

Public Administration in Times of Crisis

Edited by:
Rainer Kattel
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B. Guy Peters



NISPAcee

THE NETWORK OF INSTITUTES AND
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IN CENTRAL AND EASTERN EUROPE

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Public Administration in Times of Crisis

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Selected Papers from the 18th
NISPAcee Annual Conference,
May 12–14, 2010, Warsaw,
Poland

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Introduction:

Public Administration in a Time of Crisis

Public administration, and the public sector more generally, is always confronting challenges to its effectiveness and efficiency. Even public programs that are apparently simple, pose interesting and complex issues about designing and administering policies. Likewise, simply managing large, complex structures for delivering public programs can be difficult, and can require highly capable and skilled public managers. Further, as governments have begun to utilize a variety of alternative methods for delivering public services the managerial and policy challenges have tended to increase.

Although public administration must always confront challenges, the last several years have presented a number of even greater challenges. The contemporary mixed-economy welfare state has been designed around affluence, and the capacity to have continuing high levels of public expenditures along with continuing levels of private affluence. This general pattern of well-being was also premised on the continuing success of national economies and the common success of those economies. Even countries that had appeared immune from economic worries soon found themselves facing severe demands on their public resources and the need to reconsider well-established patterns of governing.

The countries of Central and Eastern Europe (CEE) have encountered many of the governance problems, but have encountered perhaps even more extreme difficulties. First, they began the period in question with lower levels of wealth, and therefore any diminution of their incomes has somewhat greater relative consequences for these governments. In particular the Baltic countries saw globally steepest declines in GDP during the crisis. (Kattel 2010) Also other CEE economies, relying both on exports and foreign investments to drive the economy, were quickly drawn into the global crisis. Although more conservative banking and regulatory practices prevented some of the worst excesses of the crisis in these countries, still the general decline in the world economy, and more particularly the European economy, has had a pronounced negative impact on these systems.

As well as the rather fundamental economic issues created by the financial crisis, these governments have not had the time to develop a reservoir of political

trust as have the governments of Western Europe and North America. Furthermore, most CEE countries cannot rely on a stable Weberian civil service as it is still nascent. (Randma-Liiv 2009) Therefore, any necessities to reduce public programs and expenditures will present more fundamental political challenges to these regimes. Finally, these externally-driven demands for socio-economic reform must be added on top of significant continuing programs of reform in both the economy and the political system. Thus, the countries of Central and Eastern Europe are confronted with a serious set of overlapping challenges that they must attempt to master in order to maintain their legitimacy and their effectiveness.

Membership in the European Union during this time of economic and political crisis has represented both opportunities and challenges for the Central and Eastern European countries. Membership in the EU has imposed a number of requirements for reform in the public sector on the new members. The need to make administrative practices, and government practices more generally, compatible with those of other member countries have been a major dimension of the changes in the public sectors of the CEE countries, and has required significant developments in the internal processes of these systems. These challenges are offset, to some extent at least, with the increased flow of funds from Brussels that can to some extent subsidize government operations. Even with these funds, however, there is a need to administer them in ways that conform to the general guidelines established in Brussels.

When confronted with the challenges arising from the economic crisis the countries of Central and Eastern Europe, and indeed all the countries affected, had several seemingly contradictory options for reacting. In most cases, for example, the reaction was to centralize decision-making and to restrict participation so that a more strategic reaction could be made to the problems being posed. On the other hand, some countries such as Slovenia and Sweden, tended to open participation in order both to gain more information for decision-making and also to coopt social actors into accepting the decisions once made.

At the same time that these challenges that have arisen from the financial crisis are occupying a great deal of the available time and energy of governments, many of the familiar tasks of governing persist, and must be performed in as efficient and effective a manner as possible. These more quotidian tasks of the public sector have also been the objects of reform attempts, and to some extent those reforms may also have some economic impact – personnel costs may be a major part of the public sector budgets. Further, these tasks may have as much to do with generating trust and legitimacy for the public sector. These seemingly mundane services are often what citizens look to the public sector to provide, and they also involve multiple interactions between citizens and the State.

The personnel functions of the public sector represent some of the more important of the reform efforts in the CEE countries. One of the major challenges to accession was creating a professional and effective civil service system in regimes

that had been dominated by a dominant political party. Further, relatively low wages for public sector employees in many of these countries have made maintaining the “best and brightest” employees within the public sectors of these countries difficult. Likewise, enhancing the integrity of these employees when there are few rewards for integrity is a crucial management issue for these countries.

These papers represent a collection of the best papers presented at the annual NISPAcee conference in Warsaw in 2010. The theme of the conference was public administration in crisis, and a number of these papers address the main theme. Other papers reflect many of the continuing interests of Working Groups within NISPAcee, as well as some general themes within public administration. The papers are primarily drawn from scholars working in Central and Eastern Europe, but some papers also were written by scholars from other areas interested in the development of public administration in this area. Taken together these papers provide interesting perspectives on a number of different aspects of administration in the CEE countries.

In addition to the papers coming from the regular NISPAcee panels in Warsaw our Polish hosts organized a number of panels that dealt more thoroughly with the issues of public administration in Poland, involving almost entirely Polish scholars. These papers on Poland are presented as a separate section in this volume and taken together provide a very useful picture of Polish governing in a period of crisis. As one of the largest countries in Europe, Poland has substantial resources but also confronts very real problems in governing, and these papers provide interesting insights into these issues. These papers have been collected and edited by Dr. Witold Mikulowski of the Polish Academy of Public Administration.

The Main Theme: Public Administration in Crisis

The contemporary crisis of the State is to a great extent the product of financial issues and particularly difficulties in regulating private sector banking. The crisis may have begun with finance but it has spread throughout the public sector, and has had ramifications that appear to have little to do with finance. Several of the papers included here are attempting to understand the crisis and the ways in which it affects public administration directly, as well as examine some of the longer-term implications.

Wolfgang Drechsler identifies many of the governance and administrative problems that have been created by the financial crisis. He provides an interesting catalog of the consequences of economic problems on government, especially for the CEE countries. Drechsler, however, goes beyond the relatively simple discussion of consequences to examine some of the potential benefits of eroding some of the established patterns of governing. In particular, threats to the status quo may open

public administration to greater interest in innovation so that in the longer run the systems do become more effective.

Bulgaria represents a somewhat extreme case of a country confronting the challenge of the economic downturn. Poly Katsamunska discusses the reaction of the Bulgarian government to the crisis, in light of their relatively recent membership in the European Union and their relatively lower level of economic development. Further, any reactions to the economic crisis must be understood in light of the on-going attempts at administrative and economic reform. Further, she places these economic reforms in the perspective of the on-going political discussions in Bulgaria and the attempts to implement a somewhat radical set of public policies following the most recent election.

Romania entered the European Union at the same time as Bulgaria, and faces many of the same political, economic and administrative problems as its neighbor. Dana Mihaela Murgescu discusses the reform agenda in Romania. In addition to the general issues arising from the economic crisis, Romania has been concerned with the effects of reform and reactions to crisis on regional inequality. These issues also are affected by membership in the European Union, with the issues of inequality being impacted by the necessity to distribute EU regional funds and the politics that this distributional policy generates. Iulia Cristina Popescu also examines reforms of the Romanian civil service system, and especially changes in patterns of reward, (see Michalak, forthcoming) in light of the economic crisis. Providing adequate rewards for public sector employees.

Poland is a relatively recent addition to the European Union, albeit one of longer standing than Bulgaria. Helena Kisilowska documents the reactions of Polish government to the crisis, and to its role within the EU. This reform agenda is to some extent unaffected directly by the economic issues. Rather, the more enduring questions such as enhancing integrity and creating a more professional civil service have occupied much of the reform agenda in Poland. While the economic crisis may establish some parameters for action in reform, more basic issues of administration represent the most basic concerns for the Polish government.

While much of the reform of public administration has focused on processes of administration, the substance of public policy must also be considered. Valeria Limpok provides a discussion of the effects of the crisis on tax policy in general, and on Hungarian tax policy in general. Much of the discussion about how to respond to the economic crisis has been to reduce public expenditures and to manage debt, but there are also implications for how to raise public revenues more efficiently and more effectively.

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Section I

Main Theme:
Public Administration
and the Crisis



Public Administration in Times of Crisis

Wolfgang Drechsler¹

Ladies and Gentlemen, it is a great honour, pleasure and privilege to deliver the NISPAcee Annual Conference's keynote address 2010, which is my last Annual Conference as a member of the NISPAcee Steering Committee, one decade after first speaking at such a meeting when receiving the first Alena Brunovská award in 2000. It is made particularly special for me that I can deliver it here in Poland, in Warsaw, as a guest of KSAP, the National School of Public Administration, a truly impressive beacon of civil service education. My academic home, as some of you know, is Estonia, and there has been an almost classic Estonian-Polish alliance in many fields. But as some of you also know, my ethnic background is German. And I must say that therefore, to be here in the Royal Palace, to stand in the re-created grandeur of the White Hall, and to look outside does not come, at several moments, without serious feelings of shame and regret that I cannot put behind me. I appreciate the way my Polish friends and colleagues, especially Minister Barbara Kudrycka and Director Jacek Czaputowicz, have welcomed me, and all of us, here.

"Public Administration in Times of Crisis," the topic of this Annual Conference, we chose at a NISPAcee Steering Committee meeting just before Christmas 2008 in Budapest, another of the great cities that defines what Europe really is. And someone said, "Well, we have to talk about the crisis," because the crisis was then so clear and present. But already then, others argued: "No, not the crisis! What if the crisis is over when we have the meeting?" We thought that in this case, the aftermath of the crisis would still be sufficiently interesting to merit discussion in the Public Administration (PA) context anyway, so there was no risk for us in this designation. Well, the crisis is of course not over, but in the meantime, there was a lot of talk that it was – especially just before the Greece disaster. Do you remember that? "The crisis is over." "There wasn't really any crisis." "There wasn't any impact." Now, indeed, in Poland, it is especially easy to assume that there was not much of

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a crisis, because Poland was and is doing so incredibly well. This is, if you will, the best practice, not only for Central and Eastern Europe, but for Europe in general. And indeed, it is interesting to ask why that is.

But in general, of course, the crisis has caught up with us, and there are only very few people who don't understand that what just happened in Greece and what is happening even right now in and concerning the PIIGS countries – Portugal, Ireland, Italy, Greece, and Spain (although Greece has an incomparable problem) – is part of the crisis. Even in the very optimal case, even if the funds spent by the EU and other institutions and countries are going to have the mid-term effect they are supposed to have, the necessity to recuperate this money one way or another will have an extremely negative influence on the global and especially European economy. If you don't call this a crisis, what do you call a crisis? So, PA in times of crisis, both regarding how to manage the crisis and how to manage ourselves out of it later on, is today still a timely subject indeed, more's the pity.

There are two facts, I think, that define the current crisis. The first is the sudden scarcity of resources. We are not living in times anymore when the state can spend a lot of money, and that leads to panic reactions, i.e. unwise harsh cuts of all kinds, that might not be helpful for getting out of the crisis. And the second fact is a massive foray of the state into the economy, a take-over of private banks, of companies, of the economic landscape, of economic policy-making, directly or indirectly; in short, increased state activity on a hitherto unimagined scale. And this is so, regardless of how the crisis will play out further.

So, in other words, we have a dual situation: On the one hand there is the issue of public debt, and thus a both rational and irrational strong interest in cuts and savings, and on the other, which one has to acknowledge even if one is not pro-state or pro-PA, because the state is so prominent (again) even within the economy, PA needs to be on a particularly high level. The money spent and invested must be managed by people who can manage money. Even if you don't like that the state manages the money, it does. So this is best done by people who are capable, who have the capacity, who are competent. That, I think, should be clear.

But it is not so clear to many, and even today, some of this line of argument is contested, and not only by the usual suspects from the state-hate crowd. Why is this so? Why aren't there more clear and straight-forward recipes from the PA science side, such as assembled in NISPAcee, to PA practice and politics as to how to counter the crisis? I have two suggestions of why this is not so easy.

First, science never has any clear answer – only expertise does. (Gadamer 1995) You sometimes even have problems in the natural sciences to recommend something to policy-makers – we heard earlier in the practitioners' panel about the pig flu vaccination, although medicine of course is not a natural science, but just looks like one. Still, you may have evidence-based medicine, but evidence-based PA is very difficult, because the effects of PA on the economy, on society are so difficult

to measure as it's such a large-scale, complex phenomenon, there are so many indirect effects, and you could never do a lab experiment and say: "Okay, we don't do a senior civil service, let's see what happens." We really don't have these kinds of proof, and our science-believing society wants proof – yet, we in PA can only say that we think something is the case, and what we call empirical proof usually isn't.

The second problem of PA is implied in the question of what reasons we have for undertaking PA reform to begin with. To fix a problem? That does happen, of course. But I would say that the main reasons why PA reform happens (and that is not exclusive to PA, of course, but very pronounced here) are:

Fashion	Ideology
Corruption	Problem-Solving

Problem-solving is only the fourth, the last and least. With **fashion** I mean, you reform the PA in a certain way because everybody does it. And your colleagues do it. And you are embarrassed at an international conference if you are not doing a website of a certain style, performance pay, PPP, or a one-stop-shopathon, or whatever is the flavour of the month. Everybody's doing it, so you do it too because that is, of course, peer pressure, that is what makes you active. Second, **ideology**. What is an ideology? A reduced worldview because you can't cope with the complexities of the world. (See Kaiser 1984) You believe that the state is good – the state is bad – something like that. And then you commit a certain reform based on that. In this sense, you would be resistant to any form of evidence anyway and can easily live with cognitive dissonances – that, almost, defines an ideology. Third, **corruption** in the loosest sense – just that you are for or against devolution, for or against giving powers to local governments because your party might lose in one of the cases, and not only because your nephew might or might not be the mayor. And that is already corruption: You do it for another purpose than the stated one and not in order to solve the problem. And finally, **problem-solving**, well, that is what we really want, of course, and what we get too rarely.

The last big paradigm, the one that is past in public management as we certainly know since the 2008 first Trans-European Dialogue of EGPA and NISPAce taking place in Tallinn (see Pollitt et al. 2009), was the New Public Management (NPM), which most people would describe in a nutshell as the transfer of business and management principles into the public sector. I would hold that empirical evidence does show that this is a paradigm that as a paradigm did not work, that it did not deliver. You didn't get more for less; you got less for more money. And

one key problem with NPM was that it was not the use of modern management techniques in the public sector, as often claimed, but of pretty old ones – I’ll get to that point very soon.

In Central and Eastern Europe, however, there were two additional reasons for the adoption of NPM, which I think was motivated by all four reasons just listed. The first: **Modernist Positioning**. The CEE countries needed to look “modern” and as good as the Western ones, in order to be well-positioned, not least as regarded possible EU accession. And the second one: **Dismissal tactics**. With NPM façades, you were able to dismiss people from the civil service that you otherwise could not have because you now had laws that prevented you from just firing people, but there were still holdover people you wanted to get rid of. And selling it as NPM, not as persecution, was a perfect way to do so. Neither of these two factors I would qualify as corruption, ideology or fashion, although those reasons also could, and did, play a part in reforms motivated by those two specific ones.

But back to the late NPM. This entire way of thought, this kind of business rhetoric, this focusing on efficiency gains and on streamlining and on learning from the big corporations and from a certain type of free market – what kind of rhetoric is that? What I would hold is that **the New Public Management is the Public Administration of the crisis**. Exactly the kind of *businessmen*-type bankers that drove the United States economy to where it went, employed, and sometimes still employs, this kind of rhetoric. Just listen to the prophets of NPM and compare this to the pre-crash bankers’ speak. That is how it looks, that is how it sounds, and that is where the crisis came from. Which is why you don’t solve the crisis now with NPM-style reforms such as the extreme cuts and savings, as some suggest – *au contraire*. To learn from big business how to do PA reform reminds one these days of the famous slogan that you noticed when you were driving through East Germany during the mid-1980s: “To learn from the Soviet Union means to learn how to win.”

Post-crash civil service, I would argue, needs to be competence-based; civil servants need to know what they are doing. They need to administer really well, and that means that they need to have a long-term orientation, as we know since a millennium, when the greatest Chinese theorist – and probably practitioner as well – of PA reform, Wang An-Shih, strongly argued against public sector performance review in shorter time spans than three years. (1058, 60, 74–75) Especially to get out of a crisis, you cannot say that you assess what people are doing after a year or even half a year. They must be able to be wrong. And they have to have a good deal of self-confidence, especially as senior civil servants, working eye-to-eye with business and finance magnates earning a multiple of them. Camus once said: “I don’t like anticlerical priests any more than philosophies that are ashamed of themselves.” (1999, 30) Senior civil servants who don’t like the state – that’s about the same in secular.

I would therefore argue that the future paradigm of public administration is what we call the Neo-Weberian State (NWS), a model developed by Pollitt and

Bouckaert, as you know, in the second edition of the *Public Management Reform*, the main textbook used in Europe. (2004) What the NWS implies is that there is an amalgamation with and on the Weberian basis of the important achievements that NPM doubtlessly had. Ladies and gentlemen, no-one that I know of would argue for going back to a truly, I would say pseudo-, Weberian legal-based public administration. That is a paper tiger. That doesn't exist – well, maybe outside of the circles of some administrative lawyers. But everyone knows that today you need (genuine and contemporary!) management techniques, that you need output orientation, that you need project management, that you need citizen participation, and so on. So, one should not throw out the baby with the bathwater, as the saying goes, and one should remember what one can really learn, and retain, from NPM – it is not little.

Oh, and by the way, ICT and e-governance enforce the Weberian and the Neo-Weberian State. There is no marriage of NPM and e-governance; they just started at the same time. The Weberian State is very much about a writing culture, and as you know, because of ICT and especially because of the Web 2.0, people are writing more and there is more stuff written than talked about, than ever before. People are not on the phone but they are posting on Facebook. We are not moving away from a writing culture – we are moving towards a complete culture of, as it sometimes seems, eternal records.

So, am I suggesting that people who have pushed NPM should now say they are sorry for doing the wrong kind of PA? Well, obviously not. In the 1980s and 1990s, this was the main thing to do, most experts were thinking along those lines, and many people promoted NPM, not out of evil, but in order to really improve the state, to get over what Klaus König has called the crisis of the administered welfare state (e.g. 1997).

But what kind of management is NPM really based on? When the Wall fell, in 1989 or 1990, the German historian Hans-Ulrich Wehler participated in a panel discussion at the University of Berlin, which I saw, and in which he said a very interesting thing (I quote from memory; no reference): “The problem with you guys in East Germany is you haven't done too much Marx, you have done too little, you've never really studied that.” And the people were really upset to hear that. Along the same lines, I think it is safe to say that NPM embodies not too much economics and business administration in PA, but too little. There is no modern management theory in NPM. We should look at what we can really learn from business and economics and develop a toolbox based on what now is really done there, what the people in business administration can tell you, and how much can we do on an evidence-based level to the limited extent that this is possible. Especially in times of the crisis, we as PA scholars have the duty to really look at what works, in as un-ideological a fashion as possible.

Let me address a few examples of holy cows of NPM that are still advertised today, often enough as crisis remedies, but that are utterly discredited economically or managerially. **Performance pay**, oh, how chic is that? Everybody does that, still. But the crisis itself has shown that one can't have performance pay for the senior civil servant because if it goes by performance indicators, it will tend to satisfy those, but a senior civil servant needs to be a person who can react towards events that cannot be foreseen. That's just one aspect – as Larry Lynn pointed out during the TED1 discussion in Tallinn, one can even go as far as saying that if any concept in the social sciences is disproved, it is that of performance pay – and yet, it is politically pushed and implemented. (Quoted in Drechsler and Kattel 2009, 98)

The second example: Efficiency gains through **larger units**. If you put administrative units together, be it cities or departments, you get efficiency gains, always. Do you? Do you? Where is the evidence? You really do? Actually, no – it depends on the tasks, first of all. There are no automatic efficiency gains, as any economist can tell you, if you put administrative units together. Yes, there might be, but you need to analyse that beforehand. You need to see: Does it really? If you just amalgamate units, it may be more efficient, it may be less.

And finally, maybe my favourite – **downsizing**: reducing the civil service in order to have efficiency gains. Well, it only leads to efficiency gains if the civil servants are just wastrels and don't do anything. Let's think about that: If you have a productive unit that brings in more money than it costs and you fire them, was that efficient? So you have to show that there is waste to begin with. Yes, there often is a waste. And then you need to deal with that, but not to just dismiss as such. Learning from business – how does it look? How does shareholder value, how does the price of stocks of big firms when these announce that they will have major layoffs? Do the prices go up? Do the prices go down? Actually, it seems that usually, prices stay the same or go down. The stock market doesn't honour it if you dismiss people on a large scale. (Surowiecki 2007) If this is so on the stock market, why should you have efficiency gains if you fire people in the public sector? You may, you certainly may. And often, it's really necessary (the Greek case comes to mind). But right now, we have this cult of just firing people in the civil service in order to save money. Yes, you may. Maybe not.

And now for my most controversial point. We all know what we all have to say about PA reform. Is it really always true? If we all believe it, may it not be a cliché? “Every problem has an easy solution, and it's wrong,” as the famous saying goes. Modern PA, efficient PA, innovative PA – don't we all want PA to be modern, to be efficient, and to be innovative, especially in times of crisis? I would say no. I at least don't want PA to be modern, efficient and innovative (or at least, I think those catchwords might be counter-productive). Why?

