of costs of acquisition and calculation of depreciation of a non-financial long-term asset.
2. Recognition of assets is primarily based on the historical cost (value) of the asset or the estimated value. Hence, assets are capitalized and initially valued according to the amounts spent on their acquisition unless the cost of acquisition cannot be established and then the estimated value is used. This means that the system introduces the calculation of depreciation as proportional costs of its use over time and abandons the former system of presenting total expense at the moment of its acquisition.

⁹⁰ Official Gazette (2003) Zakon o proračunu, Zagreb Narodne novine d. d. (96)

The Regulation also prescribes the compulsory revalorization (in conditions of inflation when the increase rate, measured by the coefficient of the price quoted by industrial product manufacturers for three previous years, is above 30%) in which the effects of valorization are assigned to own resources (capital).

4.1. Recognition of Revenues

In recognizing revenues the categories of reciprocal and non-reciprocal incomes are introduced and defined. This assumes a difference among two groups of revenues:

1. Reciprocal income i. e. counter-service income from delivering goods, service or the like that assumes invoicing, and
2. Non-reciprocal incomes as specific sources of non-profit organization's financing such as membership fees, donations and other similar incomes.

Reciprocal incomes, as incomes based on the delivery of goods or services, are recognized in the relevant accounting period under the condition that they can be measured regardless the moment of their collection. In this case, the recognition of incomes is assumed at the moment of its occurrence in relation to the moment of delivery under the general conditions of measurement and reliability of collection.

Non-reciprocal incomes, as incomes that are not realized from direct delivery of goods or services (donations, membership fees, contributions and the like) are recognized in the relevant reporting period under the condition that they are available i. e. that they will be collected before the financial statements for the relevant period are presented.

4.2. Recognition of Expenses

Unlike the previous system that recognized expenses in correlation with the moment of payment, the new system is completely based on accrual basis, i. e. the expenses are recognized regardless of the moment of payment. In this sense, the Regulation stipulates the following:

- Expenses are recognized in the corresponding reporting period regardless the moment of payment
- Expenses for acquisition costs of short-term non-financial assets are recognized in the moment of the occurrence of the actual expense i. e. moment of sale
- Acquisition costs of long-term assets are capitalized, whereas expenditures are recognized during their useful life
- Acquisition costs of long-term non-financial tangible assets at historical cost per unit under HRK 3,500 (ca. EUR 500) can be written off on a one-time basis

4.3. Classifications and Charter of Accounts

The Regulation also covers the new approach to classifications and introduces a new, more comprehensive and systematic chart of accounts. The new accounting plan for non-profit organizations defines numerical labels and descriptions for individual accounts that are to be used by non-profit organizations in their bookkeeping records of assets, liabilities and own resources as well as revenues and expenses.

The new classification system provides for the comparability of data of non-profit organizations and those of governmental non-profit organizations (budget users) as it is based on the application of the international economic classification of assets, liabilities, revenues and expenses as defined by GFS 2001⁹¹.

Accounts are classified as: classes, groups, subgroups and sections. Hence, the new system of four-digit compulsory accounts (chart of accounts) has been introduced.

Sections, as the fourth account level within the accounting plan can be further subdivided into analytical and sub-analytical accounts according to needs. The classification of sections within the accounting plan is still carried out according to the decimal system.

Revenues are classified according to the following groups of accounts:

- 31 – Income from the sales of good and services,
- 32 – Income from membership fees and contributions,
- 33 – Income under special regulations,
- 34 – Income from assets,
- 35 – Incomes from donations and
- 36 – Other incomes.

Expenses are classified according to the following groups of accounts:

- 41 – Compensation of employees,
- 42 – Material expenses,
- 43 – Depreciation expenses,
- 44 – Financial expenses,
- 45 – Donations and
- 46 – Other expenses.

4.4. Financial Reporting

The system of financial reporting is based on standardized forms and in scopes of financial statements. Basic financial statements include: the balance sheet, profit and loss account and notes accompanying the financial statements. All financial statements are completed for a business year which is in alignment with the calendar year whereas only the profit and loss accounts are prepared for accounting period during the year and this is on six-month basis from January 1 to June 30. All financial statements give a clear picture of the financial position and the performance of the non-profit legal entity. As stated, only those non-profit organizations whose value of assets and revenues in the former three years were above HRK 100,000 (ca EUR 13,000) are obliged to submit their financial statements to the Ministry of Finance and the State Audit Office. At the moment, this applies to only 8. 340 entities or 20% of the total number of registered non-profit organizations.⁹² According to the gathered data, an aggregated but not consolidated statement of financial position and an income statement are shown in the next two tables.

⁹¹ IMF, A Manual of Governmental Finance Statistic, 2001.

⁹² According to the research of economic and financial position of non-profit organizations for 2008 and 2009, 8,340 entities submitted their financial statements. For more, see D. Vašiček/D. Kovačić: *Prikaz i analiza rezultata poslovanja neprofitnih organizacija u Republici Hrvatskoj*, Riznica br. 10, HZRIF, 2010, p. 15.

Table 1

Aggregated non-consolidated statement of financial position as of 31st December 2009

Financial position in 000 kn	1. 1. 2009	31. 12. 2009	INDEX
I ASSETS (1+2)	49. 011. 987	48. 681. 533	99,3
1. Nonfinancial assets	16. 453. 060	18. 037. 522	109,6
2. Financial assets	32. 558. 927	30. 644. 012	94,1
II LIABILITIES AND EQUITY (3+4)	49. 011. 416	48. 681. 533	99,3
3. Liabilities	9. 572. 300	11. 158. 387	116,6
4. Equity (own resources)	39. 717. 669	37. 904. 109	95,4
- Revenue surpluses	5. 176. 251	7. 262. 729	140,3
- Revenue deficits	450. 839	526. 645	116,8

Source: Ministry of Finance.

Table 2

Aggregated non-consolidated income statement as of 31st December 2009

Financial results in 000 kn	2008	2009	INDEX
I TOTAL REVENUES	14. 073. 620	13. 304. 800	94,5
II TOTAL EXPENSES	11. 864. 871	11. 296. 288	95,2
1. Employee expenses	1. 930. 865	2. 063. 336	106,9
- of which payrolls	1. 559. 923	1. 685. 568	108,1
2. Suppliers	6. 416. 508	6. 041. 102	94,1
3. Depreciation	432. 016	424. 331	98,2
4. Financial expenses	314. 045	279. 823	89,1
5. Grants	2. 011. 139	1. 647. 458	81,9
6. Other expenses	761. 345	839. 477	110,3
III REVENUE SURPLUS	2. 535. 104	2. 429. 553	95,8
IV REVENUE DEFICIT	326. 356	421. 040	129,0
Additional data	2008	2009	INDEX
Number of non-profit organisations		8. 340	
Number of employees at FY end	17. 005	18. 228	107,2
Number of employees based on work hours	18. 387	19. 661	106,9
Average payroll based in kn	7. 070	7. 144	101,1

Source: Ministry of Finance.

The tables are based exclusively on the data gathered from the 8. 340 entities that submitted their financial statements. The vast majority of non-profit organisations have assets and revenues under 100. 000 kn and do not have to submit any kind of financial statements.

5. Control of Non-profit Organisation Performance

5.1. External Control

The Amendments and Supplements to the Regulation on Accountancy of Non-profit Organizations in January 2009 stipulated the obligation of registering the organization within the Registry of Non-profit Organizations. The Registry is organized and lead by the Ministry of Finance. The Registry was established to enable a more quality monitoring financial data of non-profit organizations at the level of the entire sector. Non-profit organizations are entered according to special provisions into relevant registries that are not related and that do not contain data relevant to financial statement databases. Due to the above mentioned and with the aim of regulating and increasing business transparency as well as introducing financial

discipline within the non-profit organization sector, the Ministry of Finance sets up a special Registry that enables the interconnection of individual (local) registries. Registry of Non-profit Organizations contains the following data on non-profit organizations:

- General data: name of the non-profit organization, registration number, individual identification number, registration number in the local registry, account number, address, city/municipality and county statistical label, business activity code, contact person, telephone/fax number, e-mail, web page;
- Data on authorized person/s, and
- Data relevant for financial statement databases.

The data in the Registry of Non-profit Organizations are public and available pursuant to the provisions under the Act on the Right of Access to Information. Non-profit organizations are entered into the Registry of Non-profit Organizations after filling in the Registry of Non-profit Organizations Form (Form: RNO) and submitting it to the Ministry of Finance no later than 30 days upon their registration within the local registries. The non-profit organization shall inform the Ministry of Finance on any changes of data entered into the Registry of Non-profit Organizations within two working days upon the change by means of Form on Changes within the Registry of Non-profit Organizations (Form: RNO-P)

The external control over non-profit organization's performance is directed towards the following:

- a) Respecting economic principles, rationality and achievement of performance success measured by financial indicators and with the aim of protecting the interests of founders and wider social community – the country;
- b) Performing registered activities in compliance with the provisions, regulations and founding acts.

Depending on the source of their financing, the interests of founders and the tasks to be met by the non-profit entities through their activities, the external control is institutionalized according to special legal regulations that govern the area of business operations of a non-profit segment. In Croatia, external control is mostly conducted by the State Audit. The State Audit as an autonomous body performs its activities in line with the State Audit Act that regulates the area of its activity and its jurisdiction.

The area and jurisdiction of the State Audit are adjusted in order to protect the state interests. As a result, its activities within the non-profit sector are oriented towards those entities that are founded by state means and/or financed from budget and extra-budgetary funds.⁹³ The audit of the mentioned non-profit entities includes auditing of document, statements, systems of internal control and internal audit, accounting and financial procedures as well as other records in order to verify the accuracy of financial reports on the business performance and financial position of the engaged state assets

External control over financial performance, with the aim to meet state interests in accruing fiscal and parafiscal revenues, is present in all non-profit organizations. Conforming to special regulations, the same is carried out by state bodies responsible for generating state revenue.

⁹³ See State Audit Act, Article 1, Official Gazette No. 70/93, 48/95.

The normative base for implementing specific forms of external control of individual non-profit entity performance is defined by fundamental regulations that govern the conditions and ways of setting up an organization and the area of its activities.

Thus, for instance, the external control of the activities of a citizen association is defined by the Associations' Act (Official Gazette Nos. 88/2001 and 11/2002). The Act defines the administrative and inspection control. The administrative control refers to the enforcement of the Act and related provisions, while the inspection control covers control over the legality of an association's financial operations and activities.

Inspection control is carried out by government bodies responsible for the registry of associations' activities and control of public revenues. The external control over the activities of institutions is regulated by the Institutions Act (Official Gazette Nos. 76/93, 29/9., 47/99). The financial activities of an institution are supervised by the relevant public administration body while the supervision over professional activities is conducted by a professional body determined by special regulations. Similar form of normative inauguration of external control can be found in other special regulations that regulate in more detail the activity of individual non-profit organizations.

Certain interest groups – founders of non-profit organizations in line with the founding acts and with the aim to control the achievement of their interests may also use other forms of control such as external audit.

5.2. Internal Control

The development of an internal control in non-profit organizations largely depends on its size, organizational chart and complexity of business activities. Certain segments of internal controls or individual internal control mechanisms can be recognized to a greater or lesser extent in all organizations, while a comprehensive system of internal controls and internal audit is only present in a few complex non-profit systems. The reasons for this are closely connected with the characteristics of the functioning of most non-profit entities. Our practice confirms the conclusions presented by Emerson O. Henke analyzing the reasons for the lack of a developed system of internal control in non-profit organizations.

The key reasons usually include the following (Emerson/Henke, 1992):

1. Governing bodies (boards of managers, management committees and similar groups) are often large and consist of volunteers who are relatively inactive in operational activities. None of them has an ownership interest within the organization he or she would be interested in protecting.
2. Resources that should be invested in the development of the internal controls are limited.
3. The accounting function is inadequately treated, often divided and understaffed.
4. Organizations employ a small number of employees and it is not possible to achieve the desired level of separation of duties and responsibilities.
5. Due to the non-market nature of activities, there is a lack of market valuation and control of the quantity and quality of provided services and goods.

Current regulations governing the accounting and financial reporting system for non-profit organization indicate that there should be certain internal control mechanisms in the field of financial and accounting controls and the preservation of material resources. These cases

closely meet the needs for control of the business of undeveloped (according to the volume and complexity of activities) non-profit entities, especially in the bureaucratic model of organizational functioning of those with a strong line management system. More complex non-profit entities should necessarily take more intensive approach to setting up (or upgrading) the system of internal controls that, along with the control, includes internal audit. In non-profit organizations, internal audits are often faced with the same basic features as well as profit oriented units, but due to the significantly different operational objectives, related ratios for analysis and definition of activity and effectiveness of operations are often different. The specificity of certain analytical procedures in the internal audit of non-profit organizations and their use for evaluating the success often stems from the limitations that are given by a non-market orientation. Decisions of interest groups and other founders of the non-profit entities can significantly influence the direction and scope of activities. The reduction of funding in certain time intervals may significantly affect the efficacy and effectiveness. Lack of market valuation of output and value for money achieved, prevents reliable assessment of whether the conversion of resources into the services has been carried out effectively i. e. whether the level of services rendered is consistent to invested efforts.

6. Conclusion

The success of non-profit organizations - a component of civil society in carrying out the objectives and tasks, is directly linked to good governance. To secure the information base necessary to support the management, it is necessary to establish the appropriate accounting and information system and management control. The reform of accounting and reporting systems is directed towards replacing the fund accounting with the full accrual accounting basis. This has resulted in the change in form and content of financial statements and the application of systematic classification that requires changes within the contents of the chart of accounts and records of compliance with primary and subsidiary ledgers. The reform direction that has been selected in terms of applying accrual accounting has enabled the establishment of consistent and modern accounting systems in the non-profit sector. Moreover, this is further regulated by the requirements demanding for the application of relevant classification systems of international financial and statistical reporting. At the same time, the optimal degree of harmonization of reporting systems of "private" and "state" non-profit organizations has been achieved. This suggests that it is justified and reasonable, for all non-profit organization groups, to apply the same rules of measurement and evaluation, recognition of revenues and expenses and the internationally comparable and acceptable economic classification of revenues and expenses. The nature of activities and different sources of financing generally require that non-profit organizations accurately account for not only the overall financial performance but also its business segments that are financed from various, often severely restricted resources. Therefore, accounting for non-profit organizations is facing a growing demand for the development of internal accounting and monitoring of operations by segments and sources of financing. In the management processes supported by the accounting information, the importance of developing and functioning of the internal financial monitoring and control is increasingly emphasized. In the non-profit sector in transition countries, the situation in this regard is still unsatisfactory. The development of internal control in non-profit organizations largely depends on its size, complexity of the organizational chart and business activities.

By following the international trend of affirmation and implementation of the accrual accounting concept, the reform direction of change of external financial reporting of non-profit organizations in the observed transition was determined to a complete or slightly

adapted accrual accounting concept, i. e. direct or indirect application of IAS. In close connection to this, there is the necessity of implementing relevant and internationally comparable classification for the presentation of the elements of financial statements of non-profit organizations.

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Chapter 4

Integrating Balkan Traditional Administrative Values in the European Administrative Space Concept and Practice

MAKING PUBLIC POLICY WORK: BETWEEN RESPONSIVENESS AND CONVERGENCE OF THE PUBLIC AGENDA. THE ROMANIAN CASE

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Abstract

This paper addresses the public problems related to the Romanian case.

I have tried to demonstrate that a major problem related to public policy is the government responsiveness. Responsiveness in the context of a system can be defined as an outcome that can be achieved when institutions and institutional relationships are designed in such way that they are cognizant and respond appropriately to the universally legitimate expectations of the citizens. More said, responsiveness is related to the citizens' right to receive appropriate and opportune responses. All these requirements should not be found only on the agendas that compose the policy agenda but also the relations between them must be convergent so as to allow the government responsiveness to work.

The main conclusions one may draw from this presentation are the following:

- a) The reduced government responsiveness implies the congruence between the Parliamentary, government and public agendas;*
- b) bringing forward the concept of agenda congruence is possible only if there is an obvious*

Congruence between citizens' priorities and governmental and parliamentary activity;

Keywords: Government responsiveness, public agenda, convergence.

1. The public policy problems and agenda setting

In the current context, turbulent and discontinuous, governments are forced to abandon the old paradigm for the adoption of strategic approaches that are able to offer them the opportunity to anticipate and respond to challenges. To win the next challenge, the government must

prepare to respond to citizen's needs and expectations⁹⁴. A real visionary and responsiveness government "must work today for tomorrow".

A key characteristic of democracy is the continuing *responsiveness* of the government to the preferences of its citizens, as political equals. (Robert A. Dahl., 1972, p. 1) Maximizing social considered welfare depends on improving distribution, as well as increasing the average level of responsiveness.

A government or some other public authority *is responsive* if it makes some effort to identify and then meet the needs or wants of the people who will benefit from pro-poor growth. .

From this perspective, the policymakers must enable themselves to "decrypt future" by interpreting the signals coming from the environment. The government's response that indicates potential problems is both highly punctuated and uncertain. In public services, "responsiveness" is a controversial concept. Democracy would seem to require administrators who are responsive to the popular will, at least through legislatures and elected chief executives if not directly to the people. (Eran Vigoda, 2000, p. 166)

Yet administrators and scholars alike tend to treat responsiveness both, in the best case as a necessary evil that appears to compromise professional effectiveness, and the worst case as an indication of political expediency if not outright corruption. Rourke's recent assessment is illustrative: The growing demand for responsiveness in government policy-making puts the survival of a professional outlook characterized by independence of judgment and indifference to political pressures at increasing risks American bureaucracy corridors (Rourke, 1992, p. 545).

From the systemic studies perspective, responsiveness can be defined as an outcome that can be achieved when institutions and institutional relationships are designed in such way that they are cognizant and can respond appropriately to the universally legitimate expectations of individuals.

The fundamental concern is the quality of life improvement in a society, including within that broad concept the quality of citizen/state relations. The achievement of responsiveness in this sense is likely to re-establish the public's trust not only in the particular public policy concerned but also more broadly in the state and system of governance.

For our purpose, a public policy problem can be defined as *a condition or situation that generates needs or dissatisfactions, and in order for them to be corrected a governmental*

⁹⁴ Expectations are often simply defined as individual's beliefs regarding desired outcomes. Yet the literature suggests that the definition of expectations, and more so the concept of expectations fulfillment is far from easy to define (Thompson and Sunol, 1995, Stanizzszewska, 1999).

Thompson and Sunol (1995) cite four types of expectations:

- Ideal: similar to aspirations, desires or preferred outcomes
- Predicted – realistic, practical or anticipated outcomes that result from personal experiences, reported experiences of others and sources of knowledge such as the media
- Normative – expectations that are based on what should or ought to happen
- Unformed – the situation that occurs when individuals are unable or unwilling for various reasons to articulate their expectations, which may either be because they do not have expectations, have difficulty expressing their expectations or do not wish to reveal their expectations due to fear, anxiety or conforming to social norms.

action is required. For example, conditions like polluted air, altered food, over populated prisons and cities produce situations that might create potential problems for citizens, taking into consideration that their dissatisfaction and discomfort are rising. The degree of dissatisfaction or discomfort (that also involves governmental intervention) is measured by citizens through *a standard* or a *criterion*; if these two rate a situation as being normal, inevitable, or one for which they are directly responsible for, no governmental action will be taken, because that situation does not represent a citizen's will, so it does not find itself on the public agenda

Objective conditions are seldom so compelling or unambiguous that they determine the policy agenda. Hence, knowing how a problem has been defined is essential to understanding the process of agenda formation. And so, the public agenda represents a set of problems to which the public participates. A policy idea that fails to meet the feasibility criterion is unlikely to be considered as a serious contender for a place on the public agenda.

Because the public opinion has the tendency to become vague and confuse when it comes to technical problems or complex solutions, we have to mention that the public agenda does not include the public policy solutions that are granted either by the political elites or by certain public segments. We also emphasize that situations do not become problems unless they are perceived as such, expressed and brought to the attention of the authorities; this kind of action is frequently used by officials, politicians that find themselves in search of problems.

More than that, a situation becomes a problem on the public agenda if it identifies itself with an area of state intervention, for which a governmental solution is possible. Regarding this, Aron Wildavsky said that authorities will rather ignore a problem if it is not multiplied by its solution. Hurricanes and earthquakes cannot be considered problems due to the fact they are unpredictable, but the damage that they cause does indeed represent a public policy problem and there have been created many programs that seek to reduce the damaging effects of these natural phenomena (Wildavsky, 1975, pp. 134-140).

2. Public agenda

By "Public agenda" we refer to the set of policy issues to which the public attends. ((B.D., Jones and F. R. Baumgartner, 2005, p. 250). What are those characteristics that tells a public problem from a private one? Generally, the public problems are thought to be the ones that affect the lives of a substantially large number of people, while their consequences are also felt by people who aren't directly involved in those issue.

Let's say a citizen is dissatisfied by the value of the amounts that was taxed under a certain fiscal law. As long as that citizen acts in his own behalf, trying to find derogation from the fiscal institutions, in his favor, then we are talking about a personal problem. But if that citizen, along with other people directly or indirectly affected by the same problem, try to modify the legislation, than the personal problem turns into a public matter.

The fact that a situation or a condition is perceived as a problem doesn't mean that it depends only on its objective dimension but also, to a large degree, on how people relate to that situation. If a person has a certain social standard, it's not a real problem for him to find a job, as he is not threatened by the increasing unemployment rate, he even considers this a necessary step in lowering inflation. But for a worker, unemployment is a threat and he will

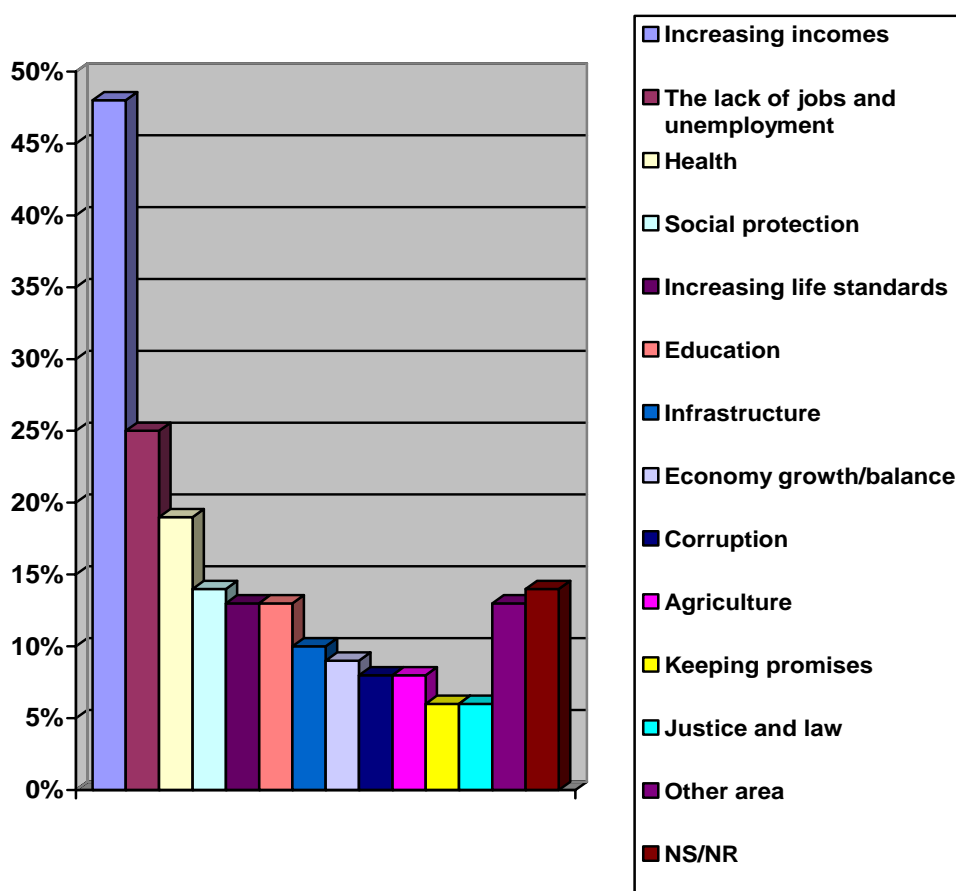
negatively react to. A person's perception is influenced by its own experiences, values and situations that involve him/her. There isn't a single or valid way of defining the problem, even though many people have opinions and preferences when it comes to a certain situation.

There are frequent cases when various ways of describing a problem converge, to get the public's vote. We decide if a certain situation can or cannot be considered a public problem if we take a look at the terms that were used to define that problem and accept the proposed definition. More than that, the terms that were used to define it and the causes that generate it determine the emergence of certain solutions that are considered to be adequate

The cases in which solving the problematical situations is in the best interest of people others than the direct beneficiaries are quite frequent. For example, the Romanian administration has begun its „war against corruption” more as a reaction to media and international officials, rather than a consequence of the actions of those directly affected by corruption.

For Romania, the most important problems on the public agenda for 2009-2010, are presented bellow. We mention that this survey was conducted through the year of 2008.

So, the chart bellow contains the gathered answers to the following question: *What are, in your opinion, the three most important things that the present government should resolve during the 2009-2010 period of its mandate?*



Way of interviewing: face to face interviews in the respondents house, or either by telephone, using the same questionnaire. The questions remained the same despite the interviewing manner.

Representative volume: 1154 people +/- 18 years old.

Representative type: probabilistic group, stratified, multi-staged one. Dual frame of representation: houses with telephones connected to the main market telephone operator (representative in 761 houses) and the adult population of Romania (400 representative houses selected through the random method. Both representations have been projected according to the territorial distribution of the Romanian adult population. The assignment of the representative sample was proportional to the group size.

Stratification criteria: 8 historical regions and the urbanism degree (8 different types of regions).

Units of selection: In the representative case of the face to face interviews, the primary units of selection were the regions. The selection of the houses in this case was made through the random method, and people were selected through the “last birthday” method. In the case of the representation sample for the telephone interview, the primary unit of selection was the house itself, and people were also selected through the “last birthday” method.

Moderation: In order to fix the unequal selection probabilities and adjust the different types of non-answers, the final representative segment was moderated through the RAKING method and the moderation variables were: region, urbanism degree, sex, age, race, occupation, level of education and having a telephone subscription. The moderation algorithm used as references official statistic data especially from the last demographic survey.

Representativeness: the final moderated segment is representative for the adult population of Romania, with a $\pm 2.9\%$ error percentage, with a 95% trust level. Besides segmentation errors, the way in which questions were asked and the practical difficulties when writing down field data field or telephone data can also cause other errors that might alter the results of the survey.

The Date of the collected information: October 2009

The answers that were collected emphasize the 2009-2010 Romanian public priorities but without paying attention to their preferences in terms of actual solutions.

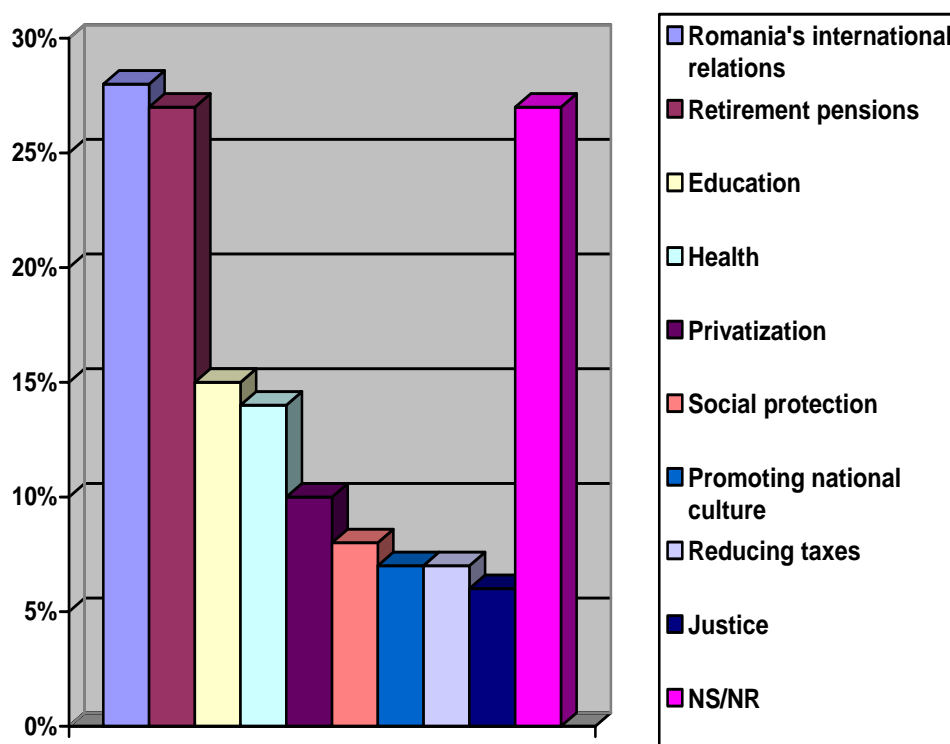
The ideal solution would be for us to consider the connection between the public agenda and the governmental one. But we must say that, if we use the results of the previous survey as a temporal method of the governmental agenda, the process of establishing a connection between the two types of agendas is altered by the existence of possible threats caused by the irregular types of questions, by the number of respondents etc. (B.D., Jones and F.R. Baumgartner, 2005, p. 226)

When analyzing the previous survey and also comparing it to similar surveys in past periods, we can notice a quite slow dynamic of the public agenda when it comes to Romania (there is a powerful domination of the problems that refer to the increasing of incomes and employment

rate; on the other hand, the problems that were generated by the big global challenges - such as terrorism, pollution, energy crisis, organized crime - are almost completely left aside.)

And this happens in spite of the fact that also in the situation in which various problems continue to stay in the public's attention, the way in which they are defined changes along with the change of the values and conditions that generated them. More than that, when a way of thinking changes, as a result of the changes and transformations that took place at a societal level, situations that were considered to be normal at a given time, can turn into a problem. For example, domestic violence which has been considered throughout ages a personal problem is now treated as a felony.

The following survey illustrates the acceptability rate of the Romanian public when it comes to the public agenda. When asking the question: *"In which areas has the government taken the most measures in, according to you own expectations?"*, you can see the answers in the chart below.



The methodology used for this survey is similar to the previous one.

This survey emphasizes a quite weak support of the governmental agenda. We also have to mention the rather high percentage of the individuals that used *I don't know/I'd rather not answer*, as answers (27%). These numbers prove the existence of a certain category of citizens that are still in *latent* condition, meaning that they are only preoccupied by personal problems and are thus not interested in what happens around them.

There are many explanations to this; starting with the fact that their only preoccupation is *fighting for what tomorrow brings* and not taking into consideration the civic responsibility. The same explanations can be used when talking about the lack of interest when mentioning

the important global challenges (human rights, energy, terrorism, security, delinquency) among the priorities of the public or governmental agenda.

3. The governmental agenda

Shifting problems from the public agenda to the governmental one is the result of a political process that also determines the *adequate solutions*. Is the fact that people with disabilities should have the right to a proper means of transportation in connection to the public transport field or an issue that is rather connected to human rights? Special means of transportation for the disabled ones is a solution to the transportation issue. The human rights perspective involves equal rights for the transportation of the disabled people and also the existence of proper devices that can allow disabled people to equally use the public means of transportation

Causality is an important aspect of a public policy problem. A situation can turn into a problem but what are the causes that generate the situation? Many problems- delinquency, poverty, inflation and pollution – have multiple causes. Inflation is characterized by a generalized growth of prices, measured by the index of commodity prices and it represents a political public problem with multiple roots: an under-production of goods and services, excessive demand of goods and services, too much money flowing, the result of a psychological inflation (people expecting prices to rise) etc. In order to solve a problem, we should pay attention to the causes, not only to the manifestations (symptoms) but, in many situations, it's not easy to identify or detect the main causes. Identifying the roots of a problem and negotiating a compromise regarding them is not an easy task for the policy makers, because defining the problem turns into a problem itself.

The difficulty in the governmental agenda setting is also determined by the fact that the *nature and purpose of many public political problems* are hard to express because of their dispersed or "invisible" nature. And because determining the size of the problem is often inadequate, those who elaborate public politics don't correctly evaluate the given situation and it becomes impossible for them to offer adequate solutions or even undertake governmental actions in order to solve the problem. Next to these inaccuracies we can also mention the inadequate understanding of the causes of the phenomena.

Another aspect connected to the governmental agenda refers to its capacity of being easy to control/manipulate, as some of the problems involve a higher level of behavioral changes than others. McKelvey (1976) and Schofield (1976) showed that in absence of a majority –rule equilibrium implies that virtually any policy outcome is possible. Hence, those who control the agenda can engage in all sorts of manipulations. A monopoly agenda setter can achieve almost any outcome they wish, provided they can appropriately order the sequencing of paired options considered by voting group operating under majority rules (Schofield, 1976)

Limiting resources naturally determines a space limitation as well of the governmental agenda. In the context of scarce resources many other forces, than the public opinion, appear and try to get their own space on the agenda, because it necessary defines the priorities within the agenda. It's not enough for a proposal to be included in the agenda but also to occupy a high position on the agenda.

From our point of view, we cannot discuss in terms of responsiveness government without taking into account the congruence between public and government agendas.

More than that, responsiveness can lack even if such a correspondence does exist, due to the blocking of political public actions, either by the political system (its level of complexity can generate various blockings) or by the leaders whose opinions are different from the public's.

We must raise questions of political interdependence among the nations and make some remarks on how these interdependences affect the substance and procedures of national policy making, including the agenda setting. For example, in the Romanian case, European integration has brought up on the governmental agenda many substantial issues other than those contained by the public agenda. How must the government react? Which are the government's alternatives? In our opinion, a responsiveness government must act so to produce a favorable society climate, following a later stage the European requests became real issues on public agenda. In fact, the demand for more transparency in public decision making, the search for new forms of accountability, and the growing reliance on persuasion rather than traditional forms of governmental coercion can be shown to be related, at least in part, to economic growing and political interdependence (World Bank, 1997). In other words, in the absence of that convergence between agendas we can not speak about responsiveness and much less about democratic policies that are able to satisfy the demands of the citizens.

4. The parliamentary agenda

The activity referring to the parliamentary debates is one of the main components of the public politics process.

According to an idealized legislative committee system model developed by Weingast and Marshall (1988)⁹⁵, each congressional committee has jurisdiction over a specific subset of policy issues. Within their jurisdiction, committees possess the monopoly right to bring alternatives to the status quo up for a vote before the legislature; and committee proposal must command a majority of votes against the status quo to become public policy. The agenda power held by committee members implies that the success of the legislative initiative is influenced/supported by the members of the relevant committees. Without these members, the bill will not reach the floor for the vote. Thus committee veto power means that, from the set of policies that command a majority against the status quo, only those that make the committee better off are possible. The ability to veto the proposals of others is a powerful tool used by committees to influence policy in their jurisdiction. Institutionalizing control over the congressional agenda -over the design and selection of proposals that arise for a vote- provides durability and enforceability of bargains in a legislative setting. (G. Majone, 2008)

For the Romanian case we can briefly present a research conducted in 2010 concerning the activity of the Romanian Parliament.⁹⁶ First at all the study captures the quantitative

⁹⁵ Quote by Majone, G, in "The Oxford Handbook of Public Policy", Oxford University Press, pp. 230-231.

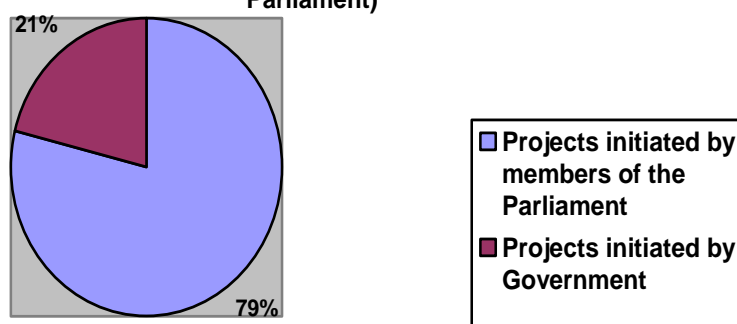
⁹⁶ Romania's Constitution states that Parliament is the supreme representative of the Romanian people and the sole legislative authority of the country. It consists of the Chamber of Deputies and Senate. The current Romanian Parliament consists of 137 senators and 334 deputies who are elected for a term of four years. For this

dimension of the Parliament activities. In the first legislative session of 2010 (February 1 to June 30) were submitted 322 regulatory projects and legislative initiatives at the Chamber of Deputies and 422 at the Senate.