Modern PA. Well, what does modern mean? Modern? Why do we need to be modern? Modern means, maybe, “in line with the times,” but otherwise? Usually it

just means “new” or “recent.” If you have a new, chic, hip PA solution that does not work and costs more and you have an old, traditional one that works, why not keep that? What needs to be modern about PA? What we need is appropriate PA, PA that solves the problem at hand, PA that is in line with the given task. Very often PA needs to modernise, sure. But modern as such, is this a positive thing? In fashion maybe, in PA, not necessarily. Lord Falkland’s famous statement, “When it is not necessary to change, it is necessary not to change”, is not the same as the famous American adage, “If it ain’t broke, don’t fix it.” It’s more than that. If you don’t need to change, don’t change. If you don’t really know that you get efficiency gains, don’t do it.

Efficient PA. Well, of course, in times of crisis, to have efficient PA is nice, but the crucial thing is to have effective PA. The first question is, again, whether something works. And the second question – not an unimportant one – is whether this is done with a minimum input of resources. Not cheaply! Efficient does not mean cheap, that is really important. Efficient means with a minimum input of resources to accomplish a certain goal. If you don’t accomplish the goal, if you are not effective, you cannot be efficient either.

Innovative PA. What is innovation? We all like innovation. That is a term coined by the Austrian-American economist Joseph Alois Schumpeter, and it means to introduce a new product or service or management technique or PR or anything like that into the market successfully. If you don’t put it into the market successfully, Ladies and Gentlemen, it is not an innovation. (Schumpeter 1924) For the economics’ sphere, innovation is crucial, because for several reasons outlined by Schumpeter and developed over the decades, if you don’t innovate, you usually lose altogether, on the corporate level and on that of the economy. For PA, however, you don’t need to be innovative at all – the only demand is that what you do works; there is no reason why it should be novel. Genuinely innovation-friendly PA is about promoting the innovative economy, not about looking innovative, or claiming to be. Rather, we want PA that helps the real businesses and the real economy to develop with no matter what solutions, as long as the solutions are there. The task of PA is not to be like the economy but for the economy. And this is also, by the way, what in my experience all business people and all big economic leaders tell us. And this is especially non-trivial and indeed crucial now because only innovation-based economic growth presents Europe with a realistic option for economic growth that seems to be the only way to get out of the crisis by indeed making the money that we’ve spent on crisis remedies already. Calling something innovative that isn’t, inflating the term, and obscuring the need for the genuine support of real innovation spells disaster for our times.

So, appropriate, effective and innovation-friendly PA is anyway the better PA, but all the more in times of crisis:

Modern PA	→	Appropriate PA
Efficient PA	→	Effective PA
Innovative PA	→	Innovation-friendly PA

Having said that, let me retract a little, at least in part. As I said, efficiency is actually good, if rightly understood and if it is realised that effectiveness is primary. And I agree that sometimes the word “modern” and “modernisation” is valuable and that we need that occasionally as a selling label for whatever PA reform we would want (for good reasons, i.e. problem-solving, of course...). But innovative PA? No, no, no. As I said, the concept is not only wrong, it is extremely dangerous, especially right now.

Well, but don't the people mind? Don't we get in the polls always that they want modern, efficient and so on PA, and PA reform? Well, first of all, whining about PA is universal, but in reality “the people” don't really care too much about our field, which they even find proverbially dull. But in any case, and decidedly here, too, there is a problem with government by polling. The same people that tell you that they don't want a big state are the ones who want optimal care by the same state. The same people that say that they don't want to have any government bailout packages want to be bailed out personally. It is always the same. If you ask the people: “Do you want to have absolutely free healthcare”, 80 % say yes. And if you say then, “Well, do you want to pay 10 % more taxes”, 90 % say no. (Surowiecki 2010; figures as illustration only) The art of politics – not of policy – is how to resolve that tension. But just to say about something: “Well, the people want it according to the polls,” is again almost a non-statement.

But what can our answer be as PA scholars to the kind of problems created by fashion, by ideology, by poll-based politics, messy definitions and faith-based PA reform? NPM is in many parts of the world and of society, maybe not on the intellectual level but in practice, still very powerful, crisis or not. Well, I suggest that in the end, one of the things we can do and must do is heed the admonition of “*sapere aude*,” dare to use your own mind – let's not be beaten by clichés and do our best, in our field, that others aren't, either. If we think very hard, we often can get to an answer. It's an old Latin motto as it has been interpreted by Immanuel Kant. (1784) I noticed with great pleasure that in the classes of the civil service here at KSAP, the fourth year (1994–1996) chose *sapere aude* as their motto, although it was based not on the Kantian but on a classic Polish interpretation in the true spirit of the Enlightenment.

This may be very difficult – if you look at Greece, to say we have to fire everyone, almost, in the civil service seems kind of obvious, a knee-jerk reaction. But is it really? Let's look, and let's look at who exactly should get fired, and who, if anyone,

should replace them. As such, and aberrations notwithstanding, it is in the end, the civil servant, even the little civil servant in the cubicle, sometimes not with the best kind of tie and the best kind of ideas, who is a bulwark against chaos and against a life that can be nasty, brutish and short, and it is something that one and they should be proud of, rather than embarrassed. The vision of the bad, ruined, poor, violent *polis* is very real. In addition, Wang An-Shih answered the perennial charge against too many civil servants thus, and perhaps also in parts perennially: “It is true that the number of officials engaged is extremely large, but even when they were fewer and salaries small, the national Treasury was still short of funds. The matter of official salaries is a comparatively negligible factor anyhow.” (1058, 65–66)

Nor is good PA anti-market, market being such a dear concept for so many of us in CEE: As Miguel Centeno, the great Latin America expert from Princeton University, who has worked on how much you need PA in Latin America in order to succeed, has stated, “No State, No Citizens, No Market.” (2007, 71) And PA very largely is the state in action. You don’t have a free market, you don’t have a citizen culture without a state that sets and guarantees the rules – at least that.

It is our task, then, now more than ever, to think hard about what should be done in PA so as to get out of the crisis faster and better – un-ideologically and without paying respects to maybe beloved clichés, but focusing on what we know, or at least think with good reason, does really work. The question in PA is not whether something is new or old (or seems to be), but whether it works, and the challenge is to live both with uncertainty and some unpopularity, which however in our field is anyway unavoidable, and so we might as well do the right thing. In the end, fashion will follow anyway, at least probably. To walk this way is something that in an environment like NISPACEE’s Annual Conference and KSAP, we can certainly accomplish, and even particularly well. We can think hard about the challenges and possible solutions, discuss them, and we can come to some good solutions in the working groups, in the plenaries, and also in the coffee breaks. I hope and am sure that we will. Thank you very much.

Note: This keynote lecture is based on previous published research (most recently Drechsler 2009a; also, e.g., 2009b, 2008, 2005a, 2005b, 2004, 2001; research was partially funded by project no. 7577 of the Estonian Science Foundation ETF) and relied heavily on the presentation both in word and illustrations; the version as presented can still be viewed at <http://www.ksap.gov.pl/ksap/content/view/461/10/> (last accessed 1 June 2011). Therefore, the current version is based on the transcript and fully retains the lecture style. However, since the addition of illustrations – contrary to my Alenà Brunovska address from a decade ago (Drechsler 2001) – was impossible in this case, image-bound passages were deleted; some editing also removed or added other segments for the sake of clarity and argument. References are only to direct quotes (except common sayings) and to directly borrowed ideas that needed to be acknowledged; other references are to be found in the texts mentioned above, which also contain more

thorough arguments regarding the issues dealt with here, where I generally give just one or two example reasons for most judgments and observations.

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Shifting Challenges of Public Administration During the Economic and Financial Crisis

Helena Kisilowska¹

Abstract

In today's economic and financial crisis, both in Poland and the rest of Europe, an analysis of threats and challenges facing the public administration became crucial, together with the changes in a hierarchy of values. The necessary qualitative changes in administrative processes must take into account factors, such as demographic changes, disappearance of borders in Europe, regional and national divisions, digitalisation and creation of the informational society. Indispensability of cost savings and rationalisation at a time of crisis forces changes, which will progress towards the reform of structures of public administration, improved qualifications of its personnel as well as better management of its personnel.

This article is an attempt to determine the direction of changes and the hierarchy of importance of challenges faced by public administration. The main claim is that, in order to identify the interests and needs of a society, public administration must develop norms of behaviour and procedures based on deliberation, which will be socially accepted. These norms and procedures will allow public administration to undertake the necessary reforms, by securing public support for them.

The means for the realisation of such goals should include: better information and contact with society, clear and obvious procedures, limiting actions from the position of power in favour of working out rules of conduct and procedures which will be accepted by society as appropriate, wide social discussion, especially in the group of negotiable issues which may be perceived by various social groups to include alternative solutions to problems, greater use of the Internet and electronic communication, training of staff who will be able to meet new responsibilities, realise public administration tasks more effectively and cheaply, reform of structures

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in order to ensure proper division of competences, limitation of power dualism and better use of local authority institutions, mainly gmina as a basic territorial government unit.

1. The need for reform and the role of public administration in the process

The economic and financial crisis made it clear to Europe, including Poland, that there is a need to analyse the threats and challenges faced by society, problems which should be solved². The challenges also include the need to reform state institutions and in this respect, there arises new issues connected to public administration. Bearing in mind that the future is never fully predictable, it seems necessary to outline some directions for development.

It is quite commonly perceived among economists that we are looking at the end of an era in the development of global capitalism.³ This requires a shift in the hierarchy of challenges faced by public administration. Necessary qualitative changes in administration procedures must take into account processes such as demographic changes, disappearance of borders in Europe, regional and national divisions, informatisation (including the need to introduce electronic procedures more widely), as well as building a knowledge society and a system of knowledge management. To a much larger extent, there is the issue of the consideration and protection (in the activity of public administration) of higher-level needs of citizens – democracy, participation in governing, access to information, participation in European political life, and education. The administration system is essential for the effective functioning of every country⁴, thus in times of crisis the need to save and rationalise expenditure triggers changes which should be directed at simplifying structures and higher effectiveness together with better preparation of public administration staff and better management of them.

The introduction of democracy does not itself guarantee creating a good state. The rule of the majority, without any social control of power and without the guarantee of rights for minorities, may not meet the challenges of the 21st century and thus is no longer socially legitimate.

The previous decade, unfortunately, provides numerous examples of difficulties faced by modern democracies which are trying to meet the challenges. These include threats to world peace connected to terrorism and the deep crisis of the safety system based on the United Nations Organisation, growing economic discrepancies (both on a global scale and in highly developed countries, to a large

2 Compare Challenges of the future. Conference materials “Polish Academy of Sciences, Forecast Committee Poland 2000 Plus” (Warsaw 2009, at 7 and following).

3 See Liberska (2010). See also in the same volume Kabaj (2010) and Szukalski (2010).

4 More on the subject: Kudrycka, Peters and Suwaj (2009).

extent, a side effect of the technological revolution), rapid climate changes and, last but not least, the present global financial and economic crisis, which raises a question about the indispensable, yet appropriate role of the state in the economy. To this list of global threats one should add equally important challenges characteristic to Europe: demographic changes and, connected with this, a crisis of the welfare state, cultural divisions caused by migrations or the issue of the democracy deficit in the European Union, as yet unsolved.

The scale of the above mentioned problems should not obscure the fact that if we see the freedom of the individual and common good as basic values, the democratic system remains the best known system of state management. Research (Przeworski et al. 2000) shows that despite the fact that economic growth does not itself guarantee the introduction of democracy, there is a strong link between economic growth, especially the level of income per capita, with the stability of a democratic government. What are invaluable are the evident economic and military successes of 20th century democracies. Indirect legitimisation is also given to democracy by the fight of poor countries for the democracy of the United Nations Organisation, which has taken place since the 2nd World War.

As one of the largest member states of the European Union, as well as a country with (at present) twenty-year-long democratic traditions, Poland will increasingly be forced to take joint responsibility for facing the global and regional challenges of the 21st century. This has far-reaching implications in the area of the system of making political decisions, as well as the functioning of the administration, which will be implementing these decisions. To a much larger extent, there will be the issue of the need for wider consideration and protection (by the state) both of the more complex needs of citizens and “system” needs, determining our common future in a long-term time frame. It needs to be borne in mind that in the future, all difficulties and problems cannot be explained away by the economic and financial crisis.

Modern societies must decide on their own how, through appropriate legal regulations, they need to reform the process of administration of the state in response to modern challenges. To set the directions of the necessary reforms, it is mandatory to look at the law through the functions it should fulfil to satisfy specific social needs. Supporters of legal positivism, which plays a significant role amongst Polish lawyers, stress three properties of law: the fact that it is connected with outside behaviour of people towards each other, the fact that it is established by a respected authority and the fact that its obedience is guaranteed by coercion, which may be exerted by the state. Such an approach to law means, however, that there is a lack of a wider vision of axiological foundations of law, thereby depriving the law of its long-term function of shaping social relations⁵.

5 The issues are discussed more widely by Stelmachowski (2000) and Kisilowski (2009).

If we look at the necessary state administration reforms from a functional and systematic perspective, a key element is enhancing the mechanism of identification, by the state, of the interests and needs of society and its groups. Numerous scientific analyses, both in the aggregative and deliberative traditions, directly link democracy with the realisation of public interest or common good. The state is there for society, and not the contrary. In a democratic state of law, public administration should, on the one hand, serve its citizens by protecting the rightful interests of individuals and guarantee freedom within the frames of the law, whilst on the other hand, when representing public interest, it needs to identify the interest and realise it.

2. Public interest as a legal category

Both the Constitution of the Republic of Poland⁶ and legal acts often use the concepts of public interest, common good or social interest. Some concepts have been codified in international and national law⁷. These are mostly basic human rights, which are also covered widely in judicial decisions. Also, in the Report for the Rome Club, Yekezekel Dror points out the importance of human rights and the need to distinguish between groups of values (Dror 2006). We encounter, however, in the activity of public administration, both at the national and local authority levels, a large group of issues for which it is necessary to establish the scope of the concept of public interest in a given case. It is therefore necessary to answer the basic question: Can there be a conflict of public interest at different levels of government and is there an efficient method for defining the scope of the concept of public interest in specific cases? If one assumes only the majority rule when laying down the law and making decisions, it may lead to tyranny of the majority over the minority, failing to respect the rights of individuals and minorities, as well as irrational randomness.

A tool for minimisation of dominance may be de-liberalisation, the aim of which should be the minimisation of differences of opinion. It must be the country or local community that work out rules of behaviour and procedures of conduct which will be accepted by everyone as appropriate. Creation of clear and obvious

6 *Constitution of the Republic of Poland* of 2 April 1997 J. A. 1997 no 78 pos. 483 with amendments.

7 Compare Government Statement of 7 April 1993 on ratification by the Republic of Poland of the Convention for the Protection of Human Rights and Fundamental Freedoms, signed in Rome on 4 November 1950, changed later with Protocols no 3, 5 and 8 and amended with Protocol no 2, J. A. 1993 No 61 pos. 285, and the Universal Declaration of Human Rights adopted by the United Nations General Assembly on 10 December 1948 in Paris. The declaration as a resolution of the General Assembly does not constitute international law but it is commonly perceived as common law. On the basis of the Declaration, the United Nations General Assembly (on 16 December 1966) adopted the International Covenant on Economic, Social and Cultural Rights. Poland ratified the International Covenant on Civil and Political Rights in 1977.

procedures for identification of individual and group interests, as well as the public interest, will contribute to limiting and solving conflict situations⁸.

Supporters of deliberative democracy, such as Amy Gutmann and Dennis Thomson (1996, 44ff.), Bruce Ackerman and James Fishkin (2002) or Ian Shapiro (2006, 26–66) point out that in modern politics, dominated by loud TV campaigns, we rarely see discourse and it should be discourse that shows society what they should do in a given situation in the course of discussion with others. Ian Shapiro underlines that the core of democratic participation, in making socially important decisions, does not consist of discovering common good but more of creating it. This is especially important in the case of public administration since one of its main goals is actually the need to deal with issues important for communities and citizens in the best possible way.

The concept of public interest is evoked a few times in the Polish Constitution, which does not, however, define it. The preamble of the Constitution contains the words: “We, the Polish Nation – all citizens of the Republic ... equal in rights and obligations towards the common good – Poland”.

Also, Article 1 of the Constitution emphasises that Poland is the common good of all citizens. We will also find a significant remark on public interest in Article 22 of the Constitution, which states “Limitations upon the freedom of economic activity may be imposed only by means of statute and only for important public reasons.” This article should be considered in connection with Article 31, which states that “Any limitation upon the exercise of constitutional freedoms and rights may be imposed only by statute, and only when necessary in a democratic state for the protection of its security or public order, or to protect the natural environment, health or public morals, or the freedom and rights of other persons. Such limitations shall not violate the essence of freedom and rights.”

Apart from the Polish Constitution, the concept of public interest comes up in circa 90 acts of law⁹. However, only the law on spatial planning, in Article 2 section 4, attempts to define the concept stating that “in case where the concept of” public interest “is mentioned, it should be understood as a generalised goal of aspirations and actions, which takes into consideration the needs of society in general or local communities, connected with spatial planning”.¹⁰ The concept of public interest is a vague concept, whose existence is commonly perceived as necessary, especially in the fast-changing reality (Stelmachowski 1965, Grzybowski 1965, Pieniążek 2000), although already, Jerzy Stefan Langrod in “Institutions of Administrative Law”, written in 1942–45 in a concentration camp, pointed out that the need to explain vague

8 Małgorzata Kastelik (2004) points out that public interest is governed by interpretation in the process of material and process administration law making.

9 Research in this area was conducted by Suwaj (2009, 29), who found 86 legally binding acts of law for 4 July 2008, using the system of legal information.

10 Act of 27 March 2003 on spatial planning. J. A. 2003 no 80 pos. 717 with amendments.

concepts poses a limitation on applying the law by courts and creating through them a new “judge’s” law, amending the acts. The author mentions here the characteristic example of the British common law (Langrod 2003, 326ff.). It also needs to be considered that if a vague concept is of a normative character, it is legally binding for public administration bodies which apply the law, both at government and local authority levels. The accuracy of the interpretation adopted by administration bodies is controlled by the courts.

According to judicial decisions of the Supreme Administrative Court, vague concepts, such as common good or public interest, are subject to judicial control of legality. The concepts of public interest and common good were often considered by the Constitutional Tribunal.

The Constitutional Tribunal often pointed out, e.g. in judicial decision K23/98, that “public interest (common good), in order for it to be considered, should have a well-grounded axiological basis, which results in a specific normative imperative” (Zdyb 2006, 207). On the one hand, judicial control provides protection of individual’s rights, but on the other hand, however, as J. S. Langrod stresses, there is the danger that courts will govern the country and there will be greater freedom for judicial decisions.

Legal doctrine widely stresses the connection between public interest and the concept of common good. S. Fundowicz points out the teaching of the Second Vatican Council, which defined common good as the sum of conditions of social life which allow either communities or individuals to “achieve more fully and easily their own perfection”. In this understanding of common good there are three vital elements: respect for the individual as such, development of mental and material good of communities, and safety of the order of justice (Fundowicz 2007, 633–654).

M. Zdyb also links the concept of public interest with common good and underlines that “man may function as part of a number of co-existing communities”. The author stresses the hierarchical nature of relations in this respect: gmina, powiat, voivodship, the country, which may also mean a hierarchy of common goods. And the hierarchy should be perceived, not in superiority categories, but mostly in terms of participation and completion (Zdyb 2001, 190–201; Zdyb 2006, 205–213).

Jerzy Stelmasiak points out that for many years, in the case (vital for citizens and local communities) of determining the location of environmentally-unfriendly investments, there was the dominance of the national public interest of an economic character. The author stresses that in a democratic state of law it is necessary to consider and take into account public interest at the local level by local authorities (Stelmasiak 2001, 429–435).

The concept of common good is not a uniform concept, since it comprises three different values which cannot be measured in the same way. The first group

are *undisputed values*, for which, it can be assumed there is consent in society. This pertains to values such as maintaining independence, common education, independence of embassies etc. If this clear social consent is a stable phenomenon, the values will not be, by definition, causing problems in terms of identification of public interest.

The second group are *human rights*, which are often connected with the in-born and inalienable dignity of each individual (Zdyb 2001). Most of these rights will, of course, be part of the first group, since most of them are not subject to social objections (though the experience of the last twenty years shows that even theoretically obvious rights, such as the right to life, or the right of assembly do cause social controversy). Nevertheless, regarding human rights as a separate group is necessary, since, contrary to the values from the first group, human rights are in their essence, inalienable, inviolable and independent of political power or even the will of the majority. The state is obliged to protect these rights. They have also been codified in international law¹¹ and in constitutions as basic rights and values.

However, common good and public interest must be understood much more widely in the activity of public administration. They also encompass a wide third group of problems, in which case individuals and communities have various interests and various suggestions of solutions. This group is especially numerous at the local authority level. These are extremely important problems for local communities, such as roads, water courses, environmental protection, transport, location of educational institutions, expenditure on health service, police and safety etc. This group of issues may be called *negotiable*, since public interest is, in a way, the result of consultation and hierarchisation of many, often contradicting, interests and values.

It is traditionally seen that a satisfying way of generating public interest in negotiable matters is the majority rule. This perspective is problematic, however. On the one hand, as was shown by Kenneth Arrow, an outstanding political economist and Nobel Prize winner, in the situation where there is a choice between many contradicting interests and options, the majority rule does not actually reflect common good (Arrow 1951), leading to randomness and lack of stability of the decision making. Furthermore, taking the majority rule as the basis for law and decision-making may lead to the undemocratic resolution of problems by the majority without consideration of rights of individuals and minorities. This also gives rise to conflict, which firstly prolongs the problems and secondly, tends to end in courts, which actually means that the obligation to make a decision on public policy

11 E.g. *Common Declaration of Human Rights* adopted by the United Nations General Assembly on 10 December 1948 in Paris, *European Convention of Human Rights* adopted by member states of the Council of Europe, open for signature on 4 November 1950, enforced in Poland on 19 January 1953, the *Charter of Fundamental Rights of the European Union* adopted on 7 December 2000 in Nice. The document was made legally binding by the Lisbon Treaty signed on 13 December 2007, which entered into force on 1 December 2009.

is handed over to a branch of government which is unprepared to properly execute such power and for which such power has never been foreseen in the democratic system of government.

In the negotiable group of issues in the process of defining the concept of public interest in a given case, it is necessary to search for alternative decision-making mechanisms. Depending on the perspective, importance may be given to various factors:

- economic considerations – stating which solution will maximise goods available in society and their most effective use,
- social considerations – determining which solution offers the fairest distribution of goods,
- hierarchical-political considerations – for social order, all citizens must obey the competencies of public government bodies to make decisions, including these which require free judgement. The one in power makes the decision.

None of the above solutions seem perfect and none of them eliminate the problem and offer help in solving conflicts in *negotiable issues*. That is why deliberation may be such an important tool for establishing the common good in this group of issues (Shapiro 2006, 197)¹². Its aim should be to minimise opinion differences. If this cannot be achieved, then one must strive for people to understand the reasoning behind decisions and for them to treat with respect their “opponents” in public debate.

It needs to be borne in mind that the more difficult the economic situation becomes in times of the crisis, the more important the correct operation of public administration, fair division of goods, hierarchy of importance of issues and ethical aspects are. This also points to public administration staff who need to improve their quality significantly in the face of the necessity of limitation in number. Also, more and more important becomes the ability to direct the public discourse.

3. Professionalisation of modern administration

Modern public administration operates in a formalised way; it has a hierarchy and a growing specialisation. It is so in Poland and in Europe (Izdebski and Kulesza 1999). This makes it necessary to stress professionalisation of the civil servant’s profession. Public administration staff should be professionals, i.e. they should demonstrate a high level of professionalism, knowledge and high competences. In order to be able to talk about the profession of a civil servant, a number of conditions need to be

¹² He points out that solutions suggested and implemented as a result of discourse will enjoy greater popularity than those imposed.

met. M. Armstrong (2002, 46–47) distinguishes “occupation” from “profession” and quotes the following criteria:

- skills based on theoretical knowledge, training and education gained,
- competence test amongst members conducted by a professional board,
- existence of an organisation which is able to regulate the influx of people to the profession,
- existence of a code of professional conduct¹³.

The notion of a public administration official is obviously wider than the civil service, the prevalent concept in Poland. In accordance with Article 153 of the Polish Constitution, the civil service has been recognised as a special structure of a corporate nature, acting to ensure a professional, fair, impartial and politically neutral realisation of state tasks in government administration offices.¹⁴ Jacek Czaputowicz emphasises that the quality of the civil service is of great importance for the development of the state (Czaputowicz 2005). Also in its ruling of 19 February 2008 the Supreme Court stressed that “the Civil Service Law is to guarantee the achievement of the purpose of civil service appointments indicated in paragraph 1, art. 153 of the Constitution, including: providing professional, reliable, impartial and politically neutral performance of state responsibilities. Realisation of these goals is possible by creating certain standards and adequate legal mechanisms, in particular transparent rules of recruitment and verification of acquired knowledge and experience. They are to eliminate from the civil service those who do not meet the requirements set out in the Constitution and by law, and to ensure opportunities for professional careers for competent persons.”¹⁵

The Polish legal system provides an opportunity to create the profession of a civil servant. It must be considered, however, that according to the Act of 21 November 2008 on civil service¹⁶, civil servants make up only part of the whole civil service, and when we talk about public administration staff, we also need to consider e.g. local authority staff, whose professionalism, to a large extent, determines the effectiveness of the operation of local authorities. Therefore, in order to be able to talk about the profession of a civil servant (administrator), the following conditions must be met:

13 In the author’s opinion, the work done by a professional is usually characterised by a connection with the model of fundamental concepts and experience, not an improvised reaction to events or using a set of procedures. Such a high level of outstanding competence reflects the proper use of specialist education, training and experience. This may be accompanied by a feeling of responsibility and acceptance of common standards.

14 Legal foundations of Poland’s civil service and its historical development are widely discussed in, amongst others, Leoński (2001).

15 Wyrok Sądu Najwyższego – Izba Pracy, Ubezpieczeń Społecznych i Spraw Publicznych IIPK 256/2007 Lex Polonica 1833531.

16 Journal of Laws 2008 no. 227 pos. 1505 with amendments.

- the education system should provide an adequately high level of theoretical knowledge,
- filling positions should take place on the basis of objective competence competitions, conducted by objective and professional boards,
- there must be high ethical standards, implementation of appropriate conduct of civil servants, the obedience of which will be controlled by professional associations.¹⁷

Professionalism must, first of all, be learned. This requires the adaptation of the education system to the needs of globalisation, integration and necessary modernisation of the state and the economy. According to world trends, the civil service must have at least first-level degrees (B.A.). The need to adapt our education system to conditions in the European Union brings about the need to make a two- and three-level education more common: B.A. – M.A. – Ph.D. also in administration.

B.A. study is a professional study whose graduates should be professionally prepared for their future role. At the B.A. level, emphasis is put on shaping abilities and skills useful at a lower and middle management level. M.A. study, in contrast to the B.A. degree, offers clear preparation for understanding and solving tasks at a higher level of generalisation, at higher management levels on the basis of theoretical knowledge rather than abilities and skills in the area of more narrowly understood practical tasks¹⁸.

Modern public administration needs widely educated specialists, both generalists and specialists in various areas of administration. When trying to establish some basic standards, which should be acquired by graduates of all fields of study in administration, one can assume that it is in knowledge in the areas of:

- functioning of the state
- functioning of local and regional authorities
- functioning of the administration of the European Union,
- ability to effectively organise and manage public tasks,
- ability to diagnose and forecast phenomena and processes,
- ability to manage staff in administration,
- ability to use negotiation techniques,
- ability to plan and organise public relations,
- ability to make decisions in emotionally loaded situations,

17 The need to ensure high ethical standards of public administration officials is stressed by Kudrycka (2009), 509–513.

18 Compare: The graduate of M.A. study in the field of study Administration at Warsaw University of Technology. Resolution no 30/XLIV/2000 of the WUT Senate of 26 January 2000.

- ability to absorb funds from the European Union,
- ability to use new tools and technologies, including IT.

This requires wide multidisciplinary knowledge in the areas of law, economics, sociology, IT, statistics, management, logic, and ethics. It is therefore necessary to abandon the traditional (in our region) narrow approach to education, based only on legal subjects.

The issue of reforming administrative studies has been a subject of discussion for years amongst Polish scientists. A substantial contribution to positive changes in this regard has been made by the Polish Association for Public Administration Education.¹⁹

The state of Polish administration depends mainly on studies in administration. Growing tasks of public administration, democratisation of administration structures and, at the same time, effectiveness of their operation, decentralisation and deconcentration widen the scope of civil servants' independence, thereby giving them new tasks. In the paper *Administrative law of government*, the authors point out the necessity, in a democratic state of law, of appropriate correlation of democratisation of administrative structures with their effectiveness and of correlation of the role of the social factor with the tasks of a professional civil service, specialists and experts (Stelmasiak and Szreniawski 2002). It is therefore necessary to educate civil servants in a number of variants. These can include:

- studies in administration with a wider scope of teaching in the areas of IT, management, economics, and also, as variants, mathematics, technology fundamentals, spatial planning, environmental protection etc.
- parallel studies in public administration
- second-level studies in administration or MPA
- post-graduate studies, also in e-learning
- Ph.D. programmes in administration

At present, one should not educate only one model of employees of the civil service, just as it is impossible to educate only one model of engineer, economist or doctor. There must be an element of specialisation and this must be considered by education standards at various universities and countries in the European Union. Awareness is, at present, quite common that no element of higher education follows the needs as much as they should. This process is taking place slowly. General regulations are not effective and level out rather than enhance real progress. Changes usually happen as a result of the effort of didactic and scientific employees supported by enthusiastic practitioners. There is still little research and application of the results. It is important for social needs and students' needs (future graduates

19 See Mikułowski (2006), see also Wrzosek et al. (2010).

looking for a good job) to be the subject of lively interest. There is also evidence that modern students are more aware than students in the past that they are going to have to go through life on their own and that times have changed. More importantly, they are more open to change and understand that in their future work they will have to give their institutions clear and realistic goals, using knowledge from all parts of their education (Kisilowska and Mroz 1999). In order to achieve this, they will have to take risks, make mistakes, use their creativity fully and not be afraid of creative efforts.

Public administration, to achieve real professionalism, needs to be a virtual organisation, learning on its own. Even the best knowledge from university is not sufficient. Constantly changing conditions, amended laws, and new projects demand effective on-line training, rather than courses and post-graduate studies. Modern administration staff need to know how to use the Internet, select information, and use professional electronic programmes. Centres of public administration education, such as the National School of Public Administration, have an important role to play; their tasks should be expanded in the area of constant education of public administration staff in institutionalised forms. However, the scope of the issue is too wide for traditional education systems, based on traditional technologies, to cover. There must be hybridisation and virtualisation of life-long learning. Basic instruments for passing on knowledge will be the computer and the Internet.

Functioning of public administration depends not only on the application of law, but also on independent, creative and responsible operation within legal frames. Administration, understood in this way, is an organisational activity of the executive power, conducted within the law and on its basis (Izdebski and Kulesza 1999). This also entails changes in information and knowledge transfer. Dynamic development of areas of activity means that the amount of information which an employee must process is increasing constantly. Thus, there is a growing demand for information technologies in administration, which in turn trigger new demands and further development of IT in this area.

4. Summary

The economic and financial crisis has made it clear that there is a shift in the hierarchy of importance of challenges faced by public administration in Poland and that there is a need to try to find ways of reducing costs, while, at the same time, improving the functioning of public administration.

Means for realisation of such goals should include:

1. Better information and contact with society.
2. Greater use of the Internet and electronic communication.

3. Clear and obvious procedures.
4. Limiting actions from the position of power in favour of working out rules of conduct and procedures which will be accepted by society as appropriate.
5. Wide social discussion, especially in the group of negotiable issues which may be perceived by various social groups to include alternative solutions to problems.
6. Training of staff who will be able to meet new responsibilities and realise public administration tasks more effectively and cheaply.
7. Reform of structures in order to ensure proper division of competences, limitation of power dualism, better use of local authority institutions, mainly gmina, as a basic territorial government unit.

New tasks make it necessary to strengthen the basic level of local authorities – communes or gminas, which should realise the most basic tasks to a larger extent than at present, using income tax and structural funds from the European Union. Globalisation, development of international contacts and membership of the European Union demand, in turn, the strengthening of the role of the region – self-governing voivodships – which would be much more independent.

Public administration shaped in this way needs the appropriate staff and proper human resources management. Civil servant – this should be a respected and appreciated job and the performance of it should be based on wide knowledge and skills, adequate for the era of the knowledge society in which we function.

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The Bulgarian Approach to Public Administration Reform in Times of Crisis

Polya Katsamunska¹

Resume

The paper's objective is to describe and analyse the Bulgarian approach to public administration reform in times of crisis. To underline the different approach of governance and reforms of public administration, the paper outlines the frame and direction of public administration reforms from the beginning of the transition period. This creates a good base to point out and evaluate the significant changes in the field of administrative reform in times of crisis.

The study summarises the key priorities of the government to overcome the after-effects of the global crisis and to restore the Bulgarian economy. Prompt measures for achieving real and stable results could not be realised without a common political approach and a clear political will. Special attention is paid to the changes in the political leadership and the new profile of the government after the parliamentary elections in 2009. The different profile of the government pre-supposes a different approach of governance. With establishing the Council of Administrative Reform as a body with consulting functions, subordinate to the cabinet, the responsibility for administrative reform and the improvement of the administrative capacity is transferred directly to the government.

1. Outlines of Public Administration Reform during the period of transition

Since the beginning of the transition period, reforms have been a central problem of governance. In fact, reforms of public administration have emerged as a key element of the reform of governance systems during this period for all the post-com-

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munist countries of Central and Eastern Europe. The emphasis on administrative reforms stems from the understanding that an inadequate public administration system constitutes a main obstacle to economic development and good governance in a country.

In Bulgaria, the process to establish a democratic society and market economy began in the early 1990s, but two decades later, the result is that the public institutions' work and the country's governance lag well behind the standards of good governance. No doubt, great progress was made and Bulgaria obtained credit of trust and was accepted as an EU member state in 2007. At that time, it was expected that Bulgaria demonstrate its willingness and ability to observe European norms and standards, but the crisis has made it even more difficult. And now, drastic intensification of its reforms and enhancing substantially its administrative and judicial capacity becomes a strong need to overcome the negative effects caused by it.

When the reform process started *de facto* in Bulgaria, the reform programme was formulated as building, not reforming, the administrative system. Since that time, Bulgaria has had different governments but not one of them has changed the direction of the reforms. The first Public Administration reform programme was announced by the government in its 1998 *Strategy for Building a Modern Administrative System*². During that period the reform was mainly focused on legislative and institutional arrangements. The adoption of legislation aimed at defining and regulating the activities within the state administration played a major role in setting the direction of reform. Secondary legislation related to public administration Acts was also adopted and entered into force.

The establishment of a professional civil service in Bulgaria began with the implementation of the Law on Administration and the Civil Servants' Act. In principle, administrative management is entrusted to the secretary-generals who are civil servants, but the ministries are managed in all aspects by ministers and their cabinets of political appointees, including vice-ministers. The administrative posts are classified into managerial, expert and technical posts. Managerial positions cannot be filled by labour contract. Members of ministerial political cabinets are excluded from the civil service. Also excluded from the civil service and subject to the Labour Code are employees with technical functions in the administration. There are specific statutes that regulate the judiciary, police, diplomatic corps, and other branches of public administration³.

During the whole period of transition, a number of programmes and projects aimed at improvements in the state administration have been developed. In mid-2002, administrative reform moved higher up on the government's agenda and one of the important initiatives was the adoption of the *Strategy for Modernisation of*

2 *Strategy for Building a Modern Administrative System*.

3 Hristov, Hristo, P. Pavlov and P. Katsamunsk. 2007. *Basis of Public Administration*. Sofia, Bulgaria: University of National and World Economy.

*State Administration – from Accession to Integration*⁴. It was later updated and an Action Plan⁵ for its implementation was developed. The Strategy emphasises several key issues: functional and organisational optimisation of the administrative structures for the improvement of their efficiency; strengthening of the administrative capacity for implementing both Bulgarian law and EU law; formulation of the principles for the realisation of a new integrated human resource development policy in public administration as a key element in the modernisation of public administration; creation of a favourable environment for the career development of the civil servants, based on the merit principle; and creation of a favourable business environment through the improvement of service delivery. In addition, a *Strategy for Training of Public Administration Employees*⁶ was adopted. It aimed at improving the professional skills and qualifications of employees in administration and developing the capacity of the Bulgarian civil service.

Principles of transparency and integrity endorsement in the activities of civil servants is of prime importance for good governance and this understanding led to the adoption of the *Strategy for Transparent Governance and for Prevention and Counteraction of Corruption*. The development and implementation of the Strategy was followed by the elaboration of a Transparency programme for the state administration and high-level state officials' activities. The programme contained measures related to transparency of competitions and appointment, strengthening the position of the civil servant, training for a new administrative culture, foreign languages and communication technologies, administrative regulation and an improvement in dialogue with the media and the public.

All these initiatives, together with a number of other important measures, taken to strengthen the administration, forced the European Commission to conclude that Bulgaria “has made further progress to complete its preparation for membership, demonstrating its capacity to apply EU principles and legislation from 1 January 2007”⁷, as well as to highlight the need to ensure the sustainability of public administration reform. The identified areas of concern that need immediate action or further efforts are the justice system, the fight against corruption and financial control, for which Bulgaria was strongly criticised by the European Commission in its 2008 Report on Bulgaria's Progress: “the administrative capacity of both law enforcement and the judiciary is weak.”⁸

In general, for two decades during the transition period, Bulgaria has made serious efforts to establish effective administrative structures, attain high-quality

4 *Strategy for Modernisation of State Administration from Accession to Integration*, 2002.

5 *Strategy for Modernisation of State Administration – from Accession to Integration 2003–2006*, 2003.

6 *Strategy for Training of Public Administration Employees*.

7 *Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania*.

8 *EC Report on Bulgaria's Progress in Justice and Home Affairs*.

administrative service delivery focused on citizens and business, apply the principles of good governance, introduce information technologies in the work of the state administration, as well as improve human resources management in state administration, as they have been considered an integral part of the implementation of the reform⁹. However, public expectations concerning the results of the implementation of programmes and mechanisms have been higher than those achieved. The progress in public administration reform is obvious, but serious weaknesses in administrative and judicial capacity mean that Bulgaria is unable to reap the full benefits of EU assistance. The Bulgarian administration suffers from a high turnover of staff and unattractive salaries, which create opportunities for corruption, and outdated, centralised procedures. The lack of accountability and transparency in public procurement, when tendering EU funds, was considered by the European Commission to be a grave problem. For all this, the purpose set – to establish and achieve a modern type of governance and well-functioning and transparent administrative system, capable of applying the best EU practices and policies – has not yet been achieved. The established institutions and procedures and processes introduced have not yet produced the expected results to demonstrate that the system is actually functioning correctly.

2. Priorities of the government policy in times of economic crisis

The economic crisis is a strategic challenge for the public administration in Bulgaria. This challenge imposes an overall re-thinking of public management in Bulgaria. It also certifies the increasing necessity of public leadership in order to overcome the negative effects caused by it.

The crisis in Bulgaria is deep and the situation has not changed much. The economy of the country continues to contract and, in 2009, an economic analysis forecast between 1 and 2 % for 2010. Key indicators¹⁰, used to outline the picture of the Bulgarian economy by the National Statistical Institute and some economic researchers, show that things are not getting better. At the end of 2009, for the first time in the new millennium, two consecutive quarters of GDP decline (on a year-to-year basis) was registered in Bulgaria. For a more realistic picture, other indicators to the GDP drop can also be added: in the third quarter of 2009, individual consumption of the population was 67.4 % of GDP and the real decrease in the indicator was 4.7 % compared to the same period in 2008; unemployment was at 6.7 % of the labour force and the unemployment rate compared to the same quarter of the previous year increased by 1.6 %. Official data indicate that the unemploy-

9 Pavlov, Pavel. 2007. *The State Governance and Administration in European Context*. Varna, Bulgaria: Varna Free University.

10 Data of the National Statistical Institute at www.nsi.bg; also Simeonov, Ognyan and M. Lambovska. 2010. *Control over Threats*. Zilina, Georg.

ment rate continues to rise. In relation to this, it should be noted that “promoting employment” was a main goal of the former government, but the “Stanishev plan” was a failure. According to experts’ opinions, the Cabinet wasted a huge amount of money and did not achieve much.

Statistic data and figures provided by economic experts support the expectations that the consequences of the crisis will be serious and obviously will make Bulgaria slow to reform. Some research analysis of international experts share the same opinion. According to RGE Analysis¹¹, Bulgaria is one of the Eastern European countries with the worst economic prospects and worst chances of recovery. The position of the various experts is connected with the capacity to recover the economy and gain positive growth in 2010.

The cabinet of Borissov began a policy of spending cuts and it led to the Minister of Finance announcing that “this is the maximum”, because the economy would be under threat if most of the expenditures in the year were cut. Some Bulgarian economists consider that there are some signs for optimism and if the government follows the principle of “clear rules and less spending”, this type of policy would be much more successful than any anti-crisis plan¹². According to P. Ganev from the Institute of Market Economics, many of the effects of the crisis will come late, but at the end of the year, the Bulgarian economy should start to move again. This opinion is based on the understanding that the decline in industrial orders and limited access to credit are major issues facing each company. If companies are forced to close, the unemployment rate will go up and this tendency is already clear, but it has not yet reached its peak. To avoid bankruptcy, companies can use different mechanisms, with the promise to guarantee and realise the country’s European development. Obviously, Bulgaria joining the EU was one of the most important achievements of the former coalition government (term of office 2005–2009). Success was achieved after serious efforts to reform the Bulgarian economy and the entire politico-administrative system in order to cover the requirements and criteria set by the EU. Despite the efforts of Stanishev’s former cabinet, its reforms did not produce sufficient results and it was concluded in the 2008 EU report that “the administrative capacity of both law enforcement and the judiciary is weak.”¹³

When Bulgaria entered the EU, special provisions were made to facilitate and support its smooth accession, at the same time safeguarding the proper functioning of EU policies and institutions. Bulgaria’s accession was accompanied by a set of specific measures, put in place to prevent or remedy shortcomings in different areas. In the most problematic areas of judicial reform and the fight against corruption and organised crime, a Co-operation and Verification Mechanism was established, setting out benchmarks to provide the framework for progress and support in dealing

11 Roubini Global Economics at www.roubini.com

12 www.ime.bg/en/articles/bulgarian-economy/

13 *EC Report on Bulgaria’s Progress in Justice and Home Affairs.*

with these shortcomings¹⁴. The mechanism lets the European Commission monitor reforms and imposes sanctions. It was put in place because of the fundamental importance of having a well functioning administrative and judicial system to ensure that Bulgaria would be able to deliver on all its obligations, as well as to benefit from the rights of membership. The former Cabinet tried to direct all its activities towards the modernisation of the state administration to be in full compliance with the priorities and objectives of the Lisbon strategy. But, despite all these efforts, the most critical and problematic aspects of the reforms were connected with absorption and management of the EU and the weaknesses in administrative and judicial capacity that made Bulgaria unable to reap the full benefits of EU assistance.