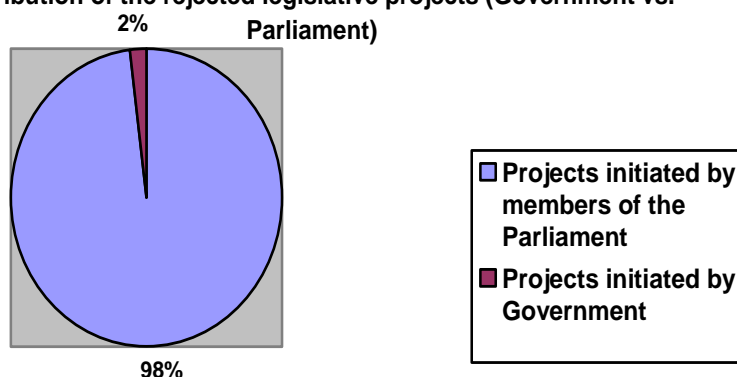
The relation between the percentage values of the projects submitted by the PM's and the Government are presented below.

At the chamber of Deputies, 63% of the projects were submitted by MP's and 37% of projects by The Government; At the Senate, 82% of the legislative initiatives were submitted by the PM's and only 18% by the Government. The situation is reversed when we evaluate the relation between adopted and rejected projects. Percentage values are present below.

The distribution of legislative projects adopted (Government vs. Parliament)



Distribution of the rejected legislative projects (Government vs. Parliament)

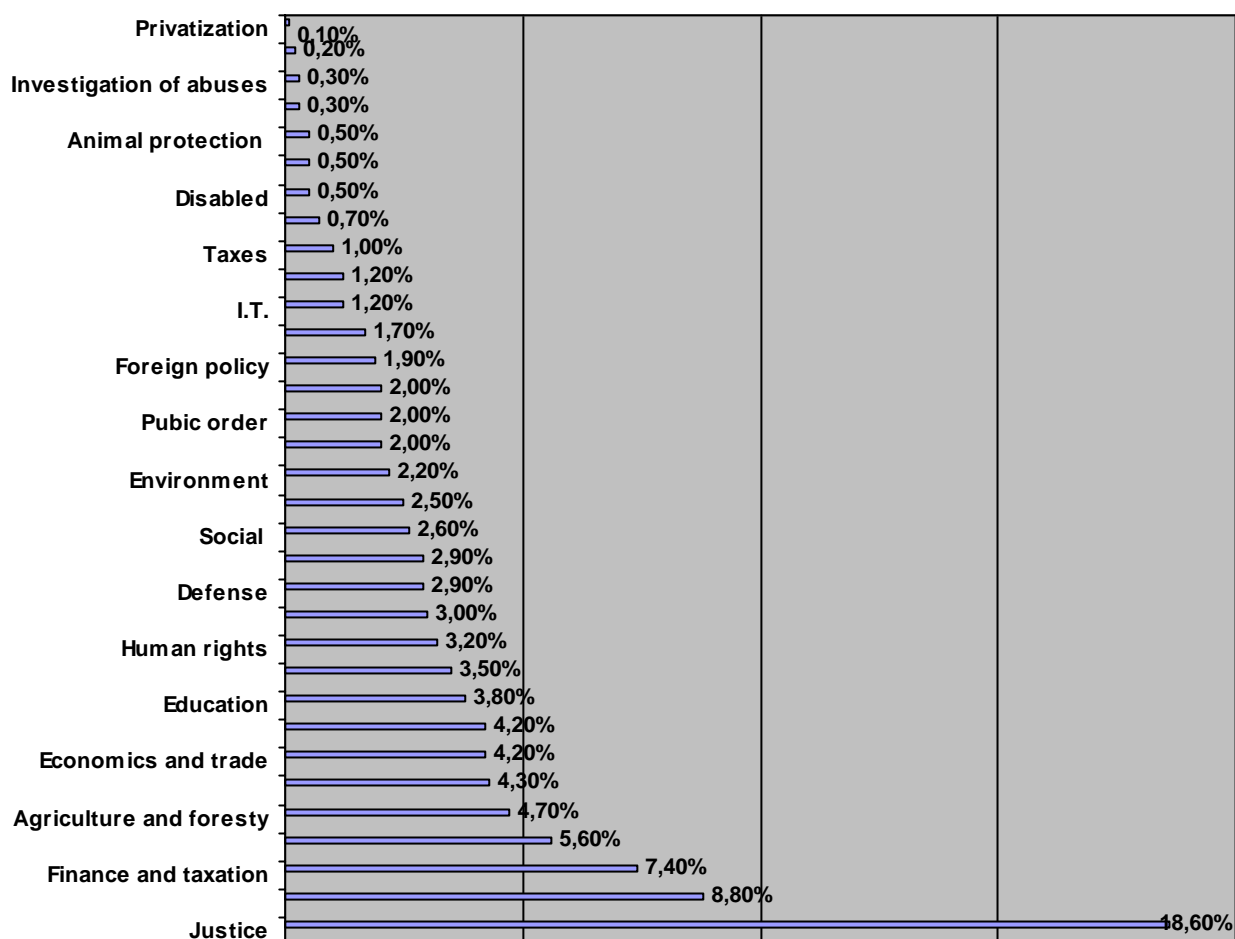


Source: Public Policy Institute, Monitoring Report, 2011.

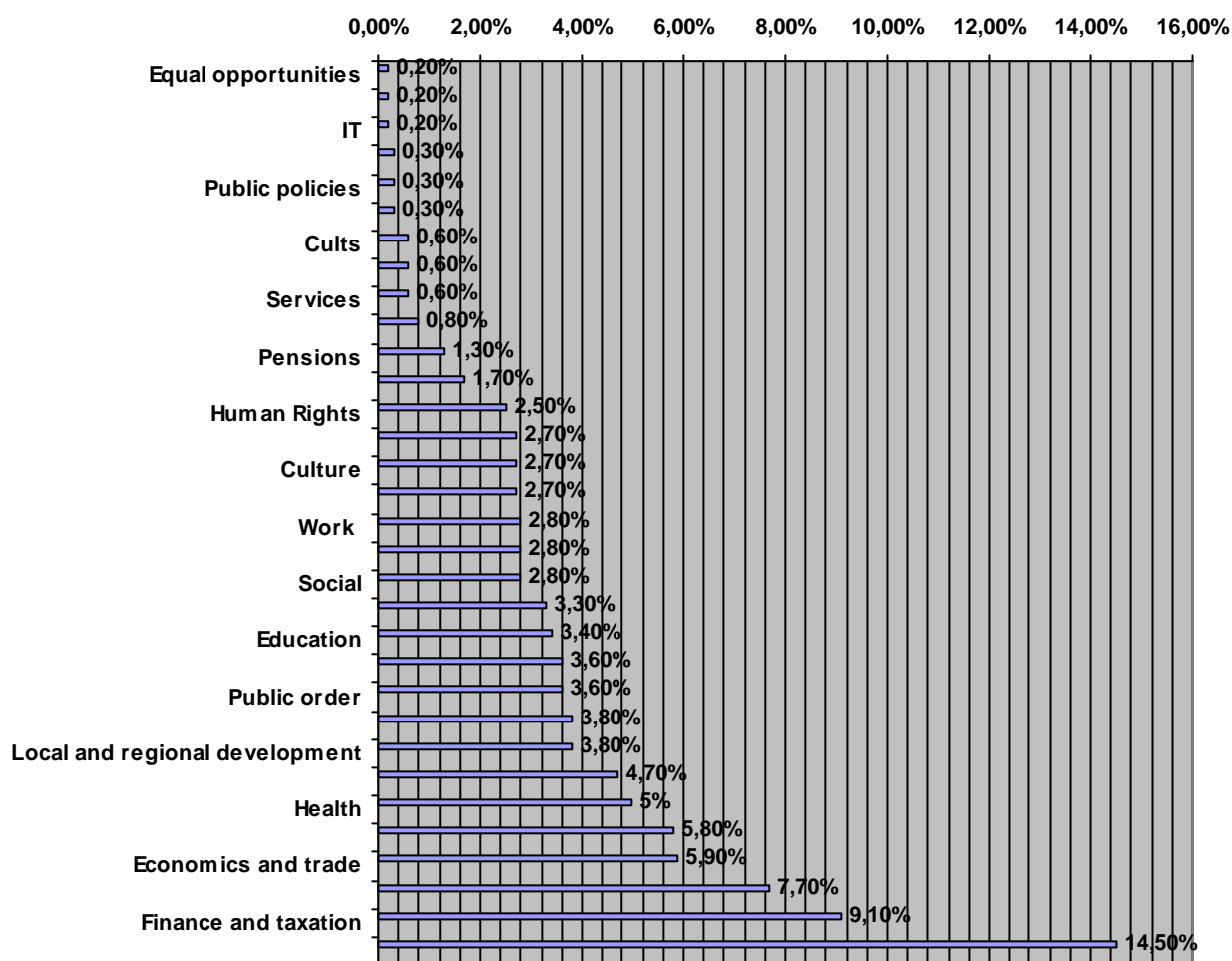
term, the mandate of parliament began on December 15, 2008, with valid elections and sworn, and will end on 14 December 2012. The mandate of such representative, in exercising its deputies and senators are serving the people. The Constitution also states (Article 69, paragraph 2) that any imperative mandate is null .

The two Houses of Parliament shall meet in two ordinary sessions per year (February to June, September to December) but can also meet in extraordinary session. During a legislative session, the Chamber of Deputies and the Senate can pass laws, resolutions and motions, the majority presence. The Chamber of Deputies and Senate operate the Parliament Palace in Bucharest and known as the People's House, lawmakers also operates in the territory (district / college) in the parliamentary offices established for citizens

With regard to prioritizing the area of legislative process, at the Chambers of Deputies the Justice represent the main area (25% of the legislative initiatives have been made in these fields), and the last position, with the fewest initiatives submitted are areas such information technology and equal opportunities.



In the Senate, the main regulatory areas of legislative initiatives submitted were agriculture /forestry and the last position were located fields such as human right and equal opportunities.

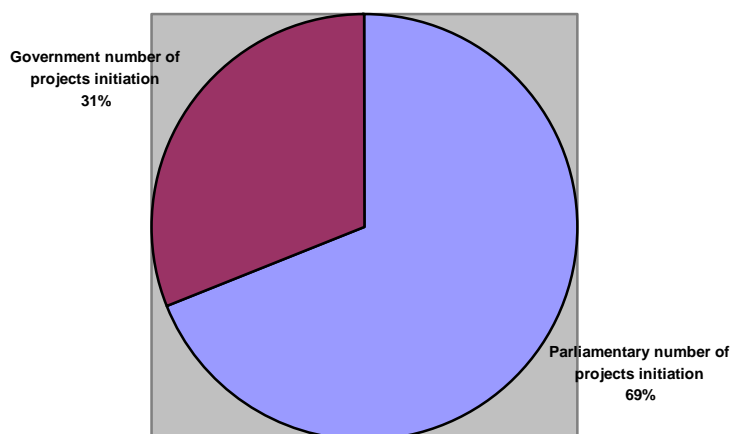


The study has revealed that in the present in the Parliament there are over 200 bills that are expected for over a year to be voted

The celerity of the legislative process is an very important indicator for the efficiency and effectiveness of the Parliamentary work. According to our Constitution, any legislative proposal initiated by the deputies or senators, and legislative initiatives of the Government, shall undergo legislation in Parliament within 90 days after registration, or 120 days for codes and laws of astonishing natural complexity. According to regulations in force, the two Houses of Parliament can decide on the proposals and/or recorded bills.

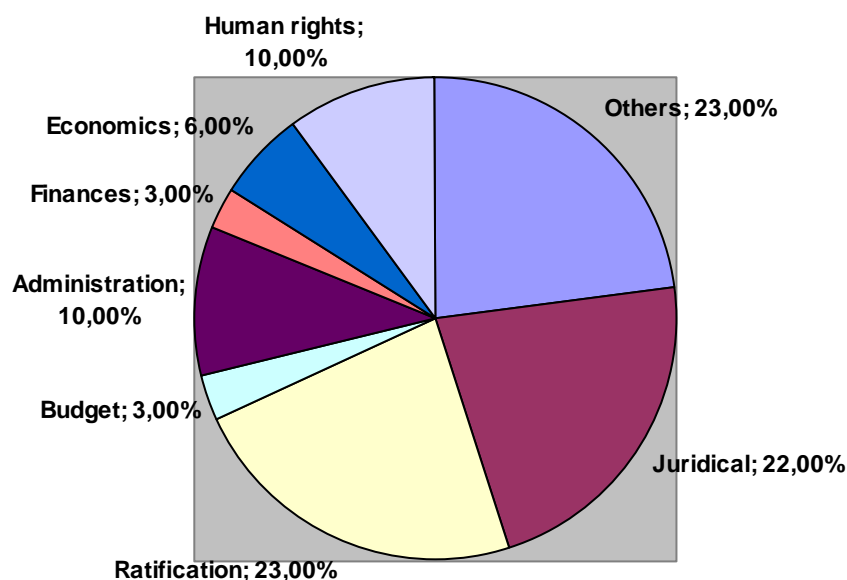
In the absence of discussion in the plenary of a large number of projects these have been adopted through the *tacit adoption procedure*. The distribution of these bills, both at the Chamber and the Senate are as follows:

Distribution tacitly adopted by initiating projects (Parliament vs. Government)



Source: Public Policy Institute, *Monitoring Report*, 2011

Distribution of tacitly adopted project areas



Source: Public Policy Institute, *Monitoring Report*, 2011.

To be taken into consideration that the most of the tacit adopted bills have been submitted by the Parliament members that can lead us to conclude that after the deposition of the initiatives they are little or less motivated in the following of their own initiatives.

Analyzing, in turn, the dimensions of parliamentary activity, we can draw some general conclusions on the defined issues in the monitored session, as follow:

To draft legislation submitted by members /senators continue unsuccessful legislative inflation phenomenon-in other words, some lawmakers initiate legislative proposals or co-signed in order to count as activity; there was no real consistently concerned about the purpose of the legislative process for this initiatives.

MPs belonging to the governing political parties should be consistent in cooperation with fellow party in the executive to avoid situations in which their legislative proposals are in conflict with the political principles agreed particular field.

In terms of priorities, the less important areas for the current Parliament –as they appear depending on the scope of regulation initiatives submitted-are equal opportunity and human rights.

5. Agenda congruence

Congruence between the public and governmental agendas is an unavoidable precondition without which responsiveness cannot be said to occur. Public agenda is measured by the answer to a question about “the most important problem” the nation is facing. The measure from the parliamentary agenda is based on hearings activity.

According B.,D., Jones and F. R. Baumgartner (2005) hearing activity is “the front end” component of public policy process. That is, it responds more easily to changing information flows than accomplish the later policymaking process stages. As a consequence, it is reasonable to expect a realistically response to the concerns of the citizens in the hearings activity, and we matched public opinion and hearings for the same year.

The model proposes by B.,D., Jones and F. R. Baumgartner (2005) to determine the congruence agendas, implies to define a matrix in which the rows are the most important problems and the columns are corresponding hearing categories. Listed down any column are the correlation between a hearing topic and the various categories of the most important “responses”. Along the diagonal are the correlations among the same policy topics :the congruence scores. Effective determination of the congruence agendas or the Romanian public policy will be the subject of a future paper.

6. Conclusions

In the paper above I have tried to demonstrate that a major problem related to making public policy work is in relation to responsiveness. In other words how many or few of the citizens’ priorities are translated into public policies. Especially not only through voting but the other mechanisms developed between elected officials and citizens.

Responsiveness is a generic concept that applies to the relationship between a public service and the citizenry, and to the relationship between the state and civil society.

The fundamental concern is the improvement of the quality of life in society, included within that broad concept the quality of citizen/state relations. The achievement of responsiveness in this sense is likely to re-establish the public’s trust not only in the particularly concerned public services but also more broadly in the system and state of governance.

On one hand, responsiveness is a key operation in any democracy and an important value itself. Responsiveness assumes that a well functioning democracy must involve not only representation, but means of solving problems. This involves the processing of information, communication, and the way in which those public preferences are created and influenced by government strategies associated with the public agenda setting.

Throughout this study we tried to configure the dimension of the agenda's convergence and to reveal that congruence agenda is a vehicle that leads to responsiveness.

Consequently, the two concepts are inextricably linked and reinforce each other and at the same time they make public policy work.

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PUBLIC SECTOR MODERNIZATION – BALKAN REALITIES AND CURRENT TRENDS

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Focusing on reality rather than aspirations presents a considerable professional challenge for the European Union and its member countries. Public management is complex and difficult to measure, but without some valid form of evaluation, we are slaves to theory, management fads and rhetoric. Upgrading professionalism requires collaborative work on how to identify, track and compare key behavioural changes. We also need to acquire a better understanding of the time required for serious public management interventions: culture change is not achieved overnight, and may take several years. There is also a need to strengthen mutual assistance by putting relatively more effort into peer review and countries operate if international comparisons are to be useful. For instance, those countries where agreement with organised labour is a *sine qua non* of civil service reform will have more to learn from each other than from countries where unions have much less influence.

The conditions under which EU Member countries and Non - Member Balkan states, operate are changing fundamentally. The shifting relationships among state, market and civil society institutions require not only management changes but also changes in governance – the way state authority and decision-making power are allocated, and how these arrangements maintain constitutional values over time. With these new challenges, public management is becoming a major policy issue. It is receiving an unprecedented level of attention in EU countries and beyond, and the pressures for change will not ease off in the decades ahead.

The first-generation pioneers of public sector reform also faced the challenge of adjusting to a rapidly changing European and world economy. But then the rhetoric of the day identified government itself as “the problem”. This led to an impression that there was a single generic cause – “bureaucracy” – to be addressed by a generic set of solutions – “reform” – to arrive at the desired result – “efficiency”. Since the primary goal was economic efficiency, the pioneer reformers went to work on reducing public expenditure, freeing up the public sector labour market and making greater use of market-type mechanisms in government. The flowering of this first round of public sector reform efforts in some Balkan countries in the late 1990s and 2000s brought new thinking and processes into public services, much of them in the form of management theory borrowed from the private sector. In the heat of rhetorical battle, the well-established term “public administration” became politically incorrect. It became fashionable to refer rather to “public management” because “public administration” was very much associated with rules – and part of the “managerialist” reform was to break away from a rules-bound system to one driven by management processes such as output and performance measurement.

The reform period certainly led to a deep and permanent change in the way public administration is thought about. For one thing, it changed the long-standing view that public administration was a unique discipline and uniquely specific in each individual country, so that comparisons with what went on in the private sector, or in other countries, were pointless. Once reforms began, there was an upsurge in borrowing ideas on public administration, and from being “closed shops”, governments opened up to new ideas on how to organise themselves.