EU funds set aside for Bulgaria are the practical expression of the Union's solidarity with the citizens of Bulgaria. The funds aim at helping less favoured regions in the country, catalysing a much needed investment in transport, telecommunications and energy infrastructure, promoting competitiveness, fostering social cohesion and enhancing Bulgaria's overall economic performance and stability. The reasons for the inefficient use of these funds and other weaknesses are different. Some of them resulted from a series of problems in the country's governance, others came from the Bulgarian administration suffering from a high turnover of staff and unattractive salaries, which created opportunities for corruption, and outdated, centralised procedures. A grave problem was the lack of accountability and transparency in public procurement when tendering EU funds. Recognising the dimensions of the problem, Prime Minister Borissov declared in front of the National parliament that "the first and most important requirement on the way to Bulgaria's European development is to continue reforms and work towards the removal of the weaknesses found by the European Commission"¹⁵. This requirement determines the specific priority lines, along which the government directs its will and efforts. These priority lines correspond with the government's objectives, focused on:

- Growth and modernisation of the Bulgarian economy, which includes such measures as maintaining financial stability, restricting budgetary expenses, stop plundering of public resources, preserving old and opening new jobs, attracting investments, and creating favourable conditions for developing Bulgarian business.
- Securing the legal order in the country, combating crime and restricting corruption. It is defined as the main and long-term priority of the government, for which a clear political will for its implementation is expressed. In this regard, serious efforts are directed to creating the conditions for restricting corruption at all levels of public governance and suppressing the relationship between organised crime and public authorities.

14 *Commission Decision of 13 December 2006.*

15 www.government.bg

- Reforming and improving the work of the judicial system in order to obtain an essential and tangible change in the work of the judiciary. In order to stop delaying judgments and to enhance responsibility, the government will follow the recommendations in the reports of the European Commission.
- Restoring the trust of European partners and defrosting the suspended European funding, because without European resources Bulgaria cannot get out of the crisis quickly and restore the economy. For that purpose, the government is to implement clear political measures, and a transparent, honest and active implementation of the distribution and effective use of European funding for the economic and social development of Bulgaria.

There is no doubt that the realisation of the government's aims and priorities requires a well-functioning state administration. This necessitates prompt measures to accomplish administrative reform, because the reform will ensure the optimisation of governance and the improved effectiveness of the institutions.

3. Government profile and responsibility for public administration reform

In Bulgaria, the general structure of powers was established by the adoption of the Constitution in 1991¹⁶. The Constitution stipulates that the Council of Ministers is the central executive authority, collectively responsible for managing and implementing domestic and foreign policy. The role of the Prime Minister is to direct, coordinate and take responsibility for the overall policy of the government. The actual composition of the government is proposed by each candidate for Prime Minister. The government is then appointed *en bloc* by parliamentary approval, and is subsequently accountable to parliament.

In contrast to the former Cabinet of Stanishev (term of office 2005–2009), formed on the basis of a coalition agreement with huge parliamentary support, the current government is a one-party government without a secured parliamentary majority. The distribution of posts within the Stanishev Cabinet was proportional to the size of the three parliamentary groups supporting it in parliament and it had a predominantly political profile. All ministers of the former Cabinet were members of the three political parties in the coalition with the only exception being the key figure of the Minister of Finance, who formally owed his position to technical expertise rather than political allegiance. A specific characteristic of that Cabinet was the establishment of the Coalition Council of which the key actors were the three leaders of the political parties that made up the government and it was created in order to reach agreements on key issues on the overall government policy.

16 Bliznashki, Georgi. 1997. *Principles of the Parliamentary Government*. Sofia, Bulgaria: St. Kliment Ohridski University Press.

The Borissov Cabinet (term of office 2009–2013) has a totally different profile, as it is mainly composed of experts with strong managerial or sector experience. The structure of the government is composed of the Prime Minister, two Deputy Prime Ministers and 15 ministers. The Deputy Prime Ministers and the ministers are also in charge of individual ministries, with the exception of the minister without portfolio. In view of the structural composition of the government, two ministries were closed (Ministry of Emergency Situations and Ministry of State Administration and Administrative Reform), a new ministry was established (Ministry of Physical Education and Sports), while some ministries were reorganised (Ministry of Education and Science into the Ministry of Education, Youth and Science; the Ministry of Transport into the Ministry of Transport, Information Technology and Communications; and the Ministry of Economy and Energy into the Ministry of Economy, Energy and Tourism). The Council of Ministers was entrusted with the task of regularising all legal relationships related to the reorganisation and closure of ministries, including a redistribution of their functions, as well as defining the functions of the Minister without portfolio. At the beginning of April 2010 a change was made in the Cabinet and a new post was established for a minister to be responsible for managing EU funds. Despite this corrective action, the problem with the absorption and management of EU funds has still not been overcome.

In fact, efforts to solve this problem were made by the former government. After the EC's critical report on Bulgaria's progress in 2008¹⁷, the real dimensions of the problem were recognised and the reaction of the Cabinet was to appoint a Vice-Prime Minister responsible for the general coordination of EU funds. But, in general, no practical and measurable results were achieved by the end of his term of office. Now, two years later, the situation looks better and the Interim report¹⁸ of the European Commission highlighted that "in the last six months, Bulgaria has launched a number of important initiatives which show the will to reform". Another positive sign is that "Bulgaria's recent efforts demonstrate a growing recognition that substantial and far-reaching reforms are required".

The different profile of the cabinet pre-supposes a different approach of governance, not admitting compromises in the name of political stability and party comfort. For this reason, the Government of European development of Bulgaria has been making efforts to gain parliamentary support for its decisions, standing up for the following principles of governance:

- Fairness towards citizens and high criticism towards the governance itself;
- Openness and transparency of every action the cabinet takes;

¹⁷ *EC Report on Bulgaria's Progress in Justice and Home Affairs.*

¹⁸ *Interim Report from the Commission to the European Parliament and the Council on the Progress in Bulgaria under the Co-operation and Verification mechanism, 2010.*

- Rejection of corruption, illegitimate binding to hidden economic and political and other interests;
- Perseverance and consistency until achieving specific results;
- Dialogue with society and civil organisations;
- Responsibility to Bulgarian citizens, institutions and the history of Bulgaria.

These principles outline the frame of the 2009–2013 Programme of the government and are integrated in the overall government's policy¹⁹. In fact, the government programme lays down seven specific policies and the first one is reforming the administration and providing a public service. The next two policies are oriented towards fighting against corruption and making government decisions based on economic and financial consideration and expediency.

With the formation of the government, significant changes were made in the field of administrative reform. These changes began with the closing of the Ministry of State Administration and Administrative Reform and establishing the Council of Administrative Reform, created as a body with consulting functions to the Council of ministers²⁰. In this way, the responsibility for administrative reform and improvement of the administrative capacity is transferred directly to the government. The Council of Administrative Reform²¹ is chaired by the Vice-Prime Minister and Minister of Finance, and the Minister of Labour and Social Policy serves as its vice-chair. It consists of 13 other members, occupying positions of vice-ministers or general-secretaries at the other ministries. The key functions of the Council of Administrative Reform are to support government policy aimed at strengthening and improving public administration, to propose strategic guidelines and to coordinate government policy in connection with the implementation of projects of documents and normative acts for establishing, reorganising and closing administrative structures. Other important functions of the Council are connected to the administrative reform at regional and municipal levels, providing administrative services and e-government, civil servants' status and management of human resources in state administration. The administrative and technical support of the Council is provided by the Department of State Administration at the Council of Ministers. In 2009, the Council²² held four regular and one special meeting and for that period, its main activities were oriented towards priorities of administrative reform, optimisation and reorganisation of administrative structures, and a new concept for the development of the Institute of Public Administration.

19 *Program of the Government of European Development of Bulgaria 2009–2013*.

20 Ordinance of Co M № 192 from 5 August 2009.

21 www.saveti.government.bg

22 *Annual Report for the Activity of the Council of Administrative Reform for 2009*.

Conclusion

Based on a paper analysis, the following main conclusions can be drawn. For more than twenty years, during the period of transition, reform of the public administration has been considered as a key element of the reform of governance systems, but this period was not sufficient to reform the system of public administration, according to European principles and standards of good governance. Obviously, it was hard to believe that deep-seated change would be quick, but progress has been slower and more limited than expected. For all of this, serious strengthening of the administrative system is much needed.

In times of crisis, Bulgaria has a totally new political leadership. The government came into power with a promise to guarantee and realise European development in the country. The key indicators of the Bulgarian economy show that the crisis is deep, which forced the cabinet to enact austerity measures, some of which have fanned public dissatisfaction. Although the situation has not really changed, there is good reason to be optimistic regarding the recovery prospects, connected with the government's policy.

In comparison with the former cabinet, the government demonstrates a different managerial approach and indicates a firm political will and determination in relation to the two key challenges Bulgaria faces today – reforming administration and fighting corruption.

The responsibility for the administrative reform and improvement of the administrative capacity is transferred directly to the government after establishing the Council of Administrative Reform as a body with consulting functions, subordinate to the cabinet. Most measures and actions proposed by the government aim at the reorganisation and optimisation of administrative structures, restricting corruption and combating crime, and improving the work of the judicial system. This approach is based on the understanding that restoring the trust of its European partners and reinstating the suspended European funding is of key importance to the Bulgarian economy, because without European resources, Bulgaria cannot emerge quickly from the current crisis and restore its economy.

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Crisis and Taxation: The Case of Hungary¹

Valéria Limpók²

Abstract

The latest global financial meltdown began to show its effects in the middle of 2007 and the financial crisis also affected the real economy. Decreasing consumption and production, and increasing unemployment can be observed worldwide. Policy makers are trying to relieve the negative effects as much as they can. Hence, as one of the most important government instruments, fiscal policy came to the forefront. Many countries adopted tax changes or tax reforms hoping their efforts could stimulate consumption and investment and drive towards economic recovery. Most of them have tried tax cuts and some raised their fiscal burden. Countries began supranational dialogues concerning tax havens and offshore financial centres. More and more economies are trying to take back the tax capacity from these territories.

Motivated by the above facts, in this paper I will focus on the Hungarian “tax answer” to the crisis. On 11 May 2009, the Hungarian Parliament adopted changes in the tax rules. Amongst others, the limit of the lower personal income tax bracket and the standard rate of value added tax increased. Meanwhile, employers’ social security contributions decreased. Later on, several tax changes were accepted for 2010.

On the one hand I attempt to summarise tax measures as responses to the economic crisis; on the other hand, with the help of a questionnaire, I attempt to better understand the expectations of corporations in Hungary regarding the taxation policy in the current economic situation.

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1. Introduction: The aim of the paper

- (1) *A presentation and sort analysis of the main characteristics of taxation policies as a response to the crisis.* This includes a discussion of the consequences of the global financial and economic crisis on taxation and the identification of the applied tools of countries' trials to improve their fiscal position and competitiveness through taxation measures.
- (2) *A presentation and analysis of the main characteristics of Hungarian taxation policy, focusing on the last two years.* I will present the basic characteristics of the Hungarian tax law, the modifications during the last years, the expected changes, and the borders of the profound reconstruction of the taxation system.
- (3) *Answer the detailed hypotheses below.*

The hypotheses are listed as follows:

- H1 The impact of the global economic crisis can be seen in the Hungarian taxation policy.
- H2 The tax changes in the other Central and Eastern European countries are pressuring the Hungarian taxation policy.
- H3 The international "catching tax bases" trend can also be seen in the Hungarian taxation policy.

2. Framework for the analysis – the economic background and literature

As a response to the crisis, several countries around the world have introduced fiscal packages. Most countries have adopted parallel stimulus spending programmes and tax reduction programmes.³ In 2009, Deloitte⁴ published a study of the taxation measures taken by governments in over 50 countries to fight against the crisis (Deloitte 2009). One can already find some studies whose authors tried to measure the effects of tax arrangements as a crisis-response. In a World Bank publication written by Angelov and Djankov, the authors discuss the potential benefits of a reduction in payroll taxes in Bulgaria. They have found that by reducing the payroll tax by 7.5 percentage points⁵, from 31.3 per cent to 23.8 per cent, this would result in 130,000 jobs created or saved, and a 0.5 percentage increase in annual GDP growth in Bulgaria. (Angelov and Djankov 2009, 2)

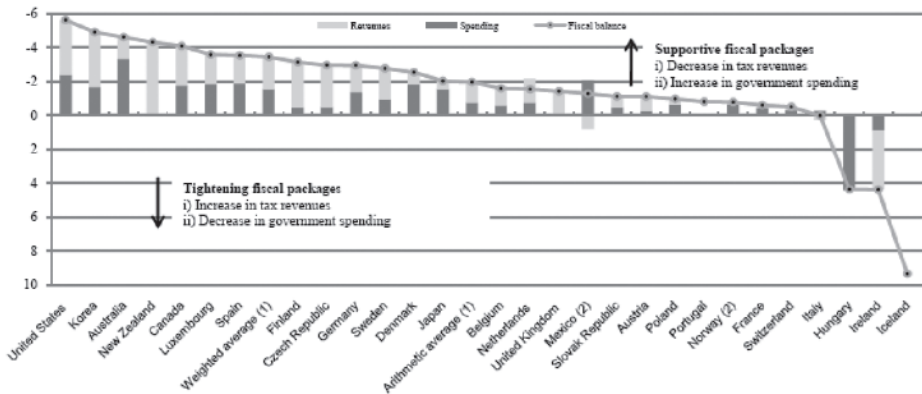
3 See e.g. Germany: BBC News 2009; USA: Teslik 2009; China: Doingbusiness.org 2009.

4 International accounting and consulting firm.

5 A 5 percentage point reduction for employers and a 2.5 percentage point reduction for employees (Angelov and Djankov 2009, 2).

Since 2008, the majority of countries applied supportive fiscal packages and gave priority to tax cuts over boosting spending. In a few countries, the overall package was restrictive during the time period 2008–2010, in particular Hungary, Iceland and Ireland, see Figure 1. (OECD 2009, 5, 8)

Figure 1
Fiscal packages: spending and revenue mix
Impact of fiscal packages during the time period 2008–2010
on fiscal balances as % of 2008 GDP



Source: OECD 2009

In most OECD countries, tax cuts have been concentrated on personal income taxes and to a lesser extent on business taxes (see OECD 2009, 6). All Central and Eastern European economies adopted tax changes in the last two years, see, e.g. Deloitte 2009. From the Eastern European economies, the Czech Republic and Poland have been able to afford fiscal stimulus (See Belka 2010).

In Hungary, both tightening and supporting tax measures have been implemented by the government since 2008. According to an OECD study (see OECD 2009) the net effect of these arrangements on the state budget is nil in 2009 and 2010. Consequently, from the government's point of view the tax changes seem to be a zero sum game (see Table 1).

According to a study published last spring, taxes and contributions in the Hungarian tax regime are excessively high, even on an international scale (see Miniszterelnok.hu 2009, 26). However the most serious impact of the crisis on budget policy can be seen on the revenue side. The tax revenues declined, together with the declining economic activity and high tax burden.⁶

⁶ See for details: Hungarian Ministry of Finance/Költségvetési adatok: <http://www1.pm.gov.hu/> (accessed 9 April 2010).

Table 1
Composition of Hungarian fiscal package,
Total over 2008–2010 time period as % of GDP in 2008

	Total	Individuals	Businesses	Consumption	Social security contributions
Tax measures	0.0	-0.1	-1.5	1.6	0.0

Source: OECD 2009

3. Taxation in Hungary

In this section I will briefly describe the basic characteristics of Hungarian tax law and the main points of tax changes in the last two years until the middle of 2010.

3.1 Personal income taxation

The personal income taxation has been modified several times during the last two years. The most spectacular changes can be observed in the tax table. At the beginning of 2009, the tax schedule was set as follows:

Table 2
Hungarian personal income tax table from 1 January 2009

TAX BASE (annual)	TAX RATE
0–1,700,000 HUF⁷	18%
From 1,700,001 HUF	36% + HUF 306,000
Above 7,446,000 HUF	36% + 4% solidarity tax

Source: Hungary's Individual Income Tax Act and Solidarity Tax Act (2009)

Since 1 September 2006 the so-called solidarity tax became an element of the tax structure in Hungary. Both corporations and individuals had to take into account this 4 extra percentage tax, which was initiated because of the partly financing of the state's budget deficit.

In the personal income tax table changes entered into force during 2009. In July, the tax base of the 18 percentage tax bracket has been extended up to 1,900,000 HUF retroactively for earnings from 1 January 2009.

⁷ The currency of Hungary: Forint (HUF).

The tax package for 2010⁸ implemented other important changes. As a new term, the so-called super-grossing has been introduced⁹. According to this method, the personal income tax base now includes social security contributions payable by the employer (27 per cent) on top of the gross salary. Practically, this means that the tax base increased to 127 per cent of the gross salary. In exchange, the two tax brackets of 18 per cent and 36 per cent have been lowered to 17 per cent and 32 per cent, and the 4 percentage solidarity tax has been abolished (see Table 3).

Table 3
Hungarian personal income tax table from 1 January 2010

CONSOLIDATED TAX BASE (annual)	TAX RATE
0–5,000,000 HUF	17%
From HUF 5,000,001	32% + HUF 850,000

Source: Hungary's current Individual Income Tax Act (2010)

In order to compensate for the changes, the tax credit was also increased.¹⁰ From the calculated personal income tax, deductible tax allowances have been abolished, except family allowances and those allowances which provide long-term savings for individuals, such as voluntary insurance and pension funds.¹¹

3.2 Corporate income taxation

At the same time, since January 2010, the corporate income tax has been increased from 16 per cent to 19 per cent. The tax changes have abolished the extra solidarity tax, not only for individuals, but for companies as well. If conditions are fulfilled, the 10 percentage preferential rate is still applicable up to the tax base of 50 million HUF.¹² Some tax base amending opportunities have been abolished, e.g. the local business tax¹³ is no longer a tax base decreasing item.

Since January 2010, employers' social security contributions have been decreased from 29 per cent to 27 per cent and the corporate cafeteria system has been changed significantly. The earlier tax-free fringe benefits became taxed. In a specific

8 Which came into effect on the first day of 2010.

9 Szuperbruttósítás.

10 The rate of tax credit for wages has been modified to 17 per cent, the maximum amount increased to HUF 15,100 per month and the total amount of tax credit may be deducted up to an annual super gross income of HUF 3,188,000, and a decreased amount up to a super gross income of HUF 4,698,000. See for details: Individual Income Tax Act 2010, § 33.

11 See for details: Individual Income Tax Act 2010.

12 See for details: Corporate Income Tax Act 2010.

13 It is one kind of Hungarian local tax, paid for the local government. The local business tax is set at maximum 2 per cent of the tax base. The tax base – as a main rule – is the net sales revenue, less the cost of materials and the cost of goods acquired for resale and subcontractors' fees.

group of fringe benefits¹⁴ (e.g. luncheon vouchers up to 18,000 HUF per month) a discount tax rate of 25 per cent has been determined. Other fringe benefits¹⁵ are taxed with 54 plus 27 percentage tax rates.

3.3 New kind of tax¹⁶

As a new sort of tax, the net wealth tax was introduced from 1 January 2010. This tax is imposed on luxury assets including aircraft, watercrafts and high-powered cars. The taxpayer is the registered owner of the vehicle on 1 January of the tax year. The original plan was to levy this wealth tax on real estate as well, but the rules were not sufficiently clear, hence the Hungarian Constitutional Court retroactively annulled the real estate part of the Wealth Tax Law.

3.4 Consumption taxes¹⁷

Excise duties on fuel, alcohol and cigarettes have also been increased from July 2009 and from 1 January 2010.¹⁸ The standard rate of value added tax (VAT) in Hungary has been decreased from 1 January 2006 from 25 per cent to 20 per cent. Last year saw the bringing back of the “original” stance because in the middle of 2009, policy makers decided on a 5 percentage lifting. Therefore, from 1 July 2009, the standard tax rate again reached 25 per cent, which is the highest standard rate in the European Union. Only Denmark, Sweden and Hungary are using the highest VAT standard rate. One can find lower tax rates in all other EU member states. In 2010 the average VAT standard rate in Europe is about 19.86 per cent (See European Commission 2010).

4. Description and results of the research

In this section I will present the conception of the study sample, the method, the tools, the items and results of the research.

During the years 2007–2009, I carried out interviews with multinational companies which have a subsidiary in Hungary and are producing in the country. I only looked at the activity field of the production companies. The observations and investigations were executed through personal interviews. Those interviewed were all employees, generally in managerial positions, by the multinational corporations, who were directly involved in the financial and taxation procedures of their company. The company sample was taken with a random sampling from all parts of the country.

14 Up to an itemised limit.

15 Except some which are tax free.

16 See for details: Wealth Tax Law 2010.

17 See for details: Value Added Tax Act 2010.

18 See for details: Excise Duty Act 2009, 2010.

In the following part of the paper I will briefly summarise the key points of the results: 70.5 per cent of the sample declared that the taxation policy of the country influenced the foreign direct decisions of their company. By analysing the types of taxes, the respondents connected the highest influences on foreign direct investment decisions to tax incentives, tax allowances and tax exemptions. These are followed in the ranking by social security contributions for employers and after that, directly by the local business tax. On the basis of the replies, I think Hungarian law makers should pay more attention to these taxes.

According to the respondents, Hungary's main tax competitors are the other Central and Eastern European countries. So, I believe if Hungary would like to improve tax competitiveness, the fiscal policy of other CEE countries should be strongly taken into account.

One hundred per cent of the sample thinks that the influence of the current crisis can be observed in Hungary's taxation policy. Since the 1990s, more and more Central and Eastern European economies introduced some kind of flat tax system.¹⁹ In my questionnaire I was interested in the opinions concerning the flat tax reform idea as the "tax solution" for the crisis. 70.5 per cent of respondents think that introducing some kind of flat taxation could be useful for the country's tax competitiveness, so the idea was quite highly supported, according to the sample. This rather high support could inspire the taxation policy of the neighbouring CEE countries from the European Union, especially the Slovakian tax system.

Besides the above, the majority was dissatisfied with the current Hungarian tax system and their main problem was the lack of law security. The respondents would propose fundamental changes in the tax law.

On the basis of the reviewed economical situation and the answers of the Hungarian sample hypothesis, 1, 2 and 3 are confirmed.

5. Conclusions

Several economists opine that the Hungarian state is overly extended and partially redundant. Through the current global crisis an extension of the welfare state could not be significantly smaller. The increasing demand for the welfare state, which helps to control, e.g. growing unemployment, does not allow remarkable tax cuts in the short-term. On the other hand, there is pressure to reduce the tax burden, not only for corporations, but also for individuals. Without increasing disposable earnings, there is no chance of increasing consumption and without an investment-friendly taxation policy, the long-term stabilisation of the economy remains doubtful. Furthermore, on the company taxation policies there is enormous pressure because of the so-called tax competition process. In order to attract foreign direct investments,

19 E.g. Estonia, Lithuania, Slovakia, Georgia and Rumania, etc.

continuous tax cutting strategies are putting pressure on the member states of the European Union.

In the last few years, the Hungarian government has taken steps to try to close the gap in budget revenue and due to this the budget deficit decreased from its highest 9.3 percentage rate in 2006 to 3.8 per cent for 2008.²⁰ On the other hand, the gross public debt increased during the same time period from 65.9 per cent to 72.9 per cent. Both of these indices have to be decreased, according to the Maastricht convergence criteria²¹ as well.

In Hungary, steps need to be taken from the redefinition of the role of the state to the implementation of more effective regulations and forming law security to strengthen the economy. In spring 2010, parliamentary elections were held in the country. The government which was elected is trying to find new ways to handle fiscal policy. For example, in the summer and autumn of 2010 “crisis taxes” were imposed²²; at the end of the year the introduction of a 16 per cent flat tax on personal incomes has been accepted for 2011²³. The Hungarian tax law is not easy to review, mainly because of the lack of a long-term concept in fiscal policy. However, there are presently some efforts being made towards a middle term plan, e.g. a corporate income tax cut in 2013.²⁴ It is interesting to observe the current changes in Hungarian taxation policy and it is planned to be the aim of another paper to investigate them.

Furthermore, the government should concentrate on more efficient revenue collection to tackle the underground economy.

To sum up the way in which the Hungarian tax regime and taxation policy are formulated, they should act with more conception and law security. With this kind of tax policy there would be a chance to bolster economic growth. Offering competitive tax regimes should receive more attention in the future.

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The Influence of the Global Economic Crisis on Regional Differences in Romania

Dana Mihaela Murgescu¹

Abstract

The issue of regional differences, cohesion policy and ways of financing a rapid-pace economic development are an ever-present issue for Romania. Seven of the eight regions that Romania is divided into can be found in the 15 least-developed regions within the European Union. However, the regions are not as similar to one another as one may think at first; differences arising in terms of GDP/capita, economic turnover, unemployment rate, absorption degree of regional development funds and percentage of the rural population etc.

European financing, by means of the structural and cohesion funds represents a significant part of the financial resources at the disposal of the local public authorities in their attempt to stimulate economic growth and, hence, to reduce regional disparities. As much as 84 % of the global amount to be spent on regional development in Romania in the period 2007–2013 comes from EFRD, while only 14 % comes from local public budgets, and 2 % come from private sources.

The paper aims to perform a comparative analysis at the level of the eight regions in Romania, both before the start of the economic crisis, and at present, focusing on two directions:

First, we will attempt to illustrate the dynamic evolution in time of the differences between the regions in strict terms and figures, using economic and social indicators, such as those mentioned above.

The second direction focuses on comparing the eight regions in terms of accessing and using European funds. We intend to discover if European funding of regional development has reduced the inter-regional differences in Romania or, on

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the contrary, if it has increased the gap between the richer, more industrialised regions, and the poorer ones.

Also, the paper will indicate if the global economic crisis has an impact on the pace of accessing EU finances and if regional differences occur in this respect. It is clear that the economic crisis is putting enormous pressure on public budgets, and, implicitly, on the ability of the public administration to support the co-financing of regional economic development. In this context, we believe it is interesting to investigate if the local public authorities have elaborated alternative solutions, possibly aimed at supporting private sector development, so that the co-financing has to be ensured to a higher extent from private sources and, if so, what are the regional differences in this respect?

1. Regional differences in Romania, in time

With the beginning of the negotiations with the European Union, in view of future accession, Romania was organised into 8 regions², of NUTS 2 level, beginning in 1998³. Therefore, regional differences within our country were only acknowledged and scientifically and statistically measured since 2000 (Jaliu 2009). Although Romania has seven of its eight regions among the 15 least-developed regions of the European Union, it would be an error to assume that the inter-regional and intra-regional differences are insignificant.

At the same time, the research performed has indicated that the regional development process in Romania is very dynamic: except for the richest and most developed region (Bucharest-Ilfov) and the least developed (North-East), the other six regions have permanently switched places with respect to GDP, the only indicator measured prior to 2000. After 2000, the only regions to switch places with one another were South-Muntenia and South-West Oltenia, which were at sixth and seventh place, as illustrated on the next page.

In terms of development speed or rate of growth, as can be seen from the graph below, again, the regions did not have a linear evolution.

The fastest growing region in 2001 (compared to 2000) was West (49 % growth, above the 2000 level), while the slowest developing region was South-West Oltenia. One year later, the fastest growing region was the Centre (only 7th place in 2001), with the slowest region still South-West Oltenia. The same South-West Oltenia had, however, the highest rate of growth in 2003, compared to 2002. The least developed

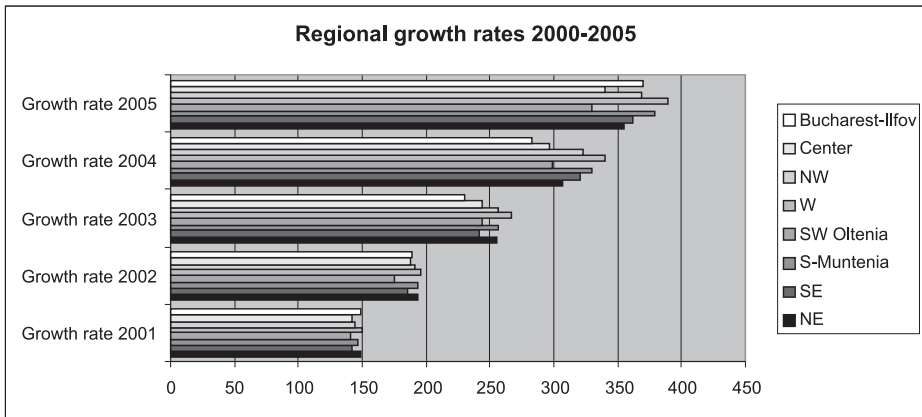
2 These regions are: North-West (6 counties), Center (6 counties), North-East (6 counties), South-East (6 counties), Bucharest-Ilfov (1 county and the capital), South-Muntenia (7 counties), South-West Oltenia (5 counties), West (4 counties);

3 The process of creating the regions through the free association of neighbouring counties, on the basis of economic and social similarities and complementarities, commenced in September 1998, as a consequence of passing the Law no. 151/1998, ending in October 1999;

Region	2000		2001		2002		2003		2004		2005	
	GDP/ capita	place	GDP/ Capita	place	GDP/ capita	Place	GDP/ capita	place	GDP/ capita	place	GDP/ capita	place
NE	2572.60	8	3821.78	8	4969.992	8	6571.525	8	7875.298	8	9111.843	8
SE	3219.33	5	4569.294	5	5958.307	5	7775.286	5	10306.36	5	11613.04	5
S-Muntenia	2873.01	7	4202.412	7	5548.454	6	7354.952	7	9483.507	6	10880.76	6
SW Oltenia	3161.37	6	4437.127	6	5535.875	7	7676.054	6	9463.661	7	10426.67	7
W	3839.82	3	5742.064	2	7514.677	2	10239.57	2	13021.5	2	14924.6	2
NW	3422.15	4	4934.704	4	6522.453	4	8766.269	4	11048.92	4	12622.85	4
Centre	3984.61	2	5651.718	3	7491.865	3	9736.098	3	11839.22	3	13533.52	3
Bucharest-Ilfov	7655.56	1	11404.39	1	14444.47	1	17625.61	1	21666.8	1	28307.77	1

Source: Own processing, based on data from the *Statistical Year-book 2008*.

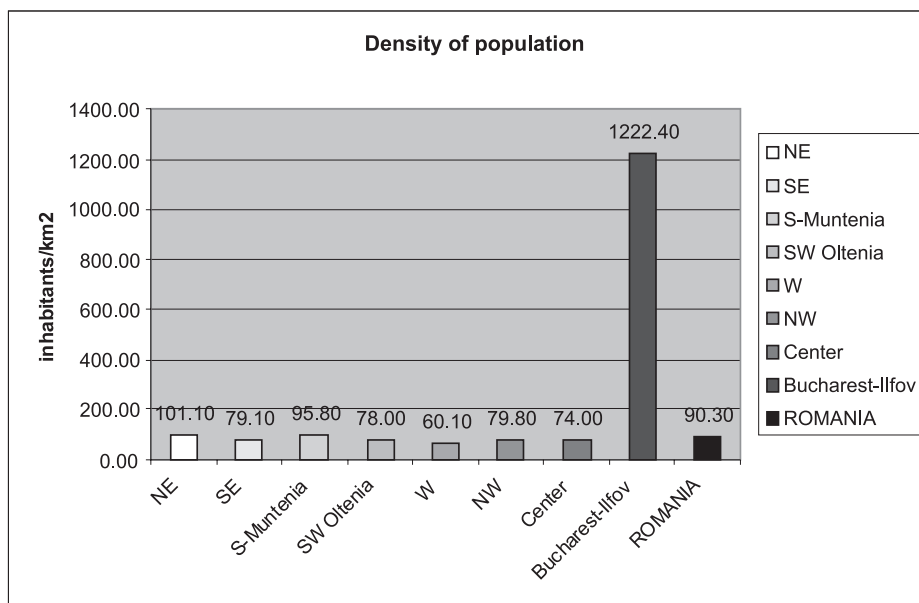
region, North-East, recorded values placing it third in 2001, eighth in 2004 and second in 2005!



Source: Own processing, based on data from the *Statistical Yearbook 2008*.

Compared to the EU average, the GDP/capita of the Romanian regions has been on a continuous upward slope. If the starting point in 1998 recorded levels of GDP/capita at between 7.8% and 16.1% of the European average, in 2006, GDP/capita expressed in Purchasing Power Standard (PPS) ranged between 24.7% (North-East region) and 83.8% (Bucharest-Ilfov). An upward trend has constantly been seen for the regions West (reached 44.7% of the EU average in 2006) and Centre (38.3% of EU average, also according to data from 2006). If we consider that for the same year, the Romanian average GDP/capita was 38.4% of the European average, we can easily see what a huge gap there is between the region containing the capital city, Bucharest, and the remainder of the Romanian development regions. Bucharest-Ilfov has a GDP/capita more than twice as high as the national average. The West and Centre regions record figures around the national average, whilst the other five regions are slower in their development pace. However, according to data from the Eurostat yearbook for 2009, the strong growth in GDP/capita between 2001 and 2005 of the Romanian regions placed all eight among the top 15 regions at the EU level, in terms of increase in GDP/capita from one year to the next (*Eurostat Yearbook 2009*). In only 5 years, the GDP/capita of the Romanian regions has almost tripled.

Another comparison criterion for the Romanian regions was the percentage of the rural population, together with the density of the population. Thus, in 2007, the total population of Romania was 21.5 million people, 55.1% of whom were living in an urban environment, and 44.9% living in rural areas. The average density was 90.3 inhabitants/km².



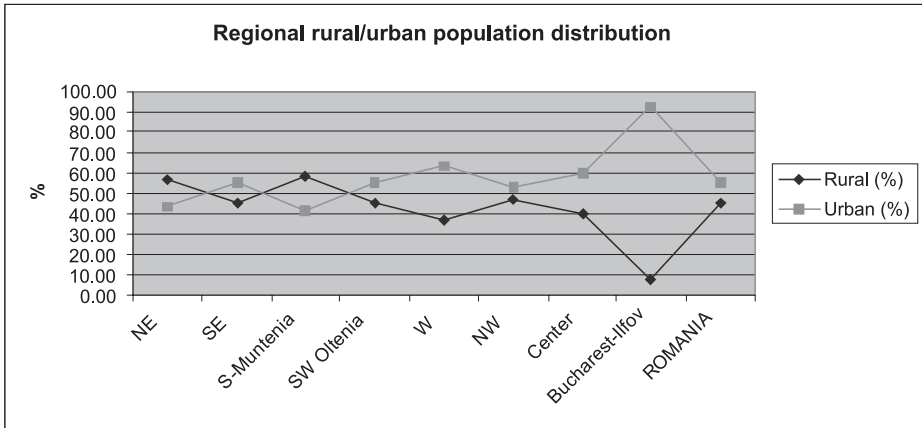
Source: Own processing, based on data from the *Statistical Yearbook 2008*.

The regional differences in terms of the rural-urban population are not very high. Only two regions have a higher number of inhabitants in the rural areas than in the urban areas (North-East – 43.4% urban and 56.6% rural population, and South-Muntenia – 41.6% urban, 58.4% rural population), the same two regions presenting the highest density of population (101.1, respectively 95.8, inhabitants/km²), except, of course, the Bucharest-Ilfov region (1,222.4 inhabitants/km²). The high percentage of rural population may be one of the factors influencing the economic development of the two above-mentioned regions, ranked sixth and last in Romania in terms of economic and social development.

The Bucharest-Ilfov region is a very particular case, which should not be analysed when comparing the degree of urbanisation of the Romanian population. The region contains only the capital city and one county which surrounds it. Of course, the vast majority of inhabitants are living in urban areas. At the same time, due to the great economic development of the capital, it has attracted a huge work force, artificially bringing the figure of population density to more than a dozen times higher than the national average.

In the other five regions, the urban-rural population proportion remains between 53.4% urban – 46.6% rural population in the North-West region and 63.4% urban – 36.6% rural population in the West region. The density of population ranges from 60.1 inhabitants/km² in West to 79.8 inhabitants/km² in North-West. It seems that there is an inversely proportional correlation between the percentage of rural

population and the density of total population per region. Thus, the higher the percentage of rural population in a region is, the lower the density of inhabitants in that region.



Source: Own processing, based on data from the *Statistical Yearbook 2008*.

The analysis of the unemployment rate in the past few years also illustrates interesting differences between the Romanian regions, especially concerning long-term unemployment⁴. At the national level, the average unemployment rate at the end of 2007 was 4.0%, ranging from 1.7% for the Bucharest-Ilfov region or 2.9% for North-West and 5.1% for North-East and South-Muntenia regions.

From the data collected for 2002–2007, one can see that the long-term unemployment rates in all eight regions of Romania decreased constantly. Still, the numbers are sometimes higher than the national average of short-term unemployment. An interesting tendency, derived from the statistical data, is that without exception the long-term unemployment rates were higher in the urban areas than in the rural environment, sometimes by significant percentages (*Statistical Yearbook of Romania 2008*). For instance, in the North-East region, the long-term unemployment in urban areas decreased from 7.2% in 2002 to 4.9% in 2007, while the corresponding figures in the rural areas were 1.9% (more than 3 times lower), respectively 1.0% (almost 5 times lower). The same situation is observed in the region South-West Oltenia, where the long-term unemployment rate for the rural areas increased from 1.1% in 2002 to 3.1% in 2003 and then decreased to 1.8% in 2007, whilst in the urban environment, for the same period, the figures were 7.7% in 2002, 6.5% in 2003 and 5.7% in 2007, making this particular region one of the regions facing the greatest challenge in long-term unemployment.

⁴ In Romania, long-term unemployment is considered an unemployment period longer than 1 year for persons aged between 25 and 64, and a period longer than 6 months for youngsters. Source: *Household Labour Force Survey 2007*.

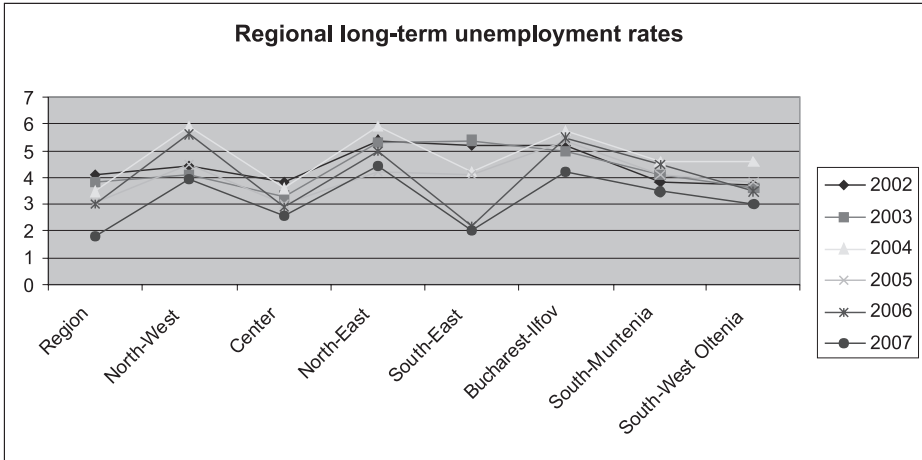
The differences between regions in total long-term unemployment rate are illustrated in the Table below:

Region	2002	2003	2004	2005	2006	2007
North-West	4.1	3.8	3.5	3.1	3.0	1.8
Urban	6.3	5.6	3.6	4.0	3.6	2.1
Rural	2.0	2.0	3.4	2.2	2.3	1.4
Centre	4.4	4.1	5.9	4.5	5.6	3.9
Urban	6.1	5.4	4.9	4.3	5.2	4.1
Rural	1.8	2.0	7.8	4.8	6.5	3.6
North-East	3.8	3.3	3.6	3.0	2.9	2.6
Urban	7.2	5.6	5.7	5.6	5.1	4.9
Rural	1.9	2.0	2.2	1.2	1.3	1.0
South-East	5.4	5.3	5.9	4.2	5.0	4.4
Urban	7.5	7.1	7.0	5.2	5.9	5.2
Rural	3.0	3.1	4.5	3.0	3.8	3.3
Bucharest-Ilfov	5.2	5.4	4.2	4.1	2.2	2.0
Urban	5.1	5.4	4.2	4.0	1.9	1.8
Rural	6.1	5.4	3.6	5.5	5.8	4.9
South-Muntenia	5.2	5.0	5.7	5.4	5.5	4.2
Urban	8.3	7.8	7.0	7.9	7.6	5.5
Rural	3.0	3.1	4.8	3.7	4.1	3.3
South-West Oltenia	3.8	4.1	4.6	4.1	4.5	3.5
Urban	7.7	7.8	6.5	7.0	7.0	5.7
Rural	1.1	1.4	3.1	1.8	2.5	1.8
West	3.7	3.6	4.6	3.8	3.5	3.0
Urban	5.0	4.4	4.8	4.0	3.3	2.6
Rural	1.4	2.6	4.3	3.6	3.9	3.6

Source: Own processing, based on data from the *Statistical Yearbook 2008*.

Finally, in terms of turnover of the active local units, again, the Romanian regions performed quite differently (*Statistical Yearbook of Romania 2008*). In the North-East region, the total turnover in million lei current prices, for 2007, was 78,103, the highest turnover coming from enterprises with 10–49 employees. The Centre region achieved 81,065 million lei turnover, with the highest amount belonging to the large enterprises, with over 250 employees. The North-East region achieved 56,108 million lei turnover, with a quite balanced share between the enterprises of different magnitudes, with a slight advantage on the part of enterprises with 10 to 49 employees. The turnover of the South-East region was 79,453 million lei, almost half (30,782 million lei) brought in by very large enterprises (over 250

employees). The Bucharest-Ilfov region achieved a turnover of 278,275 million lei, the highest share coming from enterprises with 50 to 249 employees. South-Muntenia achieved 90,116 million lei turnover, out of which 39,546 million lei turnover was from the very large enterprises. The lowest turnover was achieved in the South-West Oltenia region, with 48,426 million lei, the majority of the turnover (19,261 million lei) being achieved by the very large enterprises. The West region achieved 60,716 million lei, again the highest share belonging to the very large enterprises.