Although there are different assessments of the practical results of modernisation, the most frequently noted achievement has been sizeable efficiency gains through reducing the range of activities in which government was involved, lowering staff levels and reducing real operating expenditures. These changes were certainly necessary, but have not automatically led to better government. This is essentially because **of two problems**.

The first is that the reforms produced some unexpected negative results. For example, decentralization in some continental European countries helped to renew local democracy, but also increased local problems of financial management and corruption. **A second**, closely associated problem is that some reforms had an adverse impact on matters of governance – who takes public decisions and how these arrangements are safeguarded.

Governments around the world acted on an unprecedented scale and scope to address the global crisis of 2008. While necessary, these actions severely increased deficit and debt levels, making public sector reforms that can lead to cost savings critical. In addition, rising unemployment illustrates that the social implications of the global economic crisis have not yet been fully felt. Meanwhile, governments are also looking for policy solutions to climate change, poverty, ageing populations, migration and a host of other long-term concerns.

The Balkan states are facing a growing number of challenges posed by globalization, devolution and the transformation of governance. Societies expect more from government in areas such as education, health, security, environment protection, among others. The role of government has dramatically changed as it has become part of policy networks where it is only one of the actors that participate in decision-making. Reforming the public sector is intended to improve the management of human resources, make a better use of public funds, deliver better public services and change the image of the public service as an employer. Economic constraints, growing social demands and increasing international dependency are making reforms essential if government is to respond effectively to those challenges. Balkan states have undergone a steady transformation in their administrative culture as their processes, procedures and institutional arrangements are at odds with their national needs and priorities. Their traditional personnel systems have proven less adaptive to respond to new national and international challenges. However, the introduction of change into the public service constitutes in itself a challenge as reform initiatives generally face opposition from public servants and other members of society who remain sceptical about their effectiveness and benefits.

The design and objectives of the reform initiatives in the Balkan countries are largely based on their own political, historical, social and economic context. However, it is worth noting that despite their different backgrounds the reform programmes point to, in general

terms, the improvement of the public sector performance to meet society's growing expectations in a context of limited financial resources and political pressure.

The evidence available suggests that the drivers of reform in the Balkan countries are mainly **internal structural factors**. The range varies according to the local political, economic and social context of each country. Limited financial resources lead countries to look for better alternatives to do more with less. As payroll consumes a considerable percentage of a country's budget, governments have to reorganise the civil service to make better use of both, financial and human resources. Political pressures may be categorized as the second main driver of reform.

Based on the combined experiences of the Balkan countries administrative reform, should have the following attributes to be manageable or, in other words, easier to be initiated and reach its goals:

It should be simple. A reform proposal cannot reflect the full complexity of the public service. When reform proposals are too complex they are more likely to produce misunderstandings and in consequence resistance to change.

It should be consistent. It means that a reform should invoke a single set of values and principles (Brunsson, 2006). This is particularly important as reform proposals tend to change the cultural underpinnings of an organisation. That is the reasons why reforms constitute a special approach to problems. Moreover, it is not possible or convenient to undertake several reforms at the same time to deal with the same problem.

It should be based on evidence. A reform should provide convincing arguments regarding a problem, present or future, and its solution. One way of doing so is drawing lessons from other experiences, internal and external. That demands getting involved into a process of lesson-drawing (Rose, 2005).

It should be realistic. Generally reforms are naive regarding their objectives and what they can actually achieve in a specific context and period of time. Reforms should be politically and technically viable.

It should consider a way of action to face possible side-effects. Reforms are, to a certain extent, a gamble because they are not risk-free and may generate side-effects. Reforming one aspect of the administrative structure may have implications on other aspects.

It should focus on the future. Reforming public organisations is a long-term process and results cannot be expected to be immediate. Persistence from leaders is needed, if reforms are to take place and changes be achieved. This is because reforms promise future benefits which sometimes will be palpable even further off the completion of the implementation process (Brunsson, 2006).

These attributes may facilitate the management of reform in the Public Sector in the Balkan states. This is because a reform that is simple, consistent, based on evidence, realistic and that proposes solutions on a long-term approach is relatively easier to explain and understand.

Reforming the Public Sector in the Balkan States is a complex matter. EU Member and Non-Member Countries are facing increasing challenges to make change happen. Adopting innovative reforms to respond to social demands is no longer enough; governments need to accompany their reform proposals with a strategy to manage change. Managing change dictates, to a large extent, the success or failure of a reform initiative.

How to achieve systemic change in public sector?

- ***Major changes to the budgeting and financial management process.*** The budget and accounting process has become the operational planning tool of government and provides the architecture for accountability.
- ***Major changes to the civil service system.*** During the first-generation reforms, some of the biggest impacts – not always good – occurred in those countries that put large numbers of public servants outside the rules of the core civil service system by creating arm's-length public bodies. The other area of high impact has been major changes in selection and incentives for senior public servants.
- ***Major changes to public transparency and accountability.*** Over the last decade the growing prevalence of laws requiring the disclosure of official information has been a powerful force in piercing the secrecy of government, and thereby closing the power gap between officials and the public. Also, more local transparency measures such as customer charters and remedies, public score sheets and “league tables” appear to have high impact on behaviour. The scope, quantity and quality of government information provided to the public increased significantly in the past 10 years and the provision of information is now a goal shared by all EU Member countries. Access to information is a precondition for public scrutiny, a basic building block for open government and is enshrined in the constitutions of some EU countries such as Austria, Hungary, and Poland. Freedom of information laws are the single most important means of giving substance to such basic rights and their adoption has gathered pace in the past two decades. The spread of Internet access at home, school and work has increased the importance of online tools for access to government information. The Internet is the medium of choice for all OECD countries when providing a potentially vast number of stakeholders with an unprecedented degree of access to government information at marginal cost and high speed. In addition, electronic systems can offer powerful tools for searching, selecting, and integrating the vast amounts of information held by the public administration as well as presenting the results in a form that can be readily used by citizens and businesses. Governments are more accessible and user-friendly today than they have been at any point in history. Measures to reduce physical, organisational and linguistic barriers; cut through “red tape”; use clearer language and expand online service delivery have all helped. The challenge for all OECD countries now will be to meet ever higher demands from citizens and business for streamlined transactions, tailored services and ubiquitous access.

Building open government that is accessible to anyone requires, at a minimum, provisions to ensure equal treatment. Administrative laws do so by defining the basic conditions for citizens' access and establishing mechanisms for holding administrative authorities accountable for their decisions. They provide guarantees for citizens in their interactions with government, uphold the rule of law and give substance to constitutional rights.

The principles of good governance – transparency and accountability; fairness and equity; efficiency and effectiveness; respect for the rule of law; and high standards of ethical behaviour – represent the basis upon which to build open government. From the public's point of view, an open government is one where businesses, civil society organisations (CSOs) and citizens can “know things” – obtain relevant and understandable information; “get things” – obtain services from and undertake transactions with the government; and “create things” – take part in decision-making processes.

- ***Modernising Accountability and Control (internal and external audit).*** In the past two decades, new forms of public sector management, privatisation and new technologies have changed the way the public sector operates but have also created a need for new ways of making both, agencies and governments, accountable for what they do. With an increasingly devolved public sector, ensuring conformity with government policy objectives, control of expenditure and monitoring of actual agency performance has become increasingly complex. At the same time, the changing relationship between government and the public sector has profoundly affected the traditional accountability of ministers to the legislature.

The terms “accountability” and “control” at first glance seem straightforward and easy to translate, but they evoke different ideas in different countries. In English the term “control” is used to denote an active authority to manage, whereas in French “*contrôle*” implies a more passive oversight and other terms are used to suggest authority to manage. Even without language differences, the way governments interpret control in different countries varies widely, from controlling the planned use of resources before authorizing spending to auditing at the end of the day to determine if the required results have been achieved efficiently. Some governments focus on controlling the financial aspects while others look to control a range of outcomes, a process often described as management control. Accountability, too, is a difficult term across languages and countries. For many, the concept of accountability is limited to the accounting system or is thought of as a reporting obligation. Other cultures use accountability to mean broader concepts: how those entrusted with the powers of the State are held responsible for their actions. These differences in meaning, concept and practice are important when trying to make comparisons between countries and must be acknowledged, if countries are to compare experiences and learn from international dialogue on such issues.

Control can be subdivided into external and internal control. External control typically means the central audit office, but it also includes central executive branch entities which provide, for example, spending authority to perform a particular function. Internal controls are the management processes, regulations and structures that assure senior management that the actions being carried out are legal, efficient and cost-effective, and comply with regulations.

Internal control is designed to ensure that a ministry, agency or department carries out its required functions effectively and efficiently, that its financial reporting is reliable, and that it complies with the relevant laws and regulations. For most countries, such internal controls are focused on controlling allocation of spending, accounting procedures and financial statements. Some have also added more sophisticated management controls, but these in no way substitute for the financial ones. Countries also differ in their use of effectiveness and efficiency audits as well as risk management techniques. One problem cited by countries is inconsistency in internal control and overlap with external auditors. Because internal control is handled within the management of the particular agency or department, its independence,

impartiality or objectivity are called into question. In response to these problems, about half of EU countries have created central coordination, policy and/or monitoring units to oversee departmental internal control systems. While there has been a trend to control through results, control before allocating resources still exists in important ways. Top-down budgeting requires stronger control at the start of the process, with input rationing, rules, control systems and incentives to ensure that departments and government as a whole receive and spend no more than they were allocated.

Performance-oriented budgeting and management requires a limited return to centralised planning of performance requirements but also more performance reporting, audit and evaluation after the event. The basic idea of control within the public sector is to ensure that an organisation is operating within its legal and policy responsibilities and is achieving the objectives set for it. Systems of control provide assurance that management systems are operating well. Control normally operates at a number of levels. The responsibilities and budget of a department are set by the government and the legislature. Thereafter control and accountability are exercised through a wide range of mechanisms which interact with each other. The executive, through the minister's office and the departmental structure, will monitor ongoing performance. The regular budget cycle will offer central financial agencies and the legislature an opportunity to review financial probity, efficiency and performance. The audit process, both internal and external, should provide a regular, independent review of financial management and performance.

External audit works together with internal control to ensure that planning, budgeting and use of public resources conform to a country's laws, pursue the objectives defined by parliament and government and are linked to the real world of programme operation.

The role of the supreme audit institution (SAI) has evolved from the traditional task of verifying legality and regularity of financial management and of accounting to encompass efficiency and effectiveness of financial and programme management. The most significant changes to the role of SAIs have been to secure the independence of auditors as well as to reinforce the links between the audit office and the legislature. Either at constitutional or statutory level, most SAIs are now independent of the executive.

- ***The creation and closure of organisations.*** This is a very powerful lever for change – and also a risky one. Confronted with an issue of public concern, a minister or senior official can create new agencies or parts of agencies. However, simply setting-up a new body does not of itself solve the problem, and may create new ones.
- ***Use of market-type mechanisms.*** The introduction of such measures as contracting out, vouchers, market-testing and public/private co-financing have introduced competition, and in many cases more efficiency, into public services. Problems can arise when such arrangements impact adversely on public trust in government, when private sector parties attain a position to exert leverage on public decisions, and when government ends up losing a strategically important competency.
- ***Devolution of decision-making power. Governance is about who takes decisions.***

Governance is synonym to decision-making power. The most important change that has taken place in the governance of some of the OECD member countries in the past years has been the transfer of competences from the central level of governance to the local level. The same goes for the field of management where the devolution of decision-making to the Board of Directors of independent public entities has been of considerable interest. As the Board of

Directors has by definition a consultative role, it actually functions with a delegation of power. However, numerous political and governance problems have been on the rise in those cases where countries have vested the Boards of Directors of non-commercial independent public entities with large decision-making powers.

- **Modernising Public Employment.** There are two basic models for employment in the core public service in OECD countries: “career-based” and “position-based”. The choice of one system or the other has a profound effect on a country’s public service culture.

In career-based systems, public servants are expected to stay in the public service more or less throughout their working life. Initial entry is based on academic credentials and/or a civil service entry examination. Once recruited, people are placed in positions at the will of the organisation. This may include moving staff from one ministry to another and from one area of specialisation to another. Promotion is based on a system of grades attached to the individual rather than to a specific position. This sort of system is characterised by limited possibilities for entering the civil service mid-career and a strong emphasis on career development. *Position-based* systems focus on selecting the best-suited candidate for each position, whether by external recruitment or internal promotion. Position-based systems allow more open access, and lateral entry is relatively common. In fact, no current EU civil service is a pure example of either the career-based or position-based type. There seems to be a tendency for each to adopt some processes from the other to mitigate the weaknesses to which each system is prone. Czech Republic, France and Spain have the strongest characteristics of a career-based system, while position-based tendencies are most evident in countries which have been more active in reforming their public sector over the past two decades – Sweden, Luxembourg, Denmark, Netherlands and the United Kingdom. It is interesting to note that East European countries adopted different models of civil service systems in their transitional period from the early 1990s. The Czech Republic and Poland adopted a career-based system, while Hungary and the Slovak Republic chose a position-based system.

Many EU countries now face a looming civil service staff crisis for three main reasons:

- **Population ageing:** A vast portion of civil servants will retire over the next 5 to 15 years in many EU countries. To cope with this problem, countries are making efforts to retain older employees, and to reform civil service pensions.
- **Labour market competition:** Governments must compete with private sector employers for a shrinking pool of talented people in some key areas. High quality personnel tends to move to private companies in search of new opportunities and challenges, and governments face growing problems in retaining them.
- **Government image as an employer:** Civil servants have become de-privileged in terms of their status in society and conditions of employment. As a result, young graduates generally do not feel attracted to working in government.

It is against this background of failing public sector competitiveness as an employer that many member governments are seeking to modernise their employment policies.

All EU governments share the ideal of a professional public service which gives objective advice, delivers services fairly to all citizens, and provides for the continuity of the administrative system. But equally it is fundamental in each country that public servants are responsive to the political will of the government of the day. How to balance the needs of professional continuity and political responsiveness is a key issue of public governance.

Which is best? This question can only be answered in the context of the constitutional arrangements and culture of each society. In all systems, a culture of professionalism is fostered regardless of the appointment process for senior officials.

New problems and a changing labour market, as much as new management ideas, have driven the main trends in public employment modernisation in the past two decades. It is important to give more attention to these systemic issues and in particular to three fundamental dilemmas:

- The increasing knowledge and skill demands of modern government, and the increasing difficulty of government in attracting and keeping high quality staff.
- The interconnectedness of key public problems, and the fragmentation of public action and the individualization of public service responsibilities and incentives.
- The need to attract and motivate senior executives who meet the high performance demands of a modern ministry, while keeping them in a wider cross-government culture bound by the public interest.

Overall, this important area of debate and action in public management in EU countries is at a relatively immature stage. In the medium term, it appears that countries with career-based systems will be working on ways to bring more market pressures to bear, while those with position-based systems are looking for ways to strengthen cultural cohesion. It is unclear how effective the current modifications to both kinds of system will be in changing the deeper tendencies.

The core capacity which needs to be strengthened if public sector modernisation is to be managed successfully in the future is the ability of governments to reflect on their public sector arrangements as a total system. This requires better diagnostic and risk analysis tools; deeper understanding of civil service culture and leadership and their critical place in public governance; more empirical research and data on behaviour or attitude change; and improved strategies for intervention which recognise both, the difficulty of achieving sustained behavioural change and the fact that change must proceed in a managed sequence.

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FISCAL RULES AND FISCAL SUSTAINABILITY AT SUB-NATIONAL GOVERNMENT LEVEL: EXPERIENCES OF SLOVAKIA, SLOVENIA AND CROATIA

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Abstract

Relationship of fiscal rules and fiscal sustainability is subject to ongoing debate which was intensified by adoption of EU fiscal rules. Task of the fiscal rules is simple – to prevent the unsustainable growth of debt and spending. However, the problem of fiscal rules that have been applied in past is in ignoring the economic fundamentals that determine fiscal sustainability. So far, fiscal rules were focused on the control of spending without taking care about possible output fluctuations or effects of debt financing on growth. That led to paradox that even with the sound fiscal policy guided by the fiscal rules there is no guarantee of fiscal sustainability. This flaw became obvious when countries hit by economic crises start abandoning the criteria set up by fiscal rules in order to confront impact of worsening economic conditions to fiscal variables. Therefore, there is a need for development of new fiscal rules, particularly on the sub-national government levels. These new fiscal rules should encompass both short-term and long-term sustainability and particularly stimulus to economic efficiency. In order to determine necessary content of fiscal rules to achieve such goals it is important to conduct comparative research on the issue. This paper presents experiences of Slovakia, Slovenia and Croatia and tries to draw useful lessons.

Key words: fiscal rules, fiscal sustainability, sub-national governments, fiscal policy, economic crises.

1. Introduction

The economic crisis that shaken the economies worldwide has spurred worries about fiscal sustainability. When everybody can feel consequences of economic crisis there is significantly different perspective in terms of stricter attention towards government spending. Less money in economy and households means as well less money for the state, regional and local budgets and consequently it demands rationalization of public services. In states with up-to-date public administration, that are able to overcome risks of contemporary world complexity it is much easier to manage budgetary crisis than outdated bureaucratic public administrations that are procedure-oriented instead goal-oriented. Budgetary crisis as the consequence of economic crisis is much more intense in those states with high level of taxation. And negative effect can be multiplied in the case of ineffective public administration

that is not able to search for internal reserves in resources. One can assume that same situation can be applied at local level as well.

So called economic crisis that started in the middle of 2008 caused different consequences and reactions at all levels of social system in individual countries as well as on supranational levels. Despite one can strongly doubt about solely economic nature of present crisis, it is truth that main effects were connected to the national as well as international economy. However, all different cases showed so far that economic circle is strongly connected also to the politics, policies and public finances on different levels.

We argue that on the local level financial crisis can be even more intense. We expect that municipalities with dominantly rural background will be less affected by financial crisis than those with predominantly industrial or post industrial economy. We expect as well that, later municipalities will realize lower tax revenues and they will change structure of expenditures in a way to keep at least existing bureaucratic expenditures. On the other hand municipalities will try to shrink investment and maintenance expenditures while they will have to increase so called social transfers especially those connected to the maintaining certain level of social security. This processes demand more attention to the issue of fiscal rules. It is very important that fiscal rules which impose "hard budget constraint" do not restrain local governments from both short-term and long term growth. We argue that current fiscal rules have to be modified and implemented according to the best theoretical and practical experiences. There comes the importance of comparative research in this area which is underrepresented in the literature.