Source: Own processing, based on data from the *Statistical Yearbook 2008*.

As can be seen from the above analyses, the regional differences within Romania are quite large. Apart from the increasingly large gap between the Bucharest-Ilfov region and the rest of the country, it seems that Romania has an uneven East-West development, with the Western regions (West, North-West and Centre) developing at a faster pace than the others.

The economic disparities illustrated above are doubled by differences in geographical conditions, in population, in education level, even in historical background. Also, the Romanian regions must recuperate their lack of readiness for competing on the free market, originating from the particular dispersion of the industry established during the communist period. Still, the former mining regions, found especially in the South-West region, have difficulties integrating their entire work force. At the same time, the North-East region suffers from a lack of an educated work force, a majority of rural-based population and the absence of a strong industry. These are very specific problems that each region faces and with which it must cope individually. In the following section, we will analyse to what extent the regions were flexible enough to resort to all means available in order to promote sustainable economic and social growth.

2. European funding in regional development in Romania

As with all candidate-countries, during the pre-accession period, Romania benefitted from specific European pre-accession funds: ISPA, SAPARD and PHARE. Being very specifically targeted, these financial aids from the European Union were accessed and used on a rather large scale in Romania, as well as in the other candidate-countries. The principles of their application, the eligibility conditions and the payment mechanisms facilitated the access of the public administration to a large part of the available funds.

However, after accession, the public and private sectors in Romania had to apply for structural and cohesion funds from the European Union, in order to help sustain the country's economic and social development. This task has proved significantly more difficult than when accessing the pre-accession funds.

Joining the European Union on 1 January 2007, at the beginning of the multi-annual financial framework, the Romanian regions immediately faced challenges in accessing European funds. The central public administration created a stable and comprehensive legislative and institutional framework, meant to aid in the access to European financing and to contribute, in its turn, with the co-financing part. Thus, apart from the mandatory documents to be established at the national level, the National Development Plan (NDP) and the Sectoral Operational Programmes (SOP), the Romanian administration elaborated and sent to the European Commission, at the same time, the National Strategic Reference Framework 2007–2013, and the Implementation Framework Documents.

In spite of all these documentary efforts, the actual ability of the structures of local public administration to apply with viable projects for Communitarian financing was, and still is, very reduced, at the national level. Individually, the regions have slightly different performance levels, which we will attempt to discuss in the following, focusing on the projects submitted under the Regional Operational Programme.

According to the *Annual Implementation Report 2007*, drafted by the Government of Romania through the Ministry of Development, Public Works and Housing, 2007 was dedicated mainly to preliminary activities, involving communication and informing the public, as well as to launching the first calls for proposals for the major intervention fields (*Annual Implementation Report 2007*).

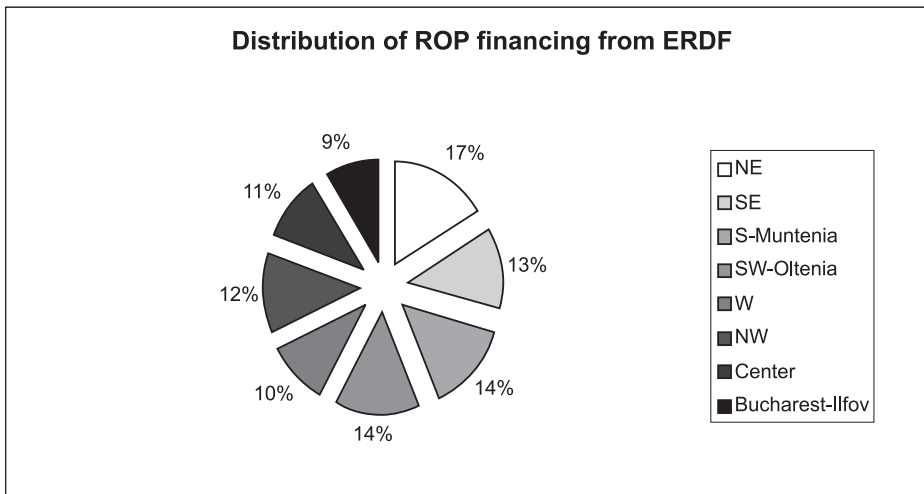
The Regional Operational Programme (ROP) is financed from the European Regional Development Fund (ERDF), its total budget for the financial period 2007–2013 being of 4.4 billion Euros, out of which 84 % is ERDF and 16 % national financing (14 % public and 2 % private sources) (*Annual Implementation Report 2007*).

The assignment of the funds to the 8 regions was performed after consultations with the regional representatives, taking into account the existing portfolio of

projects. The funds were assigned inversely proportionate to the development level of the regions, with the least developed region receiving the highest percentage of funding. The main objective of this distribution was to support a balanced development of all regions, giving priority to the weakly developed regions, in order to prevent an increase in inter-regional disparities. The main indicator used in assessing the development level of the regions was GDP/capita, adjusted with a coefficient of population density. Thus, the Bucharest-Ilfov region, the most developed one, was assigned 8.86% of the European funding, while the North-East region, the poorest region of the EU, would receive 16.32% (*Annual Implementation Report 2007*).

ROP	NE	SE	S-Muntenia	SW-Oltenia	W	NW	Centre	Bucharest-Ilfov
% of total	16.32	13.25	14.23	14.01	10.34	12.09	10.90	8.86
Total (million Euro)	693.94	563.39	605.07	595.71	439.67	514.08	463.48	376.73
ERDF	592.01	480.62	516.17	508.19	375.08	438.56	395.38	321.38

Source: Own processing, based on data from MDPWH *Annual Implementation Report 2007*.



Source: Own processing, based on data from MDPWH *Annual Implementation Report 2007*.

Of course, the figures above are subject to adjustment, according to the actual projects being presented for evaluation at the level of each region.

The comparison analysis performed from the point of view of the number of projects submitted, groups the regions into three categories (*Annual Implementation Report 2008*):

The first category is represented by regions that have the highest number of projects submitted in at least one major intervention field and which are in the upper part of the ranking list with respect to the other major intervention fields. The North-East region stands out in this category, with the highest number of projects submitted, both at the level of ROP, and on 4 major intervention fields (road infrastructure, social services infrastructure, educational infrastructure and infrastructure for business support). The South-East region has submitted the highest number of projects on the health infrastructure field, at the same time being in the first part of the ranking list on all ROP major intervention fields. The third region in this category is the Centre region, which has submitted the only project for endowment with equipment for emergency situations. At the same time, the Centre region has submitted the most projects for two major intervention fields dedicated preponderantly to the private environment, namely the infrastructure for tourism and support of micro-enterprises.

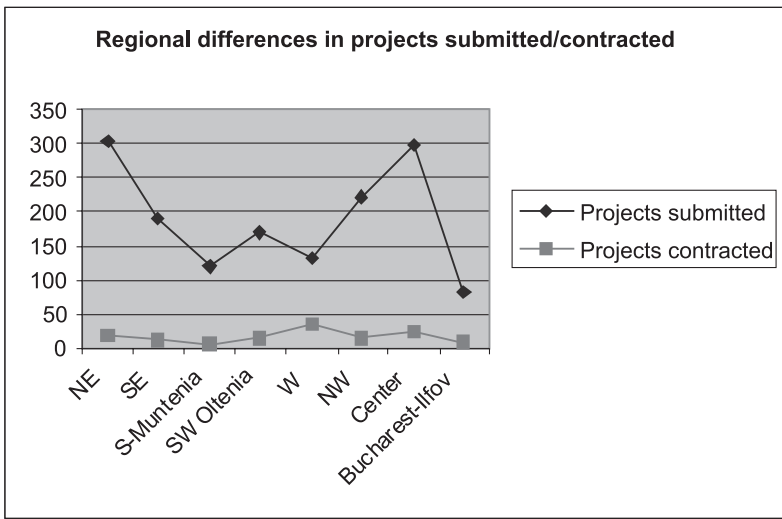
The second category joins together the regions that submitted the lowest number of projects for ROP financing. Bucharest-Ilfov is the region placed in the last position in six out of the eight major intervention fields of the Regional Operational Programme. The South region follows closely, placed seventh in five major intervention fields and last in the field dedicated to micro-enterprises. The last region in this category is West, ranked in the bottom half of the list for its overall number of projects.

The third category comprises the other two regions, South-West and North-West, which record high oscillations, depending on the major intervention fields taken into account. For instance, South-West is second in the number of projects submitted for road infrastructure and cultural patrimony intervention fields, while North-West is second in the number of projects for the health infrastructure and last in projects for business support infrastructure.

The regional differences with respect to the number of projects can be seen in the Table and Graph on the next page.

If we use the criterion of the average value of the projects submitted, the ranking of the regions changed dramatically. Thus, a tendency can be noted that in the regions where a relatively small number of projects were submitted, these are preponderantly strategic projects, with high average value, indicating a strong interest in these regions for projects with significant regional impact. According to this criterion, the regions at the top of the ranking list are South-South-West and West.

Region	Projects submitted	Projects contracted
NE	302	18
SE	191	12
S-Muntenia	120	6
SW Oltenia	170	14
W	130	34
NW	223	15
Centre	297	22
Bucharest-Ilfov	83	10



Source: Own processing, based on data from MDPWH *Annual Implementation Report 2008*.

On the contrary, the regions Centre, South-East, North-East and North-West submitted a high number of projects with average values lower than the other regions. This would indicate that these regions have a higher interest in local development, rather than regional development.

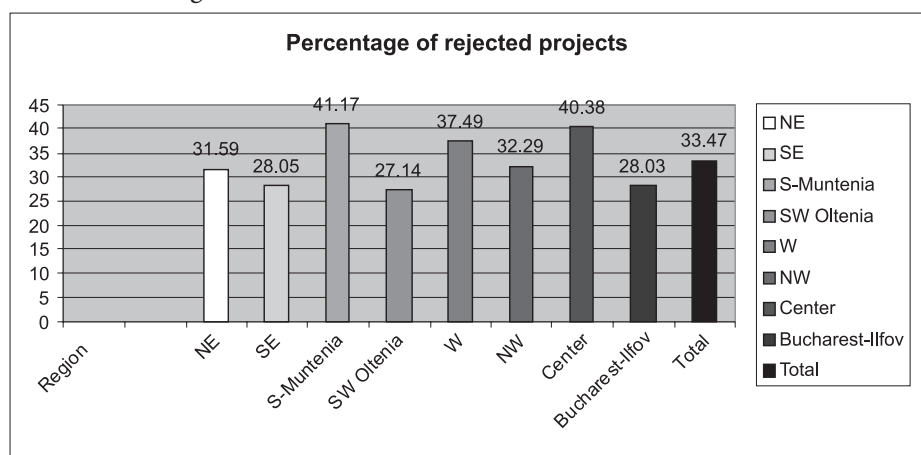
Bucharest-Ilfov has submitted a small number of projects, with low average values. The explanation for this situation could be the absence of potential beneficiaries in the region (84 local public authorities, compared to 557 authorities in the North-East region or 574 authorities in the Centre region) or the relatively small amounts offered through ROP, compared to the capital's own budget.

Region	Average value/project submitted (million Euros)
NE	2.67
SE	2.28
S-Muntenia	4.05
SW Oltenia	3.51
W	1.96
NW	1.94
Centre	1.78
Bucharest-Ilfov	1.08

Source: Own processing, based on data from MDPWH *Annual Implementation Report 2008*.

All projects submitted are evaluated, in several stages, at the end of which only a part of the projects will receive funding. The stages of the evaluation refer to the administrative conformity, eligibility of the beneficiaries, technical-financial evaluation, and the analysis of the technical project. The administrative conformity refers to the documents that must physically exist in the file, such as ownership documents, environmental impact assessment study, absent or expired certificates or approvals, documents presented in formats other than those requested through the Applicant's guide, absence of the annexes requested etc. An analysis performed on projects rejected up until 31 December 2008, indicates that more than 5% of the projects submitted are rejected at this early stage, due to the careless manner of compiling the project file. Since we are discussing projects submitted by the local public authorities, this figure is quite high.

On 31 December 2008, the situation of the projects submitted and rejected was the following:



Source: Own processing, based on data from MDPWH *Annual Implementation Report 2008*.

It is obvious that before the absorption rate of the EU funding increases, the national public authorities, both at the central, and at the local level, must invest in training and communication. Potential beneficiaries of communitarian funds must be aware of what is involved in the process of accessing EU financing. They must be trained to write projects, to manage their implementation and to be capable of following up after the project's completion. The public servants and the staff within the local and central public authorities and within the Management Authorities, Intermediary Organisms and other institutions involved in EU funds management must also be well trained and specialised in this line of work.

3. Regional development and funding in times of crisis

Regarding the effects of EU funding for regional development or for the inter-regional differences, we believe it is too early to tell. In the short period of time between 2006 and 2008 (for which data is available), it seems that the least developed regions in terms of GDP/capita have been involved more in submitting projects, winning a higher number of projects and, hence, EU financing, than the more developed regions. In particular, the case of the North-East region is a good example in this sense: placed last in terms of economic development, the North-East region has contracted, until now, the highest number of projects benefitting from ERDF financing through the Regional Operational Programme. Also, the South-West region, placed seventh out of eight regarding GDP/capita is in the middle of the ranking list in terms of projects already contracted for European financing.

Unfortunately, in the present-day economic conditions, enormous pressure is put on public budgets, and, implicitly, on the ability of the public administration to support the co-financing of regional economic development. In this context, we believe that the local public authorities have to elaborate alternative solutions, possibly aimed at supporting the private sector development, so that the co-financing should be ensured to a higher extent from private sources.

In this sense, several regions have attempted to help the business community, and especially small and medium enterprises, to obtain European funding for their projects. A healthy private economic sector benefits everyone, due to the creation of jobs, to the increase of production and, why not, due to the increase of the local and state budgets from the taxes on profit, salaries and so on.

Among the measures taken by the central public administration towards strengthening the private economic sector are:

On 8 December 2008, the Ministry of Development, Public Works and Housing launched an open call for projects for Axis 1 of Regio – the Regional Operational Programme “Support for sustainable development of the cities – urban poles of growth”, the key area of intervention 1.1. “Integrated plans of urban development”, sub-area “Growth Poles” (*Romanian InfoRegional* 1/2009).

This open call addresses the 7 growth poles according to Government Decision no. 998/2008 for the designation of growth poles and the urban development poles, where priority is given to investments under programmes with Community and national financing, with subsequent amendments and completions, namely Brasov, Cluj Napoca, Constanta, Craiova, Iasi, Ploiesti and Timisoara.

Eligible applicants within this area of intervention are the local public authorities at county level or from the urban environment, intercommunity development associations, partnerships between territorial administrative units (local public administration authorities), with the indicative period to submit financeable projects under the ROP being until 2012.

In the period March 2008–June 2009, the Managing Authority for the Regional Operational Programme within the Ministry of Regional Development and Housing carried out the project “Support information and publicity activities for the ROP 2007–2013” (*Romanian InfoRegional 4/2009*), in a total amount of 2,657,060 lei, of which 2,232,823 lei was from the European Regional Development Fund and 424,236 lei being provided from the state budget. The project consisted of organising information events, media promotion campaigns, publication of information materials and developing the website dedicated to the programme. Within this project, the Managing Authority organised workshops with potential beneficiaries from the eight development regions, representatives of local public authorities, SMEs and NGOs, to present the areas where financing can be granted under the Regional Operational Programme, as well as to prevent any difficulties in drawing up projects. Roundtables with journalists from the development regions were also held, their purpose being to familiarise the media with the programme’s functioning and to present the stage of implementation in each region.

To promote the financing opportunities offered by the Regional Operational Programme, campaigns were conducted in the written press and on the Internet, which are the main sources of information used by those interested in accessing European funds. In view of measuring the impact of the communication activities carried out during this period, a survey was conducted among local authorities, SMEs and NGOs, which are the categories of the public to whom these activities are addressed. According to the results of the survey, 30 % of those interviewed considered they were very well and quite well informed about the Regional Operational Programme, and the greatest interest was manifested towards obtaining funding under the programme for the transport infrastructure and for micro-enterprises.

In November 2009, the North-East Regional Development Agency launched open calls for proposals for the Priority axis 4 of the Regional Operational Programme – “Strengthening the regional and local business Environment”, and the major domain of intervention 4.3 – Support for the development of micro-enterprises – were launched. The objective of this major domain of intervention is to support both the development of productive micro-enterprises, and the development

of those which are service providers and use the internal potential of the regions (natural resources, raw materials, human resources). Also, another objective of this domain of intervention is to encourage small and medium enterprises to use modern technologies and information technology (IT) equipment, in order to increase competitiveness and productivity (*Romanian InfoRegional 1/2010*).

Conclusion

Regional development in the new European Union member states, such as Romania, is a difficult process, which cannot achieve the desired extent without financial support from the EU budget. Recognising regional economic growth and social development as one of its core priorities, the EU has assigned a very generous part of its budget to supporting the cohesion policy and, hence, regional development.

However, accessing EU financing has proved a difficult task for the public and private actors in Romania, who lacked the knowledge and experience required in writing projects and using the planning process adopted within the European Union.

The world economic crisis has placed additional hardship on local and central public authorities, as well as on private economic agents. Individually, the regions seem incapable of properly managing the economic crisis. Only very punctual actions were taken at the regional level and these usually involved activities of information and promotion of EU funding opportunities.

Most of the important steps made in supporting the business sector and especially the SMEs and the micro-enterprises were made at the central level. Here, we can mention the minimis aid, granted by the government to operating SMEs, the establishment of the Guarantee Fund for SMEs, and certain loan facilities for SMEs looking for a way to ensure the co-financing for projects that will receive European funds.

A favourable tendency of all regions, however, is that the number of projects submitted for evaluation in view of receiving non-reimbursable communitarian support is increasing every year, including during 2008, the first year when the economic crisis was felt in Romania. It would be good for the economic sector if this trend could continue in the present and in the future.

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Annex 1 – Regional growth rate 2000–2005

Region	Growth rate 2001 (%)	PI	Growth rate 2002 (%)	PI	Growth rate 2003 (%)	PI	Growth rate 2004 (%)	PI	Growth rate 2005 (%)	PI
NE	148.55	3	130.04	6	132.22	5	119.83	8	115.70	2
SE	141.93	6	130.39	5	130.49	6	132.55	1	112.67	7
S-Muntenia	146.27	4	132.03	3	132.55	4	128.94	2	114.73	6
SW Oltenia	140.35	8	124.76	8	138.66	1	123.28	5	110.17	8
W	149.53	1	130.87	4	136.26	2	127.16	3	114.61	3
NW	144.19	5	132.17	2	134.40	3	126.03	4	114.24	5
Centre	141.83	7	132.55	1	129.95	7	121.60	7	114.31	4
Bucharest-Ilfov	148.96	2	126.65	7	122.02	8	122.92	6	130.65	1

Source: Own processing, based on data from the Statistical Yearbook 2008.

Note: Each year has as reference period the previous year.

Annex 2 – The distribution of population at the regional level

Region	Rural (%)	Urban (%)	Density (inhabitants/km²)
NE	56.6	43.4	101.1
SE	44.7	55.3	79.1
S-Muntenia	58.4	41.6	95.8
SW Oltenia	45.2	54.8	78.0
W	36.6	63.4	60.1
NW	46.6	53.4	79.8
Centre	40.4	59.6	74.0
Bucharest-Ilfov	7.6	92.4	1222.4
ROMANIA	44.9	55.1	90.3

Source: Own processing, based on data from the Statistical Yearbook 2008.

Annex 3 – Projects submitted and rejected until 31 December 2008

Region	Projects submitted	Administrative conformity		Eligibility		Technical-financial evaluation		Analysis of the technical project	
		No.	%	No.	%	No.	%	No.	%
NE	269	6	2.23	34	12.64	45	16.72	0	0
SE	171	10	5.84	16	9.35	22	12.86	0	0
S-Muntenia	102	9	8.82	31	30.39	2	1.96	0	0
SW Oltenia	151	6	3.97	18	11.92	17	11.25	0	0
W	120	12	10.00	17	14.16	16	13.33	0	0
NW	192	9	4.69	24	12.50	29	15.10	0	0
Centre	255	18	7.05	53	20.78	32	12.55	0	0
Bucharest-Ifov	75	3	4.00	17	22.66	1	1.37	0	0
Total	1335	73	5.46	210	15.73	164	12.28	0	0

Source: Own processing, based on data from MDPWH Annual Implementation Report 2008.

The Global Crisis: An Incentive for Civil Service Reform? The Romanian Case

Iulia Cristina Popescu¹

Abstract

20 years ago a historical event took place – The Berlin Wall crumbled making it possible for political and economic freedom to cross the borders of Central and Eastern European Countries. Now, 20 years later, we are confronted by a global financial crisis which began in the USA in July 2007. In September 2008, the crisis deepened and the stock markets worldwide crashed. At the beginning of 2009, Romania officially entered recession.

Despite the negative effects of the global economical crisis, I consider that it played and is still playing an important role in helping the state to reform itself. My intentions with this paper are to reveal the fact that the public sector, in particular, the civil service system, needed a structural change and a reform which began to be developed because of the crisis. I will describe and analyse the consequences of the global crisis within the civil service system, especially with the human resources policy, by bringing to attention the following main points:

- The characteristics of the Romanian civil service career system;
- An analysis of the salary system which existed till 2009;
- A description of the new salary ranking and the new public payment law.