In the second part of the paper, after introduction, we expose theoretical aspects of fiscal rules on sub-national levels. Afterwards, in third part we present brief overview of sub-national government regulation and power in Slovenia, Slovakia and Croatia. Forth part, before the conclusion, focuses on specific regulation on fiscal rules in each country. In this part some reflections on consequences of fiscal rules and recommendations for changes are presented.

2. Fiscal rules on sub-national level

Usual framework of public finances considers the process decentralization in terms of function of allocation. However, contemporary research more and more attention devotes to the issues of fiscal federalism and macroeconomic stability (Shah, 2008). Common notion that local governments do not have role in stabilization policy is abandoned. This is particularly the case in recent economic crises where local governments in many countries are not any more passive observers and, on contrary, took proactive measures (see Clark, 2009). However, such countercyclical activities are not common feature of all countries. They usually occur in developed economies. Less developed economies both on central and regional/local level engage in procyclic behavior. Procyclic fiscal policy and its impact on macro-stabilization and economic growth have been extensively studied. On the other hand, the effects of the imbalance between levels of government are much less studied. It is assumed that because there is a vertical imbalance in the federal system, local authorities have incentives to increase spending above the socially optimal level and have high deficits. Such a situation is definitely confirmed by cases of Argentina and Brazil (Struzennegger and Werneck, 2008, p. 124).

Both Keynesian and neoliberal theories agree in the fact that during recession the authorities need to use deficit financing and lower taxes, and during the expansion have budgetary surpluses and raise taxes. These same recommendations come from different reasons. Neoliberals argue that such approach raises allocative efficiency, and Keynesians point out positive effects of short-term stabilization of aggregate demand management policies (Struzennegger and Werneck, 2008, p. 126).

However, local governments in developed countries were strongly pressured towards fiscal consolidation effort by imposing "hard" budget constraints, and at the same time to additional efforts to increase the efficiency of their activities. It is believed that long-term fiscal sustainability is possible only in this way through the introduction of strict fiscal rules. More importantly such efforts should reduce negative effects of fiscal shocks (Sutherland, Price, Joumard, 2006). However, the fact is that pressures to reduce expenditures of the local sector comes more as a consequence of the increasing spending of the central government and extrabudgetary funds.

Besides the level of local tax autonomy and structure of local government revenues and fiscal transparency, fiscal rules that bind the autonomy of local government spending are important factor that defines the scope and extent of possible outcomes of local government responses for mitigating the crises.

Fiscal rules should prevent the unsustainable growth of debt and spending at the local level. Most commonly used fiscal policy is a policy of balanced budgets. Besides that, the usual tools are restrictions on borrowing and limits on tax rates. However, the general problem is that fiscal rules essentially do not succeed to restrain local spending. Local government spending is a result of numerous factors and politically sensitive programs that are difficult to connect with the objectives of budgetary spending limits (Sutherland, Price, Joumard, 2006, p. 6). This problem is even intensified in cases where there is insufficient awareness of the need for long-term planning of revenues and expenditures and program spending.

Nevertheless, studies show that the rule of balanced budgets and borrowing constraints lead to long-term sustainability of local fiscal policy⁹⁷. Local governments under these rules experience faster adjustment of fiscal shocks, especially by reducing expenditure (Sutherland, Price, Joumard, 2006, p. 38). There are five criteria necessary for setting up the appropriate fiscal rules (Sutherland, Price, Joumard, 2006, p. 7):

1. long-term fiscal sustainability
2. short-term economic stability
3. aggregate efficiency – in the sense of equalizing marginal benefits from public spending to limit the damages caused by taxation
4. allocative efficiency of public spending, which is manifested in matching quantity and quality of public services with local preferences
5. possibility to maintain the redistributive elements within the system, it should not come into question – the minimum standards should remain the same

The level of the tax autonomy is one of the crucial issues when analyzing possible effects of economic crises on local governments. Higher tax autonomy will give more power in hands of local government in combating the effects of crises. This is especially the case in federal

⁹⁷ However, the majority of research is related to the USA economy.

countries with high level of fiscal transparency and high level of tax competition. In both cases local governments will try to keep the taxes low. Also, the distribution of tax revenues, which exposes the local communities who are vulnerable to cyclical fluctuations, will reduce the tendency to conducting the procyclic fiscal policy (Sutherland, Price, Joumard, 2006, p. 6). In any case, regardless of the way to curb excessive spending and taxes at the local level, fiscal transparency helps the sustainability of the budgets of local governments.

Many countries have developed procedures to ensure budget balance in the range of consultations with central authorities in case of realization of the deficit or making consolidation plans. There are also more strict measures, such as drafting of a new budget. However, in the event of a crisis rigid rules constitute an aggravating circumstance for countercyclical action of local governments. In majority of countries there are no measures envisaged in the case of the fiscal crisis caused by the economic shock. However, there are some exceptions (see table 1).

Table 1

Coping with the cycle

Sub-central governments						
	Can draw on		Can cut mandated expenditures	Revenues are adjusted to		Receive special financial support
	Rainy day or reserve funds	Off- budget funds		Projected cyclical fluctuations	Actual shocks	
Canada state	+	+		+		
Canada local	+					
Czech Republic		+				
Denmark				+		
Finland	+	+	+		+	+
France						+
Germany state			+			
Germany local					+	
Japan	+					
The Netherlands	+					

Source: Sutherland, Price, Joumard, 2006, p. 28, adapted by the authors.

Additional problem for less developed economies is that their local governments are prone to conduct procyclic fiscal policy. A strand of contemporary literature tries to provide an answer why that happens. There are several potential explanations. In addition to argument of severe credit constraints in less developed economies during crises, some authors claim that the main reason for that is the so-called “voracity effect” proposed by Lane and Tornell (1999). They argue that during the period of boom some groups try to appropriate the surplus of resources. The competition between groups is fiercer the larger is the amount of available resources. Because of that the common pool problem is more intensified during the expansion (Struzennegger and Werneck, 2008, p. 126).

The more decentralized country is, it is harder to maintain countercyclical fiscal policy. Particularly in case where local authorities have a greater part of government spending in their jurisdictions. Since they have no responsibility for stabilization policy there is an increased likelihood that in time of economic expansion they will set off in procyclic spending (Perry et al., 2008, p. 17). For example, case of Argentina provides example of such procyclic behavior

of local governments. It is interesting that smaller local governments conducted more procyclic policy. Furthermore, it was shown that tax revenues are more procyclic than transfers of central government (particularly local sales taxes).

Finally, the effects of financial markets are not irrelevant. It is well known that in times of crisis the cost of financing in developed countries fell, while in Eastern Europe significantly increased. Moreover, banks were not willing to finance the local community in order to ensure their own credibility and to isolate themselves in case of potential new financial shocks. Thus, the possibilities of refinancing of obligations are reduced and together with the additional pressure for reduction of transfers from the central government, it became hard to service the commitments from previous periods. Therefore, the local governments are not able to conduct countercyclical policies in their jurisdiction. Even if the local government has a flawless history in terms of fiscal credibility they might have problems with financing provision of goods of services. In time of crisis interest rates are rising and banks refrain from lending which has procyclic effect.

3. Basic elements of sub-national government levels in Slovakia, Slovenia and Croatia

Prior to the analysis of fiscal rules in specific, it is necessary to expose the most important elements related to the position of subnational governments within the system of intergovernmental relations in the countries that we analyse.

3.1. Slovenia

Slovenian municipalities are funded from several different sources, where the legislation also defines the targeted use of funds according to the source of income. Basic legal acts governing the financing of Slovenian municipalities are the Local Self-Government Act (LSGA), and Financing of Municipalities Act (FMA) and their amendments, the Act Amending Local Government Act (LSGA-A) and the Act amending the Act on Local Finances (FMA-A) Of course there were several different supplements and even more so, at this point we only refer to those most important for present issue at hand (see also Milunovič, 2005, pp. 108-112).

FMA in the article 2 notes, that revenues from taxes and other duties specified by the LSGA and revenue from taxes, charges, fees and other charges specified by special laws, belong to municipalities. In the LSGA financing of municipalities is regulated in the sixth chapter, where Article 51 stipulates that the assets of municipalities are composed of mobile and immobile property owned by municipalities, financial capital and property rights. Stipulation in the second paragraph of that article, which says the municipality needs to managed it's assets as a good manager," is very important. This relatively worn out phrase can often present a stumbling stone of municipal financing and political struggle among municipal positions and oppositions. This was particularly apparent in some cases of the real estate trafficking in City Municipality (CM) of Ljubljana (MOL), where there was very loud criticism from the opposition in city council; pointing to the notion the MOL managed its assets in conflict with paragraph two of the Article 51 of the LSGA.

On the basis of Article 52 of the LSGA the municipality finances local matters of public interest from their own resources, funds from the state budget and borrowings. Their own resources are taxes and other fees and income from municipal property (See Milunovič, 2005, pp. 112-114).

State is obliged to provide a financial offset in the amount that public spending per capita of any municipality reaches an average of at least 90% of average consumption per capita in the municipalities of the Republic of Slovenia. This means that the state is obliged to provide the difference in financial capacity to the extent that in any of the municipalities (municipal) public spending per individual would not deviate downward by more than 10% of the average public spending per individual in all Slovenian municipalities.

Financing of the local affairs of public importance is provided on the basis of Article 53 of the FMA from the following:

1. Property tax;
2. Inheritance and gift tax;
3. Gambling tax;
4. Real property transaction act;
5. Other taxes provided by law.

At the same time, the municipality, under the same article FMA, also receives part of the revenue from personal income tax, which is determined by a special act of the National Assembly of the Republic of Slovenia.

Article 54 of the FMA stipulates following income from the assets of municipalities:

1. Income from renting and leasing of land and buildings, which are communal property;
2. Income from equity investments;
3. Income from securities and other property rights the municipality bought;
4. Income from annuities, profits of public enterprises and concessions.

In a given financial period, taking into account the as equal regional development as possible, the national budget assigns the funds for the implementation of local affairs of public interest according to the third indent of Article 56 of the FMA, taking into account the criteria for determining the amount of funds. Said criteria are in particular, number of residents and population of the municipality, geographic characteristics and status of municipalities in terms of specific interests of the state for its development.

Municipality is required to define its revenue and expenditure for the next budgetary year, which is equal to the budgetary year of the state, in the municipal budget. According to the budget in the next year, the municipality may only use the revenue received by the end of the previous year. For all unforeseen expenses in the current year it is necessary to obtain the consent of the Municipal Council. If the municipality budget for next year is not accepted by the end of previous budgetary year, the municipality is temporarily funded by a system of 'twelfths' on the basis of the budget from the previous year, until a new budget is adopted. In the event that the Municipal Council has not adopted its budget for the subsequent two years the Parliament of the Republic of Slovenia may dissolve the municipal council and call for preliminary elections. According to the Article 59 of the FMA, the Court of Audit of Republic of Slovenia, and in certain parts Ministry of finances, supervise the municipal spending. Details of the design and implementation of the municipal budget are regulated by the FMA and FMA-A.

Municipal financing takes place in several parts and is covered by various resources specified in advance. To that end, the Article 20 of the FMA stipulates that the cost of urgent tasks in

the municipality (guaranteed expenditure) are funds for the work of municipal authorities and municipal administration and the funds for carrying out activities in the field of basic education, research activities, culture, sports, social welfare, health care and other activities, funds for the implementation of special rights of ethnic communities, subsidies and current transfers to public utilities (municipal cleansing service, housing activity, road construction and repair, management of the environment, environmental protection and other activities), funds for fire protection and for protection against natural and other disasters and the funds for mortician service. The amount of funds for aforementioned activities is determined on a yearly basis by the Ministry of Finance. Amount is based on the criteria established in the conjunction with other competent ministries and municipalities for each budgetary year. The Article 9 of the FMA-A amends and simplifies the article 20 of the FMA in the sense that “the funds used by the municipality to be able to ensure the implementation of constitutional and legal tasks are considered to be an appropriate scope for funding of local affairs of public interest (hereinafter referred to as appropriate consumption).” Appropriate consumption per capita (which is the average amount of funds per capita of the Republic of Slovenia) on the basis of FMA-A is determined by the Parliament when adopting the state budget for each current year. Based on the Article 21 of the FMA, the funds to finance the so-called guaranteed expenditure drawn from the inheritance and gifts tax, gaming tax, real property transaction tax, administrative fees, a special tax on the use of gambling machines outside of casinos in the amount specified by individual law that introduces specific tax. However, on the same basis and in the amount determined by the FMA, the municipalities are also provided with part of the tax revenue from personal income tax to finance the so-called guaranteed expenditure. With the introduction of appropriate consumption and the elimination of the term guaranteed expenditure the uncertainty regarding any other tasks, that should be, on the basis of the FMA, provided by the municipalities and be financed by other sources. The FMA, in Article 20, therefore specifies all tasks that shall be financed from the guaranteed expenditure. FMA and FMA-A state that among miscellaneous revenue for the funding of the municipality tasks include: property tax, the compensation for the use of building land, local tourist taxes, utility and other fees, damages for the conversion of agricultural land and forest, damages and compensations for the degradation and pollution of the environment, administration revenue and revenues specified by other acts in the amount specified by individual act, establishing every single revenue. However, the third paragraph of the Article 22 FMA enables municipalities to prescribe, property tax that is up to five times greater than the amount determined by law.

The most important source of tax revenue for the municipalities is part of the personal income tax, which is currently 54% of the total tax revenues. The share allocated between the municipalities depends on the ratio between measured personal income tax of all taxpayers living in the municipality and the measured personal income tax for all taxpayers living in the whole country in the year before last. The mentioned ratio is determined on the basis of Article 23 of the FMA by the Ministry of Finance.

FMA provides, in the section on the tax recipient, that an individual tax (inheritance and gift tax, gambling tax, real estate tax, income tax from buildings and spaces for rest and recreation, tax on floating objects, tax on the use of gambling machines outside casinos) is primary municipal revenue of municipality in which the property is located or where the person resides, and additionally provides certain modifications (see Article 30-34 FMA), where territorially principle cannot be applied. Such allocation of taxes is understandable, but on the other hand, it greatly determines the amount of the individual municipalities' income.

We can thereby assume that some, especially smaller and less developed municipalities are being greatly disadvantaged for a relatively large proportion of revenues, regardless of the fact that they must implement certain task of the same quality as larger municipalities with more revenues. Such loss of revenues is preventing their further development and is hindering their financial autonomy in terms of increased dependence on financial balance transfers from state.

3.2. Slovakia

The communities in Slovakia obtained a self-government status in 1990 and their prime function became an execution of public affairs administration in the extent that was not belonging to the state administration issues. By this way the Slovak communities became fully-fledged actors of policy-making on a local level. In the same year, the system of national committees was abolished and new state administration authorities were established. The huge public administration reform was implemented in Slovakia in 2001-2005. It includes several important steps, for instance continuation of devolution as well as introduction of fiscal decentralization.

Slovakia belongs to the most fragmented European countries in terms of the size of local units – i.e. municipalities/communities. More than 67% of all Slovak municipalities have a population of less than 1,000 inhabitants. The smallest municipalities (with a population of less than 250 inhabitants) are concentrated in terms of their locations especially in the north-eastern part of the Slovak territory as well as in the areas surrounding the Slovak-Hungarian border of the central part of the Slovak territory. In the western part there are very few such municipalities. On the contrary, only two Slovak municipalities – Bratislava and Košice – have a character of city with a population of more than 100-thousand inhabitants. These cities dispose with so called two-tier local government system, where one tier is created by city en bloc, and the second one involves town districts. The other Slovak municipalities, regardless of their size, have the same structure of local government bodies and the extent of powers (Klimovský, 2010, p. 245). All these municipalities should cooperate with the self-government regions within a frame of regional policy making in order to obtain synergy effect. But, obviously, coordination of the activities of hundreds of municipalities (the case of eastern Slovak regions: Prešov region where more than 660 municipalities are located, Banská Bystrica region where almost 520 municipalities are located or Košice region where 440 municipalities are located) differs a lot from coordination of much lower number of municipalities' activities (the case of some western Slovak regions). Such highly fragmented structure strongly effects decision making of private enterprises where to locate their plants. Moreover, peripheral regions (like Banská Bystrica region, Košice region or Prešov region) with lower share of well-educated inhabitants and bad infrastructure are in unfavorable position (Hudec and Klimovský, 2010).

The increasing problems of rural areas in the Slovak Republic have caused a gradual outflow of economically active people to towns or urban areas. Furthermore, young people who leave villages to study in towns do not return to their villages after finishing their studies because they see no future there. Rural areas are thus becoming depopulated and are increasingly inhabited by elderly people and pensioners (Kling, 2003, p. 473). Many of such atomized units are not even able to perform their tasks, and recently have to look for co-operation possibilities (Klimovský, 2008).

As far as the competences, these were transferred from the subsystem of state administration to the relevant territorial self-government units in several periods. The reason why the interested actors took a decision on such periodical approach was an accentuation of necessity to provide an adequate time for both the superior territorial units and communities to prepare themselves for a proper execution of those competences. However, even if the mentioned periods were longer, it would not be possible for the most of municipalities to be prepared for it. The problem is that there are too many very small municipalities, and that the smallest municipalities (for example, community Príkra has only 10 inhabitants) have the same competences as the biggest municipalities/towns.

Issue of fiscal decentralization became a true “hit” in the public debate on public administration reform and its continuation. All major political parties pledged to decentralize power over public money, and all advocated accumulation of the self-generated revenues of self-government units (Kling and Nižňanský, 2003, p. 195) on both local and regional level. Fiscal decentralization was not implemented at the same time as decentralization of competences, and because it was implemented later, some serious problems occurred. As it is mentioned by Palúš (2004), especially the superior territorial units and their bodies were completely dependent on the state budget. Although fiscal decentralization was expected with big apprehensions primarily from the side of self-government units and their associations, after a relatively short period their representatives complimented its impact. For example, Pilát and Valentovič (2006) mentioned, that according ZMOS's internal research, only 11 towns lost due to fiscal decentralization and its compensation mechanism in 2005. For that reason it was supported by ZMOS, too⁹⁸.

A list of original competences of municipality, according the rule of Act No. 369/1990 Coll. on Municipal Establishment, includes the following tasks: administer their property, propose and approve their own budgets, and consequently run their management in compliance with them, make decisions on local taxes and fees and they administer those taxes and fees, coordinates economic activities on their territories (for instance, municipalities approve or refuse entrepreneurial initiatives that should be organized/arranged on their territory), organize effective system of internal control, construction and maintenance of the local roads, spaces, municipal cemeteries, cultural and sport facilities, cultural or historical monuments, for public services, especially within waste management, water-resource management, local public transport and local environmental protection, to protect good health conditions on their territories, and is responsible for suitable conditions in terms of development of local culture, education, further education, sport and other spare-time activities of its inhabitants; activity in the field of consumers protection, they administer market places, and they arrange suitable conditions for food- and water-supplies; responsible for urban planning documents, and related strategic documents or concepts; have the right to organize own capital investments as well as run own business for purposes of own development and in compliance with needs of own inhabitants; entitled to establish, abolish and control own budget or allowance organizations; responsible for organization of potential local referenda aimed at important

⁹⁸ Despite of strong opposition at the side of ZMOS (Association of Towns and Communities of Slovakia), on 27 September 2005 the Parliament approved an amendment of the Constitution of SR and introduced an external control, realized by NKÚ (Supreme Control Office) and its organizational units, with respect to territorial self-government. ZMOS considered it a possibility for groundless state interference with self-government issues but the most of experts – e. g. Pilát and Valentovič (2006) – considered it a meaningful and necessary element which reflected an increase of territorial self-government importance.

issues linked to living conditions and development of the municipality; responsible for public order and safety; must protect all historical monuments that are located on their territories; provide selected social services; have the right to certify the documents and signatures; must keep its own annals.

Within the context of this list of tasks, the main expenditures of the local government are as follows:

- expenditures linked to accomplishment of duties in compliance with law (including accomplishment of original as well as delegated tasks);
- expenditures linked to administration and assessing of property;
- commitments from co-operation activities (including international co-operation activities);
- carrying charges;
- expenditures linked to issue of communal obligations;
- other expenditures.

Municipalities have also the right to provide some grants for special purposes to those legal entities that were established by them.

Under the rule of the Act No. 583/2004 Coll. of Acts on Budgetary Rules of the Territorial Self-Government, the local governments' revenues are as follows:

- yields of local taxes and fee;
- non-tax revenues from property;
- yields from financial resources;
- fines for breaking of financial discipline that have been set by the municipality;
- donations and yields from whip-rounds;
- share in yield of income tax;
- state transfers (for purposes of covering the costs linked to delegated state administration);
- other state transfers;
- grants for special purposes from regional governments' budgets or from other local governments' budgets;
- resources from the EU or resources from other foreign subjects;
- other resources.

Every local government has the right to utilize other resources within its activities and in compliance with existing rules, such as resources from non-budgetary financial funds, profit from business, loans and clustered resources. Municipalities are entitled to issue communal obligations, too.

The main source of the subnational government comes from the personal income tax. Personal income tax that is administered by state is shared tax in fact, since annual yield of this tax is divided into three parts:

- 70.3 % of entire yield belong to the local government;
- 23.5 % of entire yield belong to the regional governments;
- 6.2 % of entire yield belong to the central government (state).

Share of municipality in total yield of income tax depends on:

- 23 % according the number of permanent municipal residents (44 % of this share is recalculated in compliance with absolute municipal altitude);
- 32 % according the number of permanent municipal residents – this number is recalculated by a coefficient of municipal size in compliance with official size structure of the municipalities;
- 40 % according the number of pupils in primary schools and related institutions – this number is recalculated by a coefficient linked to relevant primary school or related institution;
- 5 % according the number of permanent residents who are 62-year-old at least.

There is a set of local government taxes (Act No. 582/2004 Coll. of Acts on Local Taxes and Fee for Communal Waste and Little Building Waste, namely:

- estate duty (it includes three “independent” local taxes: feu duty, buildings tax, and apartments tax);
- dog tax;
- utilization of public space tax;
- accommodation tax;
- vendors tax;
- slot-machines tax;
- entrance and abidance in historical centre of town by vehicle tax;
- nuclear facilities tax.

The mentioned taxes are administered by municipalities. Furthermore, there is also one regional tax called motor vehicle tax, and it is administered by the regional governments.

3.3. Croatia

The reform of the territorial and administrative organization of the public sector in Croatia started in 1994. By the Constitution, Croatia was proclaimed as a federal state (however, this concept stayed only on the formal level and has never been manifested in practice) consisting of three tiers of government – the central government; regional government - 20 Counties plus the special area of the City of Zagreb (which has the status of City and County) and the local government sector (which consists of cities and municipalities). Such concept of territorial division had intention to set up counties as classical regions with the function of a middle tier of government. It is very important to address this spatial setup at the beginning because it had crucial impact on the results of the decentralization process.

Territorial reform resulted in too large number of counties, cities and municipalities. It was clear from the beginning that decentralization process in circumstances of such fragmentation of governmental space cannot be sustainable. However, in spite of that, from the 1994 the number of cities and municipalities increases. At the moment, there are 570 sub-national governments – 21 county, 128 cities and 421 municipalities. That is the reason why a substantial number of Croatian local governments and cities are quite small. That resulted in fact that many Croatian local governments do not have the appropriate financial, administrative, technical and personnel resources to carry out the basic functions of local governments.

Until 2001 counties had dual functions and were primarily responsible for performing delegated tasks from the central government level. Their role of self-government acting in accomplishing goals of regional provision of public goods and services was seriously neglected. That situation resulted with unclear division of responsibilities. In year 2001 new Law on Local and Regional Self-Government was adopted. By this Law counties are defined as the units of regional self-government.

From the 2001 responsibilities of counties, cities and municipalities are more clearly defined. Counties are responsible for activities of regional importance, such as education, health care, urban planning, economic development, traffic, and transport infrastructure, and for establishing a network of educational, health, social, and cultural institutions. Cities and municipalities are responsible for local activities whose purpose is to accommodate the immediate needs of citizens in their geographical area. These activities involve housing and community amenities, urban planning, municipal services, child and social care, primary health care, childcare and primary education, culture, physical education, sports, consumer protection, protection and promotion of natural environment, fire fighting and civilian protection. Distribution of responsibilities according to the level of government is provided in the table below.

Table 2

Distribution of responsibilities according to the level of government in Croatia

	Central government	Counties	Cities	Municipalities
General public services	X	X	X	X
Defense	X			
Public order and security	X		X	X
Education	X	X	X	X
- <i>preschool</i>			X	X
- <i>elementary</i>	X	X	X	X
- <i>secondary</i>	X	X		
- <i>tertiary</i>	X			
Health care	X	X		
Social security and welfare	X	X	X	X
Housing and communal economy matters and services			X	X
Recreation, culture and religion			X	X
Agriculture, forestry, hunting, fishing	X	X		
Mining, industry, construction	X	X	X	X
Traffic communications	X	X	X	X
- <i>Road transport</i>	X	X	X	X
- <i>Rail transport</i>	X			
- <i>Air transport</i>	X			
Other economic matters and services	X	X	X	X

Source: Bronić, Bajo (2005, pp. 5-6).

Croatia has started an ambitious policy of decentralization since 2001. By this decentralization program, sub-national governments obtained new assignments in the area of elementary and secondary education, health care, welfare and firefighting. Local governments had responsibility for financing of the part of the costs of health care and education (material costs and expenditure for the procurement on non-financial assets) and of total costs of financing welfare and fire departments. However, delivery of these decentralized functions has been taken only by local governments that had highest level of fiscal capacity. Out of their total number, only 53 of them assumed the obligation of financing these functions. In addition, from 2002 the financing of the fire departments was taken on by 83 local government units (municipalities and cities). The uneven financial capacity is clearly visible by the fact that the total budget of the 53 local government units that took over the financing of the decentralized functions constitutes about 70% of the consolidated budget of all local government units (see Bajo, Bronić, 2005).

Legislative changes in 2005 established the concept of “large cities”. 32 cities have that status and they are allowed to take over functions of counties if they are financially and technically capable. Fifty-three local units (20 counties and the city of Zagreb and 32 other cities) accepted the obligation to finance previously mentioned decentralized functions (elementary and secondary education, health care, welfare and firefighting). An additional share in personal income tax and equalization grants funds new responsibilities for these units. The introduction of the large cities can be rationalized as attempt to give more autonomy to the cities that have more capacities to provide higher level of local public service. Until these amendments to the legislation were introduced, small and large cities had same responsibilities which created strong inefficiencies. Small cities were not able to deliver given responsibilities and large cities had an excess of capacity due to the lack of responsibilities delegated to them.

Nevertheless, the decentralization process in Croatia is still at its beginning. Since the reform in 2001 and introduction of large cities in 2005 there were no substantial changes in terms of further decentralization. The Central government does not have confidence in the local sector. One of the main reasons for this is territorial-administrative public sector organization. Such a state presents problems for the further delegation of public function to lower levels of government.

In spite of the formal efforts toward a higher level of decentralization, sub-national government budgets (570 regional and local government units) still amounts around 15% of the total consolidated government revenues. Nevertheless, sub-national governments finance a larger share of government investments. In addition to that, there are great divergences in the fiscal capacity of counties, cities and municipalities. The role of the cities is dominant. The problem is that delegated functions and responsibilities do not follow from the financial capabilities. Counties have a wide responsibility but their fiscal capacity is often much smaller than the capacity of cities within their borders. In addition, about 30% of the budgets of cities and municipalities go to public investment projects. In case of counties, only 17% of the budget is directed towards investment expenditures.

All municipalities and cities may also carry out matters from the self-government jurisdiction of the county in their own area, if they provide funds for the financing of them. Although the responsibilities and jurisdictions of local government units are laid down, nevertheless local government units do not have total fiscal autonomy in the financing of all their expenditures because revenue sharing and central government grants are earmarked for financing

decentralized functions and capital investment. Local government units finance a significant part of their expenditures in collaboration with central government, which provides grants from the central government (national) budget via the Ministry of Finance or the competent ministries. Greater local government unit autonomy can be found in connection with the performance of the communal economy activity, preschool education and cultural, sporting and religious activities (Bajo, Bronić, 2005, p. 6).

In table 3 tax assignment in Croatia is presented. Own taxes given to the county level are by their nature of minor significance. In terms of overall revenue collection, there are three major tax sources. That is Value added tax, Corporate income tax and Personal income tax. The main source of revenue for sub-national government level is Personal income tax, which is distributed by the sharing mechanism⁹⁹. However, counties receive only 15% of the total Personal income tax distributed. In spite of that minor share, revenues from the Personal income tax take 93% of the total tax revenues and 80% of the total revenues of the County budgets. Personal income tax is the main source of revenue for the cities as well. Due to the fact that this tax is not directly related to local government expenditures there is a clear issue of lack of accountability in terms of local spending. Citizens do not perceive relation between revenue collection and local spending and therefore there is no pressure on increasing the local government accountability. The only real and significant local tax is the surtax on income tax which is piggybacked on the personal income tax. However, it is collected by the central Tax administration office and local governments do not have control on the collection and distribution of this revenue. In addition, it is clear that local governments do not want to raise this surtax due to assumption that such action would be perceived very negatively by the citizens. Instead of that they are more prone to increase non-tax revenues (i.e. communal fees and contributions) which are sort of quasi-tax revenue source. The problem is that these fees are non-transparent both by their mechanism of collection and ways of their utilization. Establishment of property tax would provide grounds for improvement of local government responsibility and accountability; however, there is still strong resistance towards its introduction.

Table 3

Tax assignment in Croatia

Jurisdiction	Tax assignment
Central government level	<ul style="list-style-type: none"> - VAT - Corporate income tax - Special Taxes (excises) on cars, motor vehicles, vessels and aircraft; mineral oil, alcohol, beer, non-alcoholic beverages, tobacco, coffee, luxury products, liability and comprehensive road vehicle insurance. - Levy on the organization of games of chance
Regional (county) level	<ul style="list-style-type: none"> - Taxes on inheritance and gifts - Motor vehicle licenses - Taxes on other vessels - Levy on coin operated machines for amusement
Cities and municipalities	<ul style="list-style-type: none"> - Consumption tax - Taxes on holiday houses - Trade name - Surtax on income tax - Taxes on the use of public land
Shared taxes	<ul style="list-style-type: none"> - Personal income tax - Real estate transfer tax

Source: Ministry of Finance – Tax Administration, 2011 (<http://www.porezna-uprava.hr/en>).

⁹⁹ For more details on the sharing mechanism see Bronić (2007).

Despite numerous obstacles, it appears as though the situation is improving, however in slow pace. Positive changes are particularly visible in general budget related concerns (regarding classification, consolidation, accounting, and the national treasury system), and also, to a somewhat lesser degree, with respect to expenditure side problems (regarding long-term capital project planning, controlling borrowing, and recording liabilities). Almost no improvements were observed in mitigating problems related to the number and sizes of local government units or the budgetary process (internal controls, audits, and guidelines of the Ministry of Finance) (Ott, Bajo, 2003).

The main problem that curbs the decentralization process in Croatia is territorial and administrative organization. So far, it was considered that reforms towards better setup are not possible due to the lack of political power to pursue such radical changes. However, economic crises inspired wide public debate on necessity of such reform that would reduce increased costs of government bureaucracy and improve the efficiency of the local sector. This fragmentation was the main justification for the central government to stop further delegation of responsibilities towards local governments. During 2010 Croatian government set up an inception phase of the reforms of administrative-territorial government. Working group was established with the objective to define criteria for local government amalgamation and to develop an action plan of implementation in further period.

However, there are additional issues that burden the local government efficiency and there was no progress in these areas. Ott and Bajo (2003, p. 13) mention some of these: public investment planning, revenue structure, insufficient shared taxation, position of utility companies, evaluations and rewards for the work of employees, internal controls, audits of joint stock companies owned by local units etc. However, there were improvements in the following areas: division of functions and responsibilities, budget classification, financial equalization and allocation of grants, consolidation of local government units' budgets, accounting, plans and estimates of the budget, financial control of the local government units' borrowing. Nevertheless, it can be concluded that decentralization process in Croatia is stopped and there are no significant improvements except the natural developments up the learning curve of local governments. Higher level of decentralization and step towards increased accountability is possible only after forthcoming territorial-administrative reform.

4. Fiscal rules in Slovenia, Slovakia and Croatia

4.1. Regulation on fiscal rules

In Slovenia, according to the Article 55 of the FMA, the municipality may borrow money if it meets certain preconditions defined by law. Article 56 of the FMA stipulates that the state is obliged to provide additional funds to the municipality for it to:

- Carry out urgent tasks of the municipality;
- Finance the tasks, the state transfers to be managed by the municipality;
- Co-finance local affairs of public interest, when it has a special interest in their development;
- Offset by investing, in accordance with the program in municipalities, with the lowest communal standards.

Additional funding, provided by the Slovenia legislation on the financing of municipalities, is the borrowing of funds, which is intended only to finance investment and is particularly precisely defined. Borrowing is also only allowed for the financing investments approved by the municipal council, whereby the assignment must be approved by the Ministry of Finances. The municipality should not be indebted for more than 10% of revenue realized in the previous year and the repayment of principal and interest will not exceed 5% of the revenue realized in current year. More extensive borrowing is exceptionally possible to finance housing construction, water supply, sewage treatment; but only if the repayment of the principal does not exceed 3% of revenue realized last year (Milunovič, 2005, p. 116). The municipality may not borrow abroad, the only exception being the borrowing on the basis of a special law, the borrowing with the guarantee of the municipality and borrowing by public companies and public institutions, whose co-founder is the municipality (the latter three options are considered within the scope of allowable borrowing of the municipalities for each year). Such strictness in the law is the result of over-indebtedness of municipalities in the early nineties of the last century, when a small number of municipalities excessively borrowed money also for the funding of non essential projects (Čok et al., 2003, p. 10; FMA, Article 15-19; FMA – A, Article 5-8). Milunovič (2005, p. 116-117) notes that the debt of municipalities is increasing and in 2003 it amounted to 18.4 SIT billion.

In Slovakia loans may be utilized by the local governments only for purposes of capital expenditure. Exceptionally they may be utilized for purposes of current expenses but:

- Just in the case of time difference between revenues and expenditures and
- Under the condition that they will be repaid till the end of year from current revenues.

Local government can apply for loans only if its entire debt is not higher than 60% of its real current revenues that were obtained during previous year, and if sum of year payments is not higher than 25% of its real current revenues that were obtained during previous year. Local governments cannot become guarantees for some other subject's loan or debt.

Slovakia has a specific tool for dealing with the troublesome local governments in regards to debt service. This is a financial recovery regime. Municipality must apply the Ministry of Finance for the mentioned financial recovery regime when:

- Overall sum of debts that have not been paid in time is higher than 15% of entire current revenues of the municipality that were obtained during the previous year, and
- Some of those debts have not been paid within the period of 60 days after the maturity date;
- Ministry approves so called recovery budget (it is proposed by the mayor of municipality), and the municipality must respect it. Ministry of Finance has the right to replace financial recovery regime by the mandatory administration or to introduce the mandatory administration;
- When the abovementioned facts have occurred and the municipality has not applied for financial recovery regime, or
- When regardless of the financial recovery regime the abovementioned problems persists in the municipality, or
- When mayor, main municipal controller, auditor, state body or creditor of the municipality has applies for the mandatory administration.

The Ministry of Finance appoints the mandatory administrator. The local council must approve emergency budget and its accomplishing is controlled by the mandatory administrator. New bank account must be established for purposes of the mandatory administration and all financial resources must be concentrated on this account. Consequently, during the mandatory administration, all revenues of the municipality are delivered to this bank account.

The mandatory administration is finished by a decision of the Ministry of Finance on recall of the mandatory administration. An application for such recall can be submitted either by the mandatory administrator or by the municipality. The mandatory administration can be recalled by the Ministry also in the case when it has received a proof that there is no reason for duration of the mandatory administration.

In Croatia, borrowing of lower government tiers is regulated by the Budget Law. Local units can borrow only for the purposes of financing investments. Borrowing has to be approved by decision of its own representative body and consent of Government of Croatia is obligatory. General terms of borrowing of local units are given by Budget Law (article 88):

- total annual debt obligations of local units can be at most 20% of realized revenues in the year previous to the year when debt is to be created (these obligations include all previously accumulated debt, given guarantees and unpaid receipts and annuity for the new borrowing)
- three sources of revenues are deducted from the realized budget revenues: revenues from domestic and external grants and donations, from the central government budget or budgets from the other local units, revenues from the special contracts: co-financing of citizens for local government and revenues from the domestic or external loan.