Romania has a civil service system based on a career system with an appropriate human resources policy. In 2007, in Romania, a historical record was reached – the number of public employees was over 200,000, a large number, considering that the total population is about 21.7 million. In the second half of 2009, under pressure from the International Monetary Fund, a new law concerning public salary ranking

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was released after public debate. This is supposed to have a very important role in reforming the civil service system in Romania.

Having these premises, I would like to demonstrate with this paper that this global economic-financial crisis has acted as an incentive for restructuring and reforming the civil service system, which can be seen as a bedrock for the public administration, especially now that the international geopolitical changes that our society faces, clearly have a destabilising impact on the public sector and when a new role of the state is defined.

1. Introduction

Public administration represents the core of the information mechanism of the state. It perceives, receives and processes information during the policy making process. One of the means of realising/making what the public administration is, are human resources, closely followed by material, informational and financial resources. (Matei and Alistar 2009) In a state ruled by law, constitutionally democratic and socially-orientated, a civil servant represents a basis on which democratic principles are achieved, materialised by the nature of the reports between the state authority and the citizen. (Verdinas 1998)

Regarding the judicial nature of the civil servant function, since the end of the 19th century two major thesis have been outlined: the mandatory civil servant function based on a contract, sustained in Germany strongly by Paul Laband and the civil servant function viewed as a public law contract – the administrative contract – promoted especially in France by Esmein, Hauriou (1927), Duguit (1930) and Jèze (1930) (Matei 2007).

During this time, in this field of civil service system, studies have been made regarding the administrative systems. I wish to mention here authors such as: Jacques Ziller – *Égalité et mérite. L'accès à la Fonction Publique, dans les États de la Communauté Européenne* (1988), Jurgen Schwarze – *Droit administratif européenne* (1994), Robert Polet and Koen Nomden – *Employment in the Public Administration of the European Union Member States* (1996), Robert Polet, Danielle Bossaert, Christoph Demmke, Koen Nomden – *Civil Services in the Europe of Fifteen: Trends and New Developments* (2001). In Romania authors such as Lucica Matei, Ani Matei, Ioan Alexandru or Verginia Verdinas have produced many studies, books and papers regarding the public administration and the civil service system.

In this paper I would like to point out a possible positive effect of the current global financial-economic crisis. I consider that this global crisis has acted and still acts as an incentive for the Romanian Government to reform its civil service system, prior to looking at its human resources policy and salary system.

My paper is structured in two main parts on the following topics: the Romanian civil service system and the salary-payment system. Prior to this, I have to define the following concepts that I will use further: public administration and civil servants' function.

The public administration has political, social, economic and cultural determinants. It is known (Vedel and Delvolvé 2008) as an action of the executive power into public actions, public affairs, execution and implementation of public policy. Public administration can be defined in two dimensions: its mechanisms (policies, regulations, procedures, systems, personnel etc.) financed from the state budget and responsible for public affairs management; and on the other hand it can be defined as public services management and public policy implementation.

The civil servants' (the public) function can be defined as a group of attributions and competences with the main purpose of satisfying general interests. (Alexandru, Carausan and Bucur 2005) The law defines it as "the assembly of attributions and responsibilities, according to the law, with the main purpose to accomplish public power prerogatives by the central and local public administration and by the autonomic administrative authorities." (Law no. 188/1999)

The methodology of this paper is based on a thorough legislative and literature review of existing research into the terms and conditions of the civil service system.

2. Characteristics of the Romanian civil service system

To define what a public servant according to his work duties is, has always been difficult. This classic question still has no generally accepted answer, not even in the "classic bureaucracies". (Matei 2007)

In Romania, law no. 188/1999 (article 2, alin. 1) establishes that the civil service is an assembly of attributions and responsibilities, statute under the law with the purpose of fulfilling the prerogatives of public power by the central and local public administration. According also to this law, a civil servant's function is classified in: general and specific functions and functions requiring high, medium and low professional skills. (Alexandru, Carausan and Bucur 2005) There is another definition regarding civil servants, provided by the penal law (Law no. 301/2004): a civil servant is a person who exercises permanent or temporary tasks in order to serve a public authority, a public institution or other public law entities. The concept of local or central public administration personnel designates the assembly of persons who have a judicial report of work and who are able to act within the public services to promote the central or local communities' interests. (Matei and Alistar 2009, 74)

Law 188/1999 establishes the legal situation of a civil servant as: while he is in service, he has a judicial report of service (in general for an undetermined period of

time). A judicial report of service appears and is exercised on the administrative act of appointment basis, under the regulations of the Civil Servants' Statute. It is also ruled that civil servants must be apolitical.

2.1 Civil service law frame

Since 1989, the public function in Romania has been redeveloped as an institution of the administrative law, which is, in this way, from the labour law frame. During the socialism period, Romania had three different Constitutions; each had no specifications regarding the civil service, as a public system. But, it must be said that prior to this historic period, Romania had a great tradition in the field of the civil service. The first composition of the civil service took place in 1864. The Constitution of 1923 statutes, for the first time, modern principles for the state organisation. In 1923 the first Civil Servants' Code was created. In 1991 Romania adopted a new Constitution which is still current, but which was modified in 2003.

In 1999, the Civil Service Statute was published with the main purpose of ensuring a professional, efficient, transparent and stable civil service system. In 2001, the law on Local public administration (Law no. 215/2001) was released, aiming to establish the rules of organisation and functioning of the local public administration authorities. 2004 was the year when the Code of Conduct for Civil Servants (Law no. 7/2004) was published, regulating the compulsory principles of moral and professional conduct for civil servants. Also, in 2004, a new public function was established by law – the public manager (Law no. 452/2004), aiming to create and develop a competitive, well-trained and professional body of civil servants.

2.2 Recruitment in the civil service

There is a great diversity and specificity of civil services in each of the countries of Europe. However, two organisational patterns have been followed: the employment system and the career system.

The employment system regards a post in the same way as in the private sector, as an assembly of functions and professions which are classified by the qualifications required, tasks involved and level of remuneration. In this system, civil servants are specialists rather than generalists. They are recruited by specific skills and they have no guarantee or security of employment.

The career system is based on the principle of specificity of the public services and on the concepts of stability and continuity in career. Civil servants devote their entire working lives to serving the state and their communities. The civil service is structured according to a hierarchical conception into corps, grades and posts.

Concerning the states which adopted this organisational pattern, there does seem to be a certain North-South divide among the member states of the European Union. The Central and Eastern European states, during the soviet period, were

accustomed to civil servants in various public services being subject to ordinary labour law, under the “iron hand” of a single party. During the democratic transition, they began to organise their new civil service according to predominantly career models.

In the nineties, Romania opted for civil service structures with classical career paths (First according to law no. 5/1990 and then with the adoption of law no. 188/1999), in which civil servants can be promoted in accordance with seniority (among other criteria). One of the main objectives of this choice was to fight politicisation and patronage which were a communist legacy. So, Romania has a career civil service system. Efficient promotion of careers is fundamental for a successful public administration. This is supposed to make civil servants proud of their place of work and highly motivated – all in order to better serve the citizens. The most important features of the career system are (Bossart et al. 2001, 84): recruitment for access posts, legal requirements, age limits to recruitment, no recognition of previous professional experience outside the public sector, statutory payment system, salary progress based on length on service, statutory promotion system, statutory special pensions and special disciplinary legislation.

According to the Romanian legislative framework, the principles for exercising a public function are: an efficient assurance without corruption, power abuse or political pressures for any public administration activity, civil servants selection based solely on competence, equal treatment for accession and promotion in the civil service system and stability for civil servants. (Androniceanu 2007) Civil service recruitments are regulated by a Government Decision regarding the organisation and development of civil servants’ careers. (H.G. number 611/2008) It has been established that civil service recruitment should be based on a contest for occupying vacant civil servant functions. The principles that govern the contest management are: open competition, transparency, service merits and competence, and equal treatment.

The contest has three steps:

1. file selection
2. written exam
3. interview.

According to the administration levels, the civil servants’ function can be classified in: state civil service function (central public administration and autonomic administrative authorities), territorial civil service function (disconcerted public services) and the local civil service function. (Law no. 188/1999)

The professionalisation of public management represents the process of attraction, selection and forming specialised civil servants in public management. The public manager is the new model of civil servant. She/he has the mission to

contribute in order to assure the efficiency and the continuity of the public administration reform and the implementation of the *acquis communautaire*. The public manager usually works under the direct supervision of a high level civil servant. (Matei 2007)

The accession requirements can be classified as follows:

- Depending on the appreciation of the public authority: objective requirements (the minimum requirements) or subjective requirements (permit appreciation from the public authority);
- Depending on the applicability sphere: general and special requirements. (Alexandru, Carausan and Bucur 2005, 312)

According to the Civil Servants' Statute Article 54, the general requirements of a civil servant function are:

- Romanian citizenship and a stable residence in Romania;
- Romanian language acknowledgement;
- Age requirement of minimum eighteen years;
- Full exercise capacity;
- A proper health situation;
- Educational requirement for each public function;
- The person has not been convicted for anything that would make him/her incompatible with serving the state;
- The person has not been deprived of a public function in the last 7 years;
- The person has not been involved in the political sphere.

2.3 Performance evaluation and promotion

Performance evaluation serves to: help the civil servant towards a self-evaluation, the authority to have the acknowledgement of professional preparation and work experience of civil servants; after the performance evaluation there is a selection for promotion. There are different types of evaluations with different modalities, as can be seen in the Table on the next page. (Bossaert et al. 2001, 109)

The public employee's development represents a stake, permanently felt by the citizens. The public administration reform has strengthened the need for civil servants' in-service training, playing an important role in the management process. The study of the theories and function of administration, together with the analysis from the managerial perspective, does not lead immediately to creation of loyal, efficient, well-trained civil servants, but represents an important step in achieving these objectives. (Matei 2006)

Type	Modality
Notes	Persons and behaviour evaluation
Productivity evaluation	Productivity or efficiency measures of the agents
Performance evaluation	Efficiency and quality measures reported in the objectives
Competence evaluation	A comparison between the function competences and the actual competences
Potential evaluation	Comparison between the need for competences within the organisation and the competences and capacities of personnel evolution

In Romania, the evaluation system is based on an individual's professional performance evaluation, which has to be made annually. The evaluation procedure has the following purposes: promotion in salary grades, reduction to a lower rank in salary grades, promotion in a superior public function, dismissal from the civil service and settling requests for civil service professional preparation. (Alexandru, Carausan and Bucur 2005, 327) After the evaluation period, the public servant obtains one of the subsequent marks: exceptional, very good, good, satisfactory, unsatisfactory.

Promotions are awarded through a contest or an exam organised annually. The promotion exam in the professional grade is organised by the public authority within the law's limits (Law no. 188/1999). In order to be able to take part in an examination for promotion, a civil servant has to fulfil cumulatively the following criteria: to have at least four years of service in the professional grade from which the civil servant wants to be promoted; at least two years' service in the salary grade from which the civil servant wants to be promoted; to have obtained at least "good" at each performance evaluation in the last two years and to have a clean administrative record.

To participate in a promotion contest for a management public function, civil servants must fulfil cumulatively the following criteria: to have graduated from a Master programme or other similar programmes in public administration or management field or in the specialisation field necessary to exercise the civil servant function; to have been named in a first-class civil servant's function; to have a clean administrative record and to have a minimum of two years' service.

There is also a fast promotion system. This can benefit civil servants who have graduated from the course for public managers or those who cumulatively fulfil the following criteria: to have at least one year's service in the professional grade from which a promotion is sought; to have obtained "very good" at the last performance

evaluation; to have a clean administrative record and in the last year to have graduated from at least one professional training course. (Law no. 188/1999)

3. Salary system

3.1 Legal provisions till 2009

By law no. 188/1999 the civil servants have the legal right to receive a wage for their work. The wage is composed of: the basic wage, a long-service allowance, a specific allowance for the public function and an allowance for the grade occupied inside the public function.

In Romania, up until 2009, every year the Government issued a Governmental Ordinance by which they established civil servants' remuneration levels and salary increases.

By the Governmental Ordinance no. 9/2008 they established the principles, rules and remuneration levels for civil servants in 2008. In article no. 1 there are the main objectives for regulating remuneration levels: realising a hierarchic remuneration system on categories, classes and grades; a proper wage level very well-related to the activity and the importance and complexity of the attributions and responsibilities of each civil servant.

By article 3 it is stipulated that the wage system management is assured by each principal credit ordinator within the financial resources and the maximum number of posts approved according to the law.

Section 1 of this Governmental Ordinance presents the elements of the public wage system. The basic salary is established according to the study level, category and grade of the function and also regarding the central or local level where the activity is provided.²

It is important to mention that each professional grade contains 3 salary steps. (Law no. 188/1999)

The basic wages for civil servants in reserve, which are redistributed in a public function, are established at the level of the 3rd salary step in the professional category, class or grade.

For very good results, the credit ordinator can award a civil servant with a monthly merit wage within 15% of the basic wage. This percentage is added to the basic wage and it is also calculated for other incentives. The merit wages can be granted to civil servants who were not disciplinary sanctioned or to those whose sanction has been removed. For the newly employed civil servants, the merit wage

² In Annexes 1–4 of Governmental Ordinance no. 9/2008, the exact monetary amounts are presented and tabled for each public function.

can be awarded only after at least 6 months of service; debutants cannot benefit from a merit payment. (Governmental Ordinance no. 9/2008)

According to the Governmental Ordinance no. 9/2008, a civil servant who carries out a temporary, but no more than 30 days, public function similar to the highest category of civil servant, has the right to a basic wage corresponding to the public function which is carried out.

In section 2 of the Governmental Ordinance can be found the salary increases/allowances and incentives for civil servants. One of the main important allowances is the long-term service allowance, which is calculated according to the Table below:

In-service term	Percentage calculated from the basic wage
Between 3 and 5 years	5%
Between 5 and 10 years	10%
Between 10 and 15 years	15%
Between 15 and 20 years	20%
More than 20 years	25%

Other types of allowances/incentives are:

- The night shift incentive – for working between 22:00–6:00 hours – which is in the amount of 25 % of the basic wage;
- PhD incentive – which is in the amount of 15 % of the basic wage;
- Confidentiality incentive – which is up to 15 % of the basic wage. (Governmental Ordinance no. 9/2008)

Within section 3 there is a regulation which states that for a year of activity, civil servants are entitled to an annual award equal to the normal wage. These individual awards are established by the credit ordinator with the approval of the unions or civil servants' representatives.

Section 4 of Governmental Ordinance no. 9/2008 presents other types of rights for civil servants such as: annual paid leave, marriage leave, child birth leave, death of a relative leave, study leaves and other salary rights if transferring to other activities.

3.2 Unitary payment law

In 2008, the global economic crisis began to be felt in Romania and by that time no one believed that it would have serious consequences on our economy. At the beginning of 2009, already the Romanian Government had initiated discussions with

the International Monetary Fund for accessing a loan. One of the loan's conditions has been to reform the civil service system by creating a new law-framework for a unitary payment system. By restructuring the system in this way, the main goal to be achieved is a transparent unitary payment system which should bring about a transparent, reformed, efficient public administration.

In November 2009, law no. 330/2009 was issued regarding the unitary payment system for civil servants and other public employees.

The main goal of this legislative act is to regulate a unitary payment system for all public employees, i.e. civil servants, professors and teachers, medical staff, actors and other categories of public employees.

The basic principles for this law are the following:

- a unitary character, which means that by this legislative Act, wages and the payment system for all public employees are regulated;
- law supremacy, meaning that all salary rights are established by this law;
- it also considers the incentives, allowances and salary increases;
- equity and coherence by creating equal opportunities and equal remuneration for work of equal value;
- financial sustainability.

It is also specified very clearly that the rapport between the minimum basic wage and the maximum basic wage is on a range from 1 to 12. Article no. 5 also establishes the annual salary increases until the year 2015.

Through Article no. 6 of this law the criteria for ranking the basic wages levels are also set: study level, competences and job conditions, work's social importance, complexity and diversity of the actions, decisions responsibility and accounting, exposure to risk factors, incompatibilities and conflicts of interest.

In paragraph 2 of Article no. 7 it is mentioned that the transition from the old salary system to the new unitary one should be realised in stages, so no public employee should not benefit from a decreased wage.

Chapter 3 presents the elements of the unitary payment system. Through Article no. 11 the components considered are specified: basic wage, allowances, incentives, prizes and other rights corresponding to each budgetary personnel category. In Article no. 12 and in the law's annexes the ranking coefficients necessary for establishing the basic wages are presented.

Within each public function, the wages are differentiated in grades and in steps according to the study levels, professional training and work experience. Each grade or step contains 5 grades. The basic wage, the monthly allowances and incentives are calculated by multiplying the ranking coefficients for each function.

Section 2, chapter 3 of this law contains the regulations for allowances and incentives such as: the night shift allowance in the amount of 25 % of the basic wage; supplementary working hours in the amount of 75 % of the basic wage and up to 100 % for working hours during holiday time and the allowance for blind people with a major handicap, in the amount of 15 % of the basic wage. Article no. 23 establishes that the sum of individual allowances and incentives cannot exceed 30 % of the amount of the basic wage.

Monthly prizes can be awarded to civil servants by the credit ordinator in the maximum amount of 2 % from the total salary expenses. Prizes are awarded to civil servants with very good results in their work.

In chapter 5 of this legislative Act the phased implementation of the law is presented. Beginning from 1 January 2011 and up until the end of December 2012, the public unitary payment system has to be reformed, ranked and simplified by another law that will be issued and which will also provide cut-offs in the public system and ranking improvement, new evaluation and promotion methods.

This part of my paper was designed to present a comparative view of the old public payment system and the new one, which entered into force in January 2010. As can easily be seen, the most important difference between the two systems is that by the year 2010 there will no longer exist a single legislative act to establish the public payment system.

In 2010, the crisis became an economical recession in Romania. This situation has had a great impact on the public sector. In June 2010, the Romanian Parliament issued (it can be said that this was under pressure from the International Monetary Fund) a new law concerning the public payment system.

Law no. 118/2010 has been released with the primary goal of re-establishing the budgetary equilibrium, meaning 25 % cut-offs from public salaries. With Article 1, paragraphs 1 and 2, it is ruled that all salaries, wages, allowances and incentives stipulated in law no. 330/2009 and in the Government Emergency Ordinance no. 1/2010 will be cut by 25 % of their current amount, but by no less than 600 RON (equivalent to 130 Euros).

Article 2 of this law no. 118/2010 specifies that all public employees from public institutions, autonomous public companies or even diplomats are going to be affected by this legal provision until January 2011.

Article 11 stipulates also that the unemployment allowance will be reduced by 15 % from its amount.

In August 2010, the Labour Ministry of Romania issued for debate a new form of the unitary payment law (<http://www.mmssf.ro>) based on law no. 330/2009. The basic intentions of this new legislation are:

- to establish a reformed and simplified hierarchic system in the budgetary sector to promote the principle equal remuneration for equal work;
- to establish a unique grid for all public institutions that come under this law and to define the minimum basic wage;
- competition in relation to the labour market, considering the budgetary constraints for maintaining qualified personnel.

The most important changes proposed within this law are:

- A unique hierarchic grid for all public functions grouped into 11 grades and 7 domains of activity (public administration, education, justice, culture, diplomacy, defence, public order and national security)
- Concerning the new salary grid, a new report between the minimum and the maximum wage is established at 15 instead of 12³ and the ranking coefficients are reduced to 110.
- The minimum value of the ranking coefficients will be established annually by law by the Ministry of Labour

4. Conclusions

I believe that the public administration is the bed-rock of the state. Public institutions are meant to play a fundamental role between citizens, private companies and the state itself. For this reason, there is a need to build and develop strong, transparent and managerial mechanisms for the public administration. A new role of the state is defined, in which the public administration is orientated to the client/citizen. (Matei 2007) This new dimension of public administration is under continuous reform and adaptation in order to be efficient and transparent.

The economic-financial crisis that began in the autumn of 2008 had a real impact on all economies worldwide and Romania's economy was no exception. Prior to 2008, Romania's economy was growing with a very good percentage per year (around 7%) and by the time the crisis struck in the USA (2007), in Romania a historical record was reached – the number of public employees was over 200,000 (when the total population is about 21.7 million). Despite this large number of civil servants, the public administration system was and still is, in the public's perception, inefficient, non-transparent and nonetheless corrupt.

During the first months of the crisis an agreement with the International Monetary Fund appeared as a future possibility to save the national economy by external financing. The Romanian Government from 2007 had begun to think about the framework for a new public payment system, but this was transposed into an

3 As was ruled by law no. 330/2009.

Act by another governmental team in 2009, under pressure from the International Monetary Fund, as one of the conditions for granting a loan. Under such conditions it can be considered that the crisis and the economic situation acted as an incentive for restructuring the public system, especially the public payment system.

My paper is based principally on a legislative review concerning the public payment system and my intentions have been to present the current changes in the public payment system as a positive result of the global financial crisis. I will continue my research in this field by constantly updating the data presented according to the labour legislative framework in Romania.

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Building a Model of Leadership Development in Times of Crisis

Claudio Andres Rivera¹

1. Outlook of the paper

This paper aims to conclude the theoretical framework and the empirical results of a research process, which the author carried out in 2005 during his MBA and doctoral studies.

In this paper the author presents what he considers are the essential elements of a model for leadership development in times of crisis. The model has continuity and influence from a certain range of theories. Of course, the overall crisis or changing leadership theories and transformational leadership account for the most important part of the intellectual maturation of this research. The assumption behind the whole research is that leadership occurs essentially in changing processes.