Details on limits of public debt and local debt within it are stipulated for every fiscal year. Usual practice was to approve local borrowing until realized current revenues of all local government units breach the limit of 2,3%. The logic behind these limits is that local units that have larger deficits are not in position to borrow. This stipulation presents an attempt to prevent borrowing for financing long term investments of local units that cannot even cover current expenditures. But limits set up on the level of 2,3% of realized current revenues can impose serious consequences. In situation of increased credit demand this rule implies that many investment projects based on borrowing could not be undertaken. Drezgić (2004) conducted the econometric research with the conclusion that by such limits sub-national share of public debt converges to zero. In addition, such policy leaves maneuver space for manipulations and practical problem which local unit has advantage in getting the debt approval (given by the Ministry of Finance). Unfortunately, such approvals are not given based on the quality and cost-benefit analysis of the project but political criteria's are dominant.

The latest regulative change was introduction of Fiscal responsibility law at the end of the 2010 which introduces cyclically adjusted budget deficit. However, it is not clear how this budget will be adjusted for the sub-national government levels due to the lack of local government GDP.

During the year 2006 government brought guidelines on the public-private partnerships and allowed such instruments for each local unit of financing in the amount of 35% of the current

revenues of the previous year. Of course, contracts within the PPP present long-term liability for the public partner and present a form of public debt. However, due to fact that policy towards credit financing is more restrictive local units are forced to finance by the PPP although in many cases this is not appropriate. It would be efficient that local jurisdiction chooses the most efficient instrument of financing. In order to keep the investment plans according to their plans local units more and more transfer their debt on to the communal enterprises in their ownership (in that way borrowing is less restrictive).

One of the negative aspects of local borrowing in Croatia is related to the duration of debt. For the most part borrowing is of short-term or medium-term character. This is negative from the aspect of benefit principle of taxation (thus intergenerational justice) and also because of lack of the maneuver room for further local borrowing. In that way local units exhaust their possibilities of local investments and have problems with debt servicing. The question is why local units don't borrow funds on long-term basis. Debt management of local units is not sophisticated and in many municipalities it is not a term occupied by local decision making. On the other side, there is a possibility that lenders are not interested in tying their funds for a longer period of time. Anyway, there is a reasonable argument for shifting the demand for loans to longer periods. It is doubtful whether any analyses of the cost-benefit of investments and their debt financing has been done. In that way the burden falls on new generation.

4.2. Fiscal rules and economic crisis

Economic crisis caused problems in functioning of the budget in all of the countries analysed. Rising unemployment lead to falling revenues from personal income tax, but other revenues decreased as well. In the same time, the structure of sub-governmental spending has shifted from investments towards subsidies to businesses and individuals.

In Slovenia, government subsidies are in opposite relation with personal income tax in relation to change of legislation in 2007. However, it is more than evident that certain municipalities such as Solčava, Moravske toplice or Mežica are facing certain difficulties and are getting new injection of subsidies after one year of relatively low state budgetary participation. On the other hand it is not possible to assure that governmental participation is strictly connected to the economic situation. Overall, it seems that municipalities are realizing smaller revenues from taxation, so in 2009 state had to increase subsidies in share that is greater than it is normal fluctuation in previous years. On the expenditure side of local budgets salaries are one of main expenses in municipalities. Other current expenses and social security subsidies are not included. Despite that, it seems that salaries are more or less constant with slow ratio of becoming less significant part of municipal budgets, one can argue, that they are not systematically connected to the economic situation. Due to governmental measures taken in 2009 only in 2010, it will be possible to indicate first signs of changes in the field of salaries. As we can observe in 2009, salaries dropped within expected frame in national average. However, in more cases significant drop is observed. As well as salaries of municipal civil servants also social transfers to private sector and households are slowly lower and lower and in this sense until 2008 it is not possible to confirm that economic crisis demanded any serious measures taken by local authorities in order to protect social stability of areas. On the other hand, we can see that certain municipalities have issues from time to time that are not connected directly to general economic situation but can be more result of local situations. We can say that economic crisis in Slovenia is more than obvious in 2009, despite in negative way. Municipalities lowered social transfers for about 50%. It seems

that economic crisis in Slovenia resulted, not in worse economic situation (measured via personal income tax) but mainly in lowering the quality of life (measured via social transfers).

Until 2008, national average shows that municipalities are increasing their investments into local economy or into own municipal projects. On one hand we can explain this with improving ability to use European funds and we can argue that also calls from national government that public sector shall spend more in times of crisis in order to keep economy going were relatively successful. New investments after 2007 are also connected to the greater share of personal income tax allocated from national budget. Municipalities in 2009 started aggressive investment spending of public money, obviously counting on classical economic cycle of growth, when more investments means more work and employment and salaries in order to spend more money and pay more taxes. However, first impressions from 2009/2010 are showing that, despite logic of such economic cycle, there is steadily growing number of unemployed working force in Slovenia. This is setting question, if investments are starting new growth cycle or are they just increasing profits of management with increasing divide between poor and rich as final consequence.

In order to get clearer picture we will certainly need budgetary data of realized budgets for 2010 before being able to state anything ultimate about influence of the economic crisis at the local level. However, data above are indicating so far that local government is not significantly influenced by global instability. This can be explained by fact that Slovenian municipalities have relatively low policy competences, as well as they are not very active in economy. Due to the fact that corporate profit tax is state tax as well as value added tax, municipalities can be influenced significantly only by loss of personal income tax that was in 2008 not so evident (people were still employed and receiving salaries). We expect that main problems emerged in 2009 and they will expand in 2010 with increasing number of unemployed workers not contributing to personal income tax mass.

We can argue that hypothetical changes in municipalities, as represented in introduction can still occur but with slight delay of 2-3 years. For the analyzed period we can hardly talk about any serious budgetary changes that can be directly connected to the economic crisis. It seems that other processes, such as ongoing reduction of expenses in administration and increasing level of investment into development of local infrastructure and elements providing higher quality of life are much more present.

As we said previously we expect that economic crisis will have certain effects on revenue as well as on expenditure side of local budgets. We could simply take just different types of revenues, maybe create two general categories of tax and non-tax revenues and try to explain potential differences. However, we believe that economic crisis is not day to day phenomena but has longer development procedure. Due to above mentioned history of current economic crisis we believe that in the case of local government following pattern took place. Personal income tax rates shall drop only in 2008 and fall even lower in 2009, Real estate tax together with interest rate tax shall get lower in 2008 as well. Government subsidies from national budgets allow municipalities with lack of their own resources to cover at least so called level of appropriate consumption that is calculated each year for next fiscal year and should be adequate for maintaining developmental status quo in certain municipality. One can assume that state subsidy will not change significantly due to same uncertain economic situation at national level. Salaries in municipalities on the expenditure level are one of most stable budgetary elements. Regular transfers will slowly increase in 2008 while different

investments will be lowered. We can expect that level of transfers will increase slower than level of investments will fall due to the fact that the difference will cover current expenses for public administration. All categories of expenses will be compared to total expenses

Real estate transaction and financial taxation indirectly shows how much can people and economy effort bigger expenses. Table shows very good the interest for certain municipalities. In this sense it is obvious that after the break of real estate market prime location like Piran (tourist location at the seaside) or Mengeš (suburb of capital) become much more interesting. While other locations kept their average interest rates. Measured via real estate tax transaction income that is paid in the municipality where sold real estate exists). At the same time it is obvious, that in 2008 overall real estate transaction taxation indicates that slightly lower number of real estate transactions was made. Opposite to the personal income tax it is obvious that in 2009 revenue from real estate transactions tax and other financial taxes decreased for approximately 50%, meaning that savings and possibilities to buy real estate lowered. Despite these revenues are only small part of all municipal revenues, they are showing the financial situation of population

Regarding Slovakia, the economic crisis has been the main reason why the tempo of entire local taxes yield grow has been slowing-down (this is not the case of buildings tax and apartments tax). Moreover, the unemployment rate has been increased and overall turn-over has declined what has caused inter alia a significant drop-out in the area of yield from income tax. These tendencies have led not only to slowdown in economic development of the municipalities but also to weakening of their ability to accomplish all expected duties and tasks. The last but not least, due to difficult financial state of local budgets, several municipalities have stopped implementation of their capital projects (including the projects financed by the EU structural funds).

As it was already noted, the possibility of local government units in proactive behavior towards mitigating the effects of economic crises depend largely on the given tax autonomy. Since the tax autonomy of local governments in Croatia is very limited one cannot expect significant measures conducted by the local sector. The only form of taxation which may have important effect is the change of rate of local surtax on personal income tax. Other possible sources are communal fees. Therefore, majority of measures that can be conducted fall in the area of local government spending.

The effects of economic crises on local governments in Croatia can be observed through fall of revenues and expenditures. In that sense, local public sector just follows the economic shock and does not have any significant countercyclical potential. There is no systematic behavior. Some measures are conducted in certain jurisdictions and motivated by gaining political points. It seems that overall effect of local government is procyclical but it cannot have significant effects on macroeconomic stability due to low level of decentralization and limited tax and expenditure autonomy of the local sector.

Until the year 2009 sub-national government revenues steadily increased. In year 2009 all of the revenue sources decreased. Surprisingly, income from rents of local government property was only item that increased in 2009. However, significant reduction of revenues came in 2010 despite of much sharper fall in GDP during 2009. Total local government revenues fall by more than 7%. All sources of revenues are reduced except grants that mainly come from central government level.

Like in Slovakia and Slovenia, in Croatia subsidies to public corporations for local enterprises have increased significantly in recent period. At the same time subsidies for the private enterprises remained at the similar level. Social benefits were also increased. It seems that local governments acted slightly countercyclical primarily towards citizens in preventing the fall of living standards either through subsidizing local communal enterprises or directly through increased social benefits. However, in 2010 all of the expenditure categories fall dramatically. Particularly significant reduction can be observed in item of capital expenditures and grants where decrease amounted to about 30%. This seems logical due to the fact that capital investments are the easiest category to reduce from political perspective. Reduction in grants is related to obvious consolidation of central government on the expense of local government. Regarding the local government spending, majority of governments didn't conduct any proactive measures in combating the economic cycle. However some measures of limited scope and extent can be listed¹⁰⁰: Some units adopted measures to reduce expenditures. Guidelines were sent to budget users to save up to 20% of revenues based on clearly defined priorities of financing. These savings were partly related to expected effects of fall of revenues and budget deficits caused by excessive spending in previous period (mainly by financing infrastructure from current revenues); some units decreased and other increased communal fees; In many local governments tax revenues did not fall significantly. However, some units postponed planned sale of property due to lower prices of assets which decreased total revenues; some units experience high level of repayments for the infrastructure financed in recent period and are forced to cut other expenditures. In many cases these objects exert high costs of maintenance; certain local taxes are reduced. However, due to low rates this effect is negligible in terms of decreasing the tax burden for the local businesses; numerous local government conduct minor spending cuts more oriented towards showing fiscal discipline to the citizens (i. e. cutting the spending of city departments). However, these spending cuts are also negligible in terms of economic effects; In some cases the wages of local government employees are decreased; Grants and subsidies are increased in lesser extent.

4.3. Do we need new fiscal rules?

The fundamental question on the need for fiscal rules at the sub-national level is whether there is a possibility to jeopardise macroeconomic stability and stability of individual local governments. Therefore, it is important to analyse data that might show such possibilities. Three countries analysed in this paper are one of the most centralized countries in Europe. Sub-national expenditure in Slovakia (in 2007), was at 5.5% of GDP and approximately 15.7% of entire public expenditures, Slovenia (in 2007) 9.0% of GDP, i. e. ca 20.4% of entire public expenditures and Croatia 4.6% of GDP and 10.5 % (2009) of total public expenditures. In the same time total sub-national public sector dept was on the level of 1. 8% of GDP (6.5% of overall public debt) in Slovakia, 0.9% of GDP in Slovenia, (3.9 % of overall public sector debt and 0.6% of GDP and 1.4% of overall public sector debt in Croatia. The share of sub-national government investments in total investments is surprisingly high in all of the countries. The capital public expenditure in Slovakia takes a 1.1 % share in entire GDP and a 57.0 % share in overall public capital expenditure, in Slovenia: 2.2 % share in entire GDP and 50.0 % share in overall public capital expenditure, Croatia 0.6% and 28.1% in overall public

¹⁰⁰ This part is based on interviews with local government officials and official documents of local governments.

capital expenditure (The abovementioned data comes from: CEMR (2009): EU sub-national governments: 2008 key figures, and Croatian Ministry of finance database).

Regarding fiscal sustainability of local governments in three countries analysed it is obvious that this is a minor issue. We can assume that, apart from the generally low level of fiscal decentralization, reason for such low level of sub-national government debt is in rather strict fiscal rules imposed on this level. Most striking is the fact that in all of the countries, particularly Slovenia and Slovakia, sub-national government investments take more than half of total public investments. Therefore, such low level of deficit financing is even more surprising.

The main problem so far, not only for subnational governments but for national budgetary level was that fiscal rules were not related to structural budget deficit. This poses a problem because when deficit/gdp ceilings are set up on conventional (or a bit better operational deficit) in period of crisis all governments have problem. First one is that the ability for counter-cyclical policy is reduced. Second one is that some, particularly local governments can have serious financial problems if their revenues drop significantly. They are not able to borrow due to fiscal rules that are tied to conventional deficit which increased dramatically.

The problem imposed by the balanced budget rule is that the greater the fiscal risks are the shorter time for budget planning has to be. Such preoccupation with the economic cycle makes budget control and monitoring much harder. Croatian Law on fiscal responsibility is an important step towards improvements in the regulation of deficit financing. However, there are numerous issues that emerge from the concepts built in that Law. One of the most important challenges is how to implement cyclically adjusted budget on the sub-national levels.

Usually measures to reduce costs have been focused on investments which are easiest to hurl in a shorter period. In this way allocative efficiency is reduced. Similar tendency occurs in Slovenian, Slovakian and Croatian local governments. During the period of boom and high revenues numerous investments were financed either from current revenues or by using short-term debt financing. Such practice created problems for some governments already in the period of expansion. Nowadays, problems are intensified because investment activity is minimized and obligations from the previous period remain and are harder to service. Additional problem is related to the issues of allocative efficiency. In recent period, significant investments were devoted to sports facilities without appropriate planning what created cases of overcapacity of sports facilities. These objects were financed mainly by borrowing or by using models of PPPs and present significant financial burden for numerous local governments in future period. However, despite of the fact that data show just linear decrease in revenues there are potential problems that come from borrowing and models of the private-public partnerships (PPPs) used in some local units in recent period. Even though fiscal rules in Croatia imposed hard budget constraint by using PPP models there are additional burdens on side of the current budget. Additional problem is that these fiscal rules are not good enough because they are primarily focused on static indicators. For example, the maximum amount of indebtedness of local governments is often determined by budgetary provisions which define the maximum debt ceiling - in Croatia that amounts to 20% of operating revenues. However, the problem occurs because in period of economic expansion there is a possibility of increase of total amount of debt by following the growth of revenues. During the crisis, the amount of the repayments from the previous period remains, and falling

revenues might cause liquidity problems. In that case, limit of 20% can be easily breached. When fees based on PPP based contracts are added financial position is even more fragile. The problem is that obligations made by borrowing and PPP fees were not treated similarly by fiscal rules framework even though in economic sense there is no difference. Finally, some local governments engaged in borrowing through their communal enterprises which presents a sort of hidden debt.

In each country there are specific problems related to the debt management and local fiscal policy. In Croatia, for example, local governments take short-term loans which burden the local budgets and have negative effects from the aspect of intergenerational equity. It also reduces freedom of maneuver for further borrowing of local units which could result in reduced capability for investments in short-term period. It would be efficient to increase the role of local borrowing instead of relaying on capital transfers from central government – projects financed by these transfers undermine local authority and do not respect the fact that local representatives are better informed on local needs for public good and services (and priority of investments). Besides that, there are still numerous fundamental problems concerning the sub-national government in Croatia not solved. Some of these problems are related with low fiscal transparency of their budget, deficit in personnel, organizational and management capabilities, disclosure of information, determination of fiscal capacity of the local units, inappropriate budget methodology and other. Goals of improving these requirements for sound system of intergovernmental relations and thus borrowing requirements are addressed within the Pre-accession strategy of Croatia. There is to see if these efforts will be fruitful.

5. Conclusion

Regarding fiscal sustainability of local governments in three countries analysed it is obvious that this is a minor issue. We can assume that, apart from the generally low level of fiscal decentralization, reason for such low level of sub-national government debt is in rather strict fiscal rules imposed on this level. Most striking is the fact that in all of the countries, particularly Slovenia and Slovakia, sub-national government investments take more than half of total public investments. Therefore, such low level of deficit financing is even more surprising.

Current fiscal rules present obstacle in combating against economic crisis. In that sense only Slovakia has a regulation that provides some relaxation for local governments. Nevertheless, the main problem remains that, so far, not only for subnational governments but national budgetary level as well, that fiscal rules are not related to structural budget deficit. This poses a problem because when deficit/gdp ceilings are set up on conventional (or a bit better operational deficit) in period of crisis all governments have problem. First one is that the ability for counter-cyclical policy is reduced. Second one is that some, particularly local governments can have serious financial problems if their revenues drop significantly. They are not able to borrow due to fiscal rules that are tied to conventional deficit which increased dramatically.

It has to be stated that existing fiscal rules are still far from being perfect, especially in context of mitigating the effects of economic crises. These rules depend on the objectives of fiscal policy of local governments which can be directed towards debt sustainability and short-term stabilization, reducing inequality, etc. There is certainly great need for establishing better

rules that would contain elements of stabilization policy. Two important features of these rules that one should consider are: countercyclical transfers from the central government to ensure the smooth functioning of local authorities and use of stabilization funds (rainy-day funds).

Finally, by respecting the given constraints by supranational authorities, there is a possibility within the particular country debt policy to make it optimal. There is a need for “internal stability pact” in every country aiming at exploiting the deficit resources most efficiently and accomplishing the fiscal consolidation goals. Experiences of western European economies present good basis for modeling this kind of agreement between the tiers of governance.

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ADMINISTRATIVE EUROPEANIZATION AND INSTITUTIONAL CHANGE: THE CASE OF CROATIA

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Abstract

Preparing for EU membership requires changes across a wide range of sectors in many of the institutions and organisations involved in the public governance and legislative enforcement processes. Criteria that every candidate country has to undertake in the process of accession, known as “Copenhagen criteria”, can be summed down to political, economical and administrative requirements in order to fully adopt, implement and comply with the Community acquis. The administrative criteria (also known as Madrid criteria) requires from the candidate country to be able to create conditions for adjustment of national governance structure to the EU public governance mechanisms. This requires modernisation of their administrations taking into account the principles of professionalism and neutrality.

Transition and EU enlargement deeply rely on capacities and quality of common and national institutions responsible for enforcement and conduct of development policies. In the very core of this adaptation process lays the institutional change and convergence. Institutions create motivational structures for individuals and organisations, and coordinate their activities and behaviour. Although institutions have to provide envisaged and coherent rules, sometimes there is a need for institutions to change and adapt to social preferences, technology, political and socio-economic structures and external factors.

Many challenges in Croatian public administration rise from inadequate education, insufficient monitoring of employees' performance, and high level of political impact, lack of organisational culture, true values, paternalism and no orientation toward a citizen. There is no defined development strategy in public governance. The number of state officials is extremely high. Nevertheless, the government has foreseen seize of public administration growth, horizontal decentralisation, rationality and sound economic behaviour in the accession to EU. It is highly important because public administration is the one to carry the burden of legislative reform within the country.

European Commission objects Croatia the weakness of its institutions indebted for efficient cooperation with International Court of Justice and conduct of obligations from international agreements. For the past few years EU-Croatia Parliamentary Committee has adopted several Declarations and Recommendations all stating that Croatia demonstrates continuous progress and efforts in the area of judicial and public administration reform, but also has to pursue strengthening the administrative capacity, not only to implement adopted reforms, but to secure that it can benefit fully from increased financial assistance. It is also observed that Croatia's improved institutional rules for the functioning European Union will facilitate the accession once all criteria have been met.

Keywords: convergence, administration, enlargement, challenges

1. Introduction: the Copenhagen and the Madrid criteria

Many scholars simply define “Europeanization” as institution building process at the European level. But, the ongoing complex exchange and interaction between several levels of governance (supranational, national and sub national level) has to be recognized. If we accept the term “Europeanization” in the way Maria Green Cowles and Thomas Risse define it as the “emergence and the development at the European level of distinct structure of governance”¹⁰¹, then it is rather easy to assess the impact of given process on national formal structures, in particular the national administrations. It literally means making of new layers of political practice interacting with the older ones. Political institutionalization involves creation of formal and informal rules, procedures, norms and practices representing governing politics at the European, national and subnational level¹⁰². Every member state has undergone that process through a number of identifiable and distinct changes within its domestic institutional structures. Nevertheless, as the authors suggest, none of the states has completed the process in the terms of full compliance or convergence of its national structures; it was and still is a continuous process of adaptation in a particular national manner.

In the early 1990s the political changes in Europe (e. g. the fall of the Berlin wall in 1989.) created a new situation for the European Union. The Community was overwhelmed with applications for membership from various Central and Eastern European countries. Since in previous enlargement rounds, the Community had never accepted more than three new members at once, therefore a fundamental decision had to be made¹⁰³. This important decision was reached by the Copenhagen European Council in June 1993.

The European summit in Copenhagen was devoted to the Central and Eastern Europe countries, highlighting the support given to the processes of modernisation and transition to the market economy in above mentioned states. It is decided that every country, if wishing so, can become the member state of the European Union, after assuming all the obligations of a membership “by satisfying the economic and political conditions required”¹⁰⁴. Each candidate country has to fulfil the following obligations, namely, stability of institutions or political criteria consisting of democracy, rule of law, human rights, and respect for and protection of minorities. Functioning market economy and capacity to cope with competitive pressure and market forces within the European Union, represents the economic criterion. The adoption of the *acquis communautaire* is the final (legal) criterion.

Since Community law is not only to be adopted, but also applied and enforced, the Madrid European Council in December 1995 added the criterion of expansion of administrative structures for effective adoption of the *acquis*. The prerequisites for the candidate countries are to modernise their administrations taking into account the principles of professionalism and neutrality. Preparing for EU membership requires far reaching changes across a broad

¹⁰¹Risse, T., Green Cowles, M., Caporaso, J., *Europeanization and Domestic Change: Introduction*. In: *Transforming Europe: Europeanization and Domestic change*. Green Cowles, M. ; Risse-Kappen, T. (Eds.), Cornell University Press, 2001, p. 1.

¹⁰² Ibidem, p. 3.

¹⁰³ Marktler, T., *The Power of the Copenhagen Criteria*. CYELP, 2, 12, p. 2.

¹⁰⁴ European Council in Copenhagen, Conclusions of the Presidency, (21-22 June 1993, SN180/1/93), REV1, p. 13.

range of sectors in many of the institutions and organisations involved in the public governance and legislative enforcement processes.

2. Institutional change and convergence

The process of Europeanization is important, but not the only drive of institutional change. Transition and EU enlargement deeply rely on capacities and quality of common and national institutions responsible for enforcement and conduct of development policies. Europeanization is, however, crucial in changing the state by increasing the adaptation pressure; in changes imposed by the accession process, the key question is whether there are compatibilities between the ongoing change and the present state at the domestic level. Risse and Green Cowles suggest¹⁰⁵ that poor fit implies strong and good fit implies weak adaptation pressure.

In the very core of this adaptation process lays the institutional change and convergence.

What are institutions, their nature, kinds and how they affect governance on the level of public administration? North (1990.) says they are “the rules of the game”; formal and informal codes and norms defining mutual relations between people¹⁰⁶. In narrow sense institutions are organisational units, procedures and regulatory frame. There are externally and internally defined institutions; the first define social structure and their changes take centuries to implement. The other type changes are shorter or continuous (like governance). Institutions create motivational structures for individuals and organisations, and coordinate their activities and behaviour according to Kasper and Streit (1998)¹⁰⁷. Although institutions have to provide envisaged and coherent rules, sometimes there is a need for institutions to change and adapt to social preferences, technology, political and socio-economic structures and external factors.

Transition and enlargement of the EU strongly depends on the capacities and the quality of common and national institutions responsible for development policies. In that context, one of the key issues is convergence of institutions. The basic division distinguishes exogenous institutions (external, predefined) and endogenous institutions (internal) against the economical system¹⁰⁸. The exogenous institutions define social structure and their changes lasts for centuries. The endogenous institutions may change in shorter period of time or continuously, eg. allocation of resources or the governance. We can also observe institutions as normative rules or organisations. However, it is the basis for different types of analysis. Institutions as normative rules which impose boundaries to economic behaviour are studied from macroanalytical perspective. On microanalytical level are organisations which, while acting as economic institutions, structure human interactions by themselves¹⁰⁹.

Reinforcing the institutional and administrative capacity of beneficiary countries is a key requirement for enlargement if they are to be in a position to fully adopt, implement and

¹⁰⁵ Risse, T., Green Cowles, M., Caporaso, J., *Europeanization and Domestic Change: Introduction, Op. cit.*, p. 2.

¹⁰⁶ North, D.C., *Institutions, Institutional change and Economic Performance*. Cambridge University Press, 1990, p. 3.

¹⁰⁷ Kasper, W., Streit, M.E., *Institutional economics: social order and public policy*, Edward Elgar Publishing Limited, UK, 1998, p. 98.

¹⁰⁸ Budak, J., Sumpor, M., *Nova institucionalna ekonomika i institucionalna konvergencija*, EKONOMSKI PREGLED, 60, 3-4, 2009, p. 170.

¹⁰⁹ Ibidem, p. 172.

comply with the Community acquis. Institution Building support is available to the new Member States (under the Transition Facility, a temporary instrument available till the end of 2006), the accession and candidate countries, the potential candidate countries of the Western Balkans, and the Turkish Cypriot Community in the northern part of Cyprus. Activities focus on the weaknesses identified at the central, regional and local level particularly in view of the increased emphasis given to Economic and Social Cohesion¹¹⁰.

3. EU and the institutionalism

Kooiman (1993)¹¹¹ defines governability is a measure of the organization's capability for effective coordination within the context of the environment within which it is nested: it corresponds to the organization's capacity to transform, its capacity to modify its structure, its process, and even its substantive guidance mechanism and orientation. A very interesting view on the process is given by Paquet, who proposes that the central thrusts of this evolving process are *resilience* (the capacity for the economy-polity-society nexus to recover undamaged from pressure or shock through some slight modifications that do not modify the nature of the overall system), and *learning* (the capacity to transform in order to improve present performance through a redefinition of the organization's objectives, and a modification of behaviour and structures)¹¹². Resilience and learning would appear to point in contradictory directions (maintaining coherence versus structural transformation), so they must be balanced because both are necessary to maintain sustainability.

Given that, the European Union itself must fulfil one criterion; namely, the Copenhagen European Council stated that "The Union's capacity to absorb new members, while maintaining the momentum of European integration, is also an important consideration in the general interest of both the Union and the candidate countries"¹¹³. Accordingly, in European context attention has to be given to the issue of institutional inertia and its effects. As Thomas Banchoff argues, the European institutions have gained over time some autonomy from the states that created them; once in place, they resist reassertions of national sovereignty¹¹⁴.

Institutions are not actors in their own right, but rather arenas in which state and other social actors pursue their interests. Norms, in that context, represent the shared ideas regarding the definition of the policy area, other relevant actors and patterns of interaction. Rules and directives, backed by the state power, bind the actors. There are also practices of interaction e. g. particular policies and political coalitions around them, through which the state pursue its interests¹¹⁵.

Definition of institutions and policies is historically contingent. However, once established, they are often taken for granted and become the area for political struggle¹¹⁶. Nevertheless, the redefinition of institutions can and does take place (e. g. the reorganisation of government

¹¹⁰ <http://www.delhrv.ec.europa.eu/?lang=en&content=1285> (30. 01. 2011)

¹¹¹ Paquet, G., *The New Governance, Subsidiary and the Strategic State*. Paper prepared after the OECD Forum for the Future conference on 21st Century Governance: Power in the Global Knowledge Economy and Society held in Hannover in the spring of 2000, p. 6.

¹¹² Ibidem.

¹¹³ Ibidem.

¹¹⁴ Banchoff, T. : *Institutions, Inertia and EU Research Policy*. JCMS, 40,1, 2002, p. 4.

¹¹⁵ Ibidem, p. 5.

¹¹⁶ Ibidem.

ministries), although such actions must overcome resistance from those who identify with already established institutions and norms. Change requires “political will” or formal legislative action. Furthermore, change involves engagement of necessary actors, and management of the rules and procedures. All said can absorb the administrative energy and political capital crucial for successful reform.

Institutional scientists concerned with rules often focus on the trade-off between individuals and social actors. However, Wallis argues that the real trade-off reflects the problem of acting in support of the interests of the organizations they belong to rather than acting in support of the formal rules of the larger society¹¹⁷. He offers the answer that involves a distinction between *anonymous* relationships between individuals who do not know each other personally, but know the organizations that the other belongs to, and *impersonal* relationships in which all individuals are treated the same. In the context of European Union, the new and unknown rules that are imposed to the candidate countries are opposing the known, some of them certainly not better, but at least well known rules which, furthermore, straighten the inertia of national institutions towards the convergence to EU institutions. Subsequently, institutional change starts to occur when the parties to an exchange become aware, in order to be better off, that they need to renegotiate the terms of their agreements by restructuring the existing set of rules¹¹⁸.

The institutional inertia often studied in the context of national institutions, is not less relevant on the EU level. There are constrictions from both sides, and adding new member states and new policies and competences only makes the whole structure of exchange more fluid and not so well defined (or case-to-case based) regarding the significant differences between the member states. However, above mentioned only leads to increased level of institutional inertia.

4. Croatian public administration: the challenges

Many challenges in Croatian public administration rise from inadequate education, insufficient monitoring of employees’ performance, and high level of political impact, lack of organisational culture, immanent values, paternalism and no orientation toward a citizen. There is also a lack of short-term planning and political will to undertake the necessary reforms. Overall, there is no defined development strategy in public governance. Nevertheless, the government has foreseen seize of public administration growth, horizontal decentralisation, rationality and sound economic behaviour in the accession to EU. It is highly important because public administration is the one to carry the burden of legislative reform within the country¹¹⁹. There is also a need for adequate representatives in the EU that will be able to cope with the competitiveness of other countries’ representatives.

¹¹⁷ Wallis, J. J. : *Institutions, Organizations, Impersonality, and Interests: The Dynamics of Institutions*. Paper presented at the „The Dynamics of Institutions in Perspective: Alternative Conceptions and Future Challenges“ conference, October 3-4, Paris, 2008, p. 2.

¹¹⁸ Gagliardi, F. : *Institutions and economic change: A critical survey of the new institutional approaches and empirical evidence*. The Journal of Socio-Economics, 37, 2008, p. 422.

¹¹⁹ <http://www.poslovniforum.hr/eu/eu23.asp> (02. 02. 2011)

The number of state officials is extremely high; according to the Central register kept by the Ministry of Justice the number of state officials and administrators is around 65. 380 in the state governance bodies¹²⁰:

- 51. 248 in different ministries of the Government;
- 2. 962 in state governed organisations;
- 4. 487 in state governance offices in the counties;
- 233 in professional service of Croatian Parliament;
- 56 in professional service of Government of Republic of Croatia;
- 247 in State revision office;
- 11 in Ombudsman office;
- 5. 682 in other legal governance bodies.

The positive regulations define the politically assigned state officials as separate category in state governance bodies. Their rights and obligations are regulated by the special Act on state officials' rights and duties.

According to the qualification structure, only the third has HE diploma: around 33% of employees has high education, around 15% has higher education diplomas, nearly 49% high school diploma, and the rest of about 3% represents people with no education but primary¹²¹.

Qualification structure of employees in state governance bodies shows minor improvements over the past few years, but it is far from significant considering scope and importance of work done for the state governance.

The Law on state officials and employees envisages professional trainings during their mandate in state governance bodies, depending on the affiliation they have. Professional trainings are organised by each governance body in the span of its jurisdiction, and dependant of needs and possibilities. It is also obliged to cooperate with other state bodies and scientific and HE institutions. Therefore, what does exist is the extremely wide range of possibilities of further education for state officials and employees (through seminars, study trips, practical training, specialist courses. . . etc.). To conclude with, the law on state officials and administrators foresees the permanent education. Current institutional frame offers a wide range of possibilities of education organization and conduct. Accordingly, the problem of adequate education of public administration is not in the institutional frame, some agree, but in inadequate number of state officials dealing with the problem. Ana-Maria Boromisa¹²² emphasises the weaknesses of institutions as the result of non-defined priorities and time-line of measures conduct. As it is previously mentioned, there is no defined development strategy in public governance; there are numerous changes and adaptations of the existing ones. We are witnessing the legal insecurity and the distrust in institutions. A clear need for more persistent supervision can be identified.

¹²⁰ Ibidem.

¹²¹ Ibidem.

¹²² Boromisa, A. M. ; Samardžija, V. : *Croatia and the Lisbon Strategy: Convergence towards goals?* In Ott, K. (Ur.): *Pridruživanje Hrvatske Europskoj uniji: izazovi sudjelovanja*. Institut za javne financije / Zaklada Friedrich Ebert, Zagreb, 2006. p. 227.

5. Final remarks

Croatian accession process towards the European Union requires meeting the main challenges as the other Member States. European Commission objects Croatia the weakness of its institutions indebted for efficient cooperation with International Court of Justice and conduct of obligations from international agreements. For the past few years EU-Croatia Parliamentary Committee has adopted several Declarations and Recommendations all stating that Furthermore, it is also stated that Croatia demonstrates continuous progress and efforts in the area of judicial and public administration reform, but also has to pursue strengthening the administrative capacity, not only to implement adopted reforms, but to secure that it can benefit fully from increased financial assistance. It is also observed that Croatia's improved institutional rules for the functioning European Union will facilitate the accession once all criteria have been met.

The Declaration and Recommendations of the Joint Parliamentary Committee EU - Croatia in Brussels on the merit-based system of promotion of civil servants, the new salaries, training and decentralisation from 2008 stressed that the present institutional rules of the European Union do not impede the accession of Croatia, for which appropriate arrangements have to be negotiated in due course and, at the earliest convenience, incorporated in the Treaties. Regarding financial management, it is further encouraged that the efforts invested by the Croatian Government to continue strengthening the administrative capacity of all relevant agencies and bodies, including those at the local level, have to be continued in order to benefit more from the pre-accession assistance programmes. It was also commended to intensify preparations for management and implementation of IPA (Pre-Accession Instrument) programme, and confidence is expressed that the EC will be in a position to confer management powers to Croatia, thus allowing the implementation of IPA funds as of 2009. Parliament had opinion that the recently revised and adopted IPA Multi-Annual Indicative Planning Document 2008-2010 duly emphasised the need of more targeted funding, within its institution building envelope, towards judiciary, public administration reforms and fight against corruption on one hand, whilst on the other hand duly emphasised the need of streamlining other IPA funds to intervention areas similar to the ones funded by various EU policies (i.e. preparation for successful participation in various EU policies upon accession)¹²³.

The Declaration and Recommendations of the Joint Parliamentary Committee EU - Croatia in Strasbourg from 2009 on EU-Croatia negotiations for accession to the EU and the implementation of the Stabilisation and Association Agreement¹²⁴ welcomed Croatia's "continuous efforts and work to continuously address all matters related to the political criteria and in particular the ongoing reforms of the judiciary and public administration, the fight against corruption and organised crime and the sector of fundamental rights, freedom and security, in accord with EU requirements". Regarding the public administration, it was noted that important legislation (e. g. Law on General Administrative Procedure, amendments to the Civil Service Code of Ethics) and decisions, such as that on the establishment of a Ministry for Administration, for achieving a better functioning and depoliticised public administration in Croatia.

¹²³ <http://www.sabor.hr/Default.aspx?sec=385> (30. 01. 2011)

¹²⁴ <http://www.sabor.hr/Default.aspx?sec=1230> (30. 01. 2011)

The public administration is of crucial importance. Croatia should devote particular attention to reinforcement of the civil service so as to make sure that the appropriate ministries can properly carry out the many legislative reforms they have committed themselves to¹²⁵. Particular importance is set on coordination, team building, motivation, accountability and internal and external control, in each and every segment of the public administration¹²⁶. Nevertheless, special attention should be given to the resistance to the institutional change from both sides; the national level and European level. Public pressure, unresolved issues in accession process and still open chapters certainly have to receive more attention in further actions.

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¹²⁶ Ott, K. (Ur.): *Pridruživanje Hrvatske Europskoj uniji: izazovi sudjelovanja*. Institut za javne financije / Zaklada Friedrich Ebert, Zagreb, 2006. p. 17.

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