This paper is outlined as follows. In section 2 the author will briefly recall the place of leadership in public sector human resources academia. In section 3 the author will explain why charisma is a concept with limitations for explaining the leadership phenomena. In section 4 the author will outline the blueprint of the empirical research. In section 5 he will expose the main theoretical and empirical findings of his research. In section 6 he will display the constituents of a model of leadership development. In addition, the author inserts three sections with implications for research and practice: *areas for further study* (section 7) where he outlines some potential avenues for further research which might be relevant to complementing this research, *implications for management practice and for management training* (sections 8 and 9) where he points out suggestions for practitioners and executive education institutions.

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2. Leadership development in the public human resources management research agenda

Leadership development has been receiving increasing attention in public administration academia. This trend is partly connected with the reforms that the public sector has experienced all over the world (Llorens and Battaglio 2010) in terms of decentralisation and modernisation of structures and labour relations. Therefore, the public sector needed to start incorporating traditional private best practices and know-how in the management of governments and human resources. Among this “private sector’s specific know-how”, public sector practitioners and academicians began to pay attention to the field of leadership, placing the emphasis on productivity, performance, motivation and other human resources indicators. There is also an ongoing assimilation of private and public human resources professionals’ practice and knowledge in the area of leadership.

Park and Rainey (2007, 202) state that transformational leadership, the theoretical cornerstone of this research, “will positively affect organisational variables such as job satisfaction, perceived performance, and quality of work directly and indirectly”. Transformational leaders embrace the skills, which public servants need for accomplishing results in what are no longer stable public structures where informal or formal networks of structures and people have begun to coexist and even take over the traditional function of the formal authorities. This coexistence and interaction of networks and bureaucracy is one of the fundamental reasons why public organisations have begun to heavily demand the development of leadership skills (Eglene et al. 2007). In a context signed by networking and reforms, formal authority becomes incomplete, requiring exercising leadership attitudes such as team building, risk taking, creativity, etc. Of course, leadership faces the challenges provided by the necessary rigid formal schemes of public organisations. Essentially, leaders should learn to operate inside formal procedures at a time when they use “less formal” practices such as facilitation, negotiation, vision building, inspiration, etc.

Eglene et al. (2007) offered a number of hypotheses in connection with leadership skills – for example, performance in the public sector, which should be included in the agenda for research in the field of public human resources. These hypotheses indicate the relevance of the following attributes of leaders: management skills, philosophy, communication skills, focus on people, charisma, and adaptation. These skills, according to the authors, would influence the legitimacy of the authority and its networking success.

Although important, leadership as a topic is still lagging behind in the research agenda of public sector academicians. Perry (2010), in a study on the trends of human resources public administration research, indicates that only 13 % of the papers published between 1979 and 2008 in three leading journals of the field have

been devoted to leadership. He concludes that motivation and training and development are two of the five most important research topics ahead. Within training and development, Perry emphasised the importance of leadership, given the “generational turnover in public organisations and the need to better understand executive development processes” (Perry 2010, 35).

3. Moving beyond the charisma delusion in leadership

Weber (1947) classified authority according to its possible sources: power (legal-rational authority or institutional power), customs or social norms (traditional authority), and charisma (charismatic authority). Moreover, leadership, in Weber, would be particularly attached to a certain *non-rational* factor, which certain individuals have, and that is *charisma*. Weber said: “The term ‘charisma’ will be applied to a certain quality of an individual personality by virtue of which he is set apart from ordinary men and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These are not accessible to ordinary persons, but are regarded as being of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader.” (Weber 1947, 358–359)

But, does authority imply leadership? Further, do formal leaders become real leaders when they are gifted with charisma? Modern literature demonstrates that leadership is a rather more complex phenomenon.

The author would like to share what he considers to be the most complete and updated definition of *Leadership*. According to James McGregor Burns, leadership is “*an influence process, both visible and invisible, in a society inherited, constructed, and perceived as the interaction of persons in human (and inhuman) conditions of inequality – an interaction measured by ethical and moral values and by the degree of realisation of intended, comprehensive and durable change.*” (Goethals and Sorenson 2006, 239)

This definition tells us that the key constituents in leadership are:

- leadership is an influence process,
- leadership takes place within interaction and conditions of inequality
- leadership is graded by values and the realisation of intended change

This is what is called transformational leadership, a theory that moves beyond charisma for understanding the leadership phenomenon. The difference between transformational and charismatic leadership stands foremost in the role of values. For both theories, leaders are able to motivate, but only transformational leaders are able to do it constantly in the long run, and the reason is that a transformational leader is based on values and self-knowledge, and operates based on the followers’ worth and not merely based on skilful techniques.

If we have to fully understand that self-interest is extremely limited for leadership effectiveness, we further have to grasp to what extent charisma is not the key concept for followers' motivation. Charisma was first introduced by Weber (1947) and "involves the collective perception of followers that an individual possesses certain extraordinary characteristics that make her or him worthy of leadership" (Goethals and Sorenson 2006, 116). Scholars used to emphasise the extraordinary personal traits of leaders, both in their speech abilities, their skills to inspire and to committing people to their visions.

There is a fundamental difference between leadership based on charisma and leadership based on values and self-knowledge (namely transformational leadership). The first moves inside the scheme of social exchange relationship, whilst the latter, according to Burns, "goes beyond the straight-forward social exchange relationship offered by transactional leadership, to provide deeper levels of connection and higher levels of commitment, performance, and morality on the part of both follower and leader." (Goethals and Sorenson 2006, 117) Not everyone agree on this essential difference.

Charisma is underlined in the context of strong bureaucracy and hierarchical organisational structures. It is an intuitive concept, which could hardly pass empirical and scientific analysis (Rejar and Phillips 1997). In addition, an over-emphasis on charisma and "great men's" abilities could undermine dialogue between leaders and followers, which is essential in transformational leadership. "Genuine dialogue ... where each of the participants really has in mind the other, or others in their presence and particular being and turns to them with the intention of establishing a living mutual relationship between himself and them." (Buber, quoted by Ashman and Lawler 2008, 262) Without real dialogue there is no way of learning, developing teamwork, exchanging ideas, and committing (Mazutis and Slawinski 2008).

Distancing leadership from the focus in charisma shifts the attention away from "managerialist" leadership towards "the notion of leadership as moral responsibility and ethical choices" (Cunliffe 2009, 91) The managerialist – charismatic embedded – version of leadership might be one of the reasons why despite all the investment in leadership development, – estimated at £120 million in 2005 in the UK alone (Benchmark Research, 2006), and between US\$15 and US\$50 billion throughout the world (Arts Council England, 2006; Rockwood, 2006) – and all the information available on leadership, we still seem to be unable to translate ideas about leadership and leadership development into best-practice on the ground (Hirsh et al. 2004, quoted in Grint 2007, 232).

4. Outline and background of the empirical research

The objective of the empirical research and data analysis has been to test the theoretical conclusions over the different key topics of the author's research: leadership

skills inventory, crisis implications for leadership development, leadership training, role models and values. The author has used the data from the following surveys:

- a) Survey among managers in Latvia. Number of respondents: 44. The author carried out the survey.
- b) *Centre of Creative Leadership's* survey among managers in Europe (CCL survey). Number of respondents: 1666. The author analysed the database.
- c) Surveys run among teenagers in El Salvador and Peru. Number of respondents: 3259 and 3379 respectively. The author was a consultant in the survey and analysed the database.
- d) Survey among business schools from 47 countries. Number of respondents: 96. The author analysed the database.
- e) A case study of a training programme in Spain. The author studied and prepared the case.

Some data could be considered subjective in the sense that they are mainly perceptions, opinions and viewpoints of respondents, but it does not mean that the findings lose reliability: qualitative research is a way to understand an “emergent reality” (Swanson and Holton 1997, 90) as is the one with which we are dealing in this research. Some data are objective in the sense that they are either quantitative or precise data.

The author's theoretical development of leadership phenomena impacted on the selection of the methodology and items under analysis. Qualitative and quantitative methods have been used, and this is characteristic of human resources development academia, not only of leadership. The author used a mix of both methodologies in order to obtain as much generalised information as possible and obtain a deeper understanding of the issues under discussion, being aware that he is “exploring uncharted territory” (Swanson and Holton 1997, 90). Interdisciplinary and multicultural aspects have also been considered.

The first survey explored the impact of transition in leadership development of Latvian senior managers. The survey was run using a tool designed by the *Centre of Creative Leadership* and it was complemented with personal interviews and other research projects' data.

The second survey explored the same items using the same questionnaire as the previous one but on an EU scope and without complementary interviews.

The third and fourth surveys investigated the relationships between role models and system of values with leadership skills development. Both studies have been carried out in co-operation with the *University of Navarra* and *Intermedia Consulting* and have involved more than three thousand respondents.

The fifth survey was run by *CEEMAN* [Central and East European Management Development Association] on a global scale amongst business schools and displays the results on management education and such key aspects of this thesis as ethics, corporate leadership and the short-term perspective in managers' education.

5. Key findings of the research

The author summarises below some of the *findings* from the empirical and theoretical research:

- 1) Role models and system of values integrate the constituents for a model of leadership development in times of change. They allow the leaders to keep or improve these sources, attitudes and values of leadership during times of change.
- 2) Leadership behaviour is considered to be right only if leaders act according to a permanent core of values.
- 3) Leaders should be *role models* as such and in that way they become *effective leaders*.
- 4) More active presence of effective *role models* has a positive impact, although not necessarily significant, on performance and social skills.
- 5) People with the presence of effective role models tend to hold a more clear understanding of a scale of values.
- 6) People with the presence of effective role models tend to perform slightly better and to possess better social and ethical skills than those who lack them.
- 7) Managers mainly want to learn on-the-job with role models, although good role models are not always present in companies and organisations.
- 8) Leadership, Team Building and Vision are the priorities in training for EU managers.
- 9) Managers in organisations are happier if they like their jobs, if organisational interests are aligned with their personal interests, if organisations take care of their development and if they trust their bosses.
- 10) Coaching is becoming one of the most wanted methods for leadership training.
- 11) Management schools' professors ought to review their teaching and research assumptions, shift their focus from the bottom line, and concentrate attention on ethical and corporate leadership issues.
- 12) A great deal of the competences developed at leadership training programmes should be value-based according to the Leader100 case.

The quantitative findings of different surveys, which have been published and presented in journals and conferences, are gathered together in the doctoral dissertation of the author accounting for 80 pages in total and, of course, it would be impossible to insert even a representative summary in this paper. Below, the author outlines in more detail a few of the most relevant findings, which have been determinant for the final design of the model. These results are only from one of the above mentioned surveys (section 4.b). The author splits these results into two categories: findings connected with *leadership attitudes* (Table 1) and *factors affecting leadership attitudes* (Table 2).

a – Findings connected with leadership attitudes

The author searched for results regarding the skills that European managers consider they lack and those that they need to develop. The author analysed the data with central tendency measures and frequencies. The respondents did not make the ranking of skills themselves; they rated the likelihood of seeking development in each skill. The author made the rankings from the average ratings and the frequency of the ratings².

In Table 1 we can observe the rankings of the skills comparing Western Europe, Eastern Europe and Latvia. *Leadership*³ stands at the top of the three rankings. *Vision* and *Team Building* also have similar results in the three regions.

Table 1

Leadership attitudes’ development needs in Western Europe, Eastern Europe and Latvia – Source: Author based on CCL survey’s report and author’s survey

Question	Western Europe (63.4 % of responses)	Eastern Europe (36.6 % of responses)	Latvia (2.7 % of responses)
Areas chosen for training	<ul style="list-style-type: none"> • Leadership • Vision • Performance appraisal • Team building • Problem solving/decision making • Managing change • Strategic planning • Management skills • Communication skills • Skills training in their area of interest 	<ul style="list-style-type: none"> • Leadership • International business • Vision • Performance appraisal • Team building • Problem solving/decision making • Public speaking • Time management • Quality/process improvement • Managing change 	<ul style="list-style-type: none"> • Leadership • Managing change • Vision • Team building • Skills training in my field • Problem solving/decision making • Strategic planning • International business knowledge

2 The question was put as follows: *Please, rate the likelihood that you would seek development in each of the following areas in the next year*. The scale went from 1 to 5 (very likely to very unlikely). From the interviews, the author observed that the respondents interpreted *next year* as a short-term perspective.

3 *Leadership* in this ranking is defined as the characteristics that make a manager foster trust, keep people motivated and energise their companies.

b – Factors affecting leadership attitudes

In order to further proceed with an understanding of European managers' leadership development needs, the author decided to run a two-cluster method analysis in order to confirm the trends among the participants on those factors which, according to the theoretical background of the author's research, positively or negatively affect their leadership capital and leadership processes: values and role models. The author identified the following variables as those which explain the presence of values and role models in the database: *I am happy in my job/I believe that my organisation will develop me as an employee/Upper management of my company clearly articulates its goals and priorities/I like my work/In my company, people get ahead because of how they perform/I trust my current boss/I trust my organisation to keep its promises/I could happily stay with the organisation for the rest of my working life/I would like to stay with my current boss for as long as I can/On the job, I am developing the skills I need for the future.* Two clusters of respondents have been identified with 512 (cluster no. 1) and 1056 (cluster no. 2) individuals each. 98 respondents are missing from the analysis. According to an SPSS quality check, the cluster classification has been at normal standards of acceptance.

Table 2
Clusters' performance on different variables

Variable	Cluster 1 (67.3 % of respondents)	Cluster 2 (32.7 % of respondents)
I am happy in my job.	1.74	2.84
I believe that my organisation will develop me as an employee	1.93	2.95
Upper management of my company clearly articulates its goals and priorities.	2.20	3.34
I like my work	1.50	2.38
In my company, people get ahead because of how they perform.	2.19	3.18
I trust my current boss.	1.78	2.82
I trust my organisation to keep its promises.	2.04	3.03
I could happily stay with the organisation for the rest of my working life.	2.28	3.40
I would like to stay with my current boss for as long as I can.	2.43	3.41
On the job, I am developing the skills I need for the future.	1.72	2.41

Source: Author according to CCL survey's data

In Table 2 we can observe how both clusters differentiate one from the other, taking into account the *means* of the responses for each variable. The largest cluster, no. 2, differentiates from cluster no. 1 in the following respects: participants feel on average happier in their jobs, trust more that the organisation is going to develop them as an employee, upper-management articulates better operations with the organisation's objectives, like their work more, politics intervene less in promotion, trust more in their boss and their organisations, feel more comfortable in their current organisations and their bosses, and finally, they feel they are developing the skills they need for the future.

6. Elements for a model of leadership development in times of crisis

In this section, the author introduces this model and describes its main characteristics and its differences with other Leadership frameworks.

The Model of Leadership development for times of change has six elements or factors: *leadership attitudes*, a *permanent core of values*, *role models and system of values*, the challenges *crisis* creates, the *origins* of leadership attitudes, the *inter-relational and dynamic aspects* of leadership. The author has drawn the model as can be seen in Figure 1. The interpretation of the sketch is as follows:

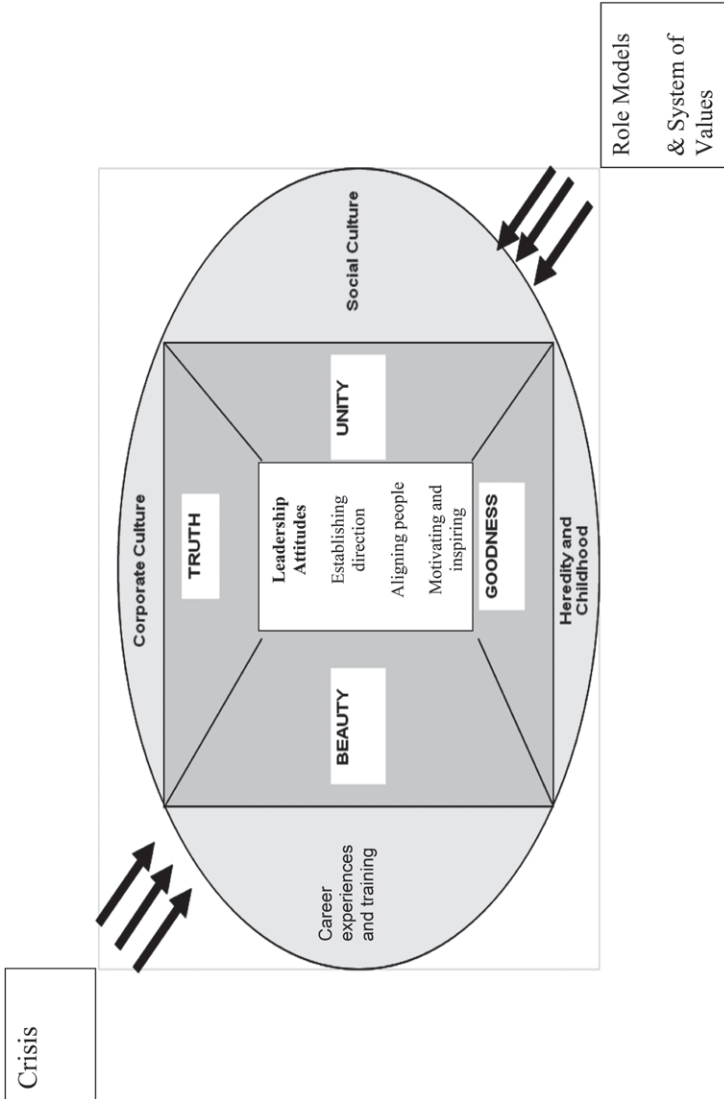
- 1) In the centre we find *leadership attitudes* (Kotter 1990) – establishing direction, aligning people, motivating and inspiring – as descriptive of the features of the leaders' behaviour. In a way, these are the external manifestations of the leadership capital.
- 2) Leadership attitudes are the right ones only if they behave according to a *permanent core of values*. For expositive reasons and following Tim Morris (1997), we split all possible values in the four transcendental verities: *truth, goodness, unity and beauty*. On the one hand, values establish a baseline for the behaviour of leaders. On the other hand, values operate as loudspeakers expanding the impact of the attitudes of the leaders.
- 3) The origins and development of leadership attitudes and core of values depend on four sources of leadership introduced by Kotter (1990) with the exception of social culture: *social culture, corporate culture, childhood and heredity, and career experiences/training*. These factors are the sources of the leadership attitudes and values of the leaders.
- 4) *Crisis* presents threats and opportunities for change to these sources, and therefore to the attitudes and values of leadership alike.
- 5) *Role models and system of values*: allow leaders to keep or improve these sources, attitudes and values of leadership during individual/organisational crises and transitions.

- 6) The shape of the model tries to display the *dynamic and inter-relational aspects* of the leadership processes.

The author summarises in three points the novelty of the concept and findings introduced by the model exposed in Figure 1: the relevance assigned to **change**, a better understanding of the connection between **power** and leadership, and the place of **values** in leadership.

- a) We have developed our argumentation from the assumption that leadership occurs during change processes. There is a lack of empirical and speculative analyses where **change** is seen rather as a constant factor in the context where leaders operate. This change in the approach is more important than a mere theoretical disagreement. In plain English, it is not the same to be a leader in a context or organisation existing in total uncertainty or to be a leader in a context or organisation enjoying stability. Rejar and Phillips say that “a pivotal dimension of leadership remains unaddressed...while students of leadership have uniformly stressed the centrality of leader-follower interaction, very little of substance has been said about the nature or dynamics of that interaction.” (1997, 8)
- b) **Power**, a common element in most of the leadership models, has been excluded as a determinant factor for leading. Although inequality is a necessary aspect of the relationship between leaders and followers, power does not constitute “the ability to influence the behaviour of others” (Rejar and Phillips 1997, 4), rather it might just support the relationship or simply being one of its characteristics. The IDEAL model of Larry Stout (2001) is a precedent in this viewpoint.
- c) As we see, **values** play a fundamental role in this model. Could we skip them? There is almost no contemporary leadership scholar who does not accept the primordial role of values in leadership development. Tucker (1981) said we need to be neutral regarding values otherwise we could end up displacing from our study anti-values great leaders such as *Hitler* and *Stalin*. The author’s understanding is that instead, values are necessary, although non-sufficient, for the success of leading.

Figure 1
Model of leadership skills' development for times of change



Source: Author.

7. Areas for further study

The author understands that this study is a continuity of many others and should be seen as a starting point for further research in leadership. The author would like to suggest some potential fields and issues:

- Methodology for leadership research: for example, relationship between quantitative and qualitative techniques; application of interdisciplinary approaches; use of empirical data.
- Development of adequate measures for quantifying soft skills and other human resources topics.
- Improvement in the way leadership issues are systematised and diffused among practitioners. It is clear that there is an abundance of materials, but still misunderstanding, on its fundamentals.
- Pedagogical and epistemological issues in business education. “Many schools are experimenting with methods of creating some synthesis, of closing the gap between the abstractions in books and the immediacy of business activity, of generating a sense of practical vision (Leavitt, 1987).” (Grey and Antonacopoulou 2004, 111)

8. Implications for management practice

The author has no doubt that leadership is one of the fields with more practical consequences. He sees that even although most business people and public servants are acquainted with leadership topics, there is still a gap and it comes from a sort of superficial view on the concepts involved. The author understands that business schools and Universities have a great deal of responsibility on this matter.

The author summarises below some other concrete implications:

- a) Business schools and other institutions connected with leadership training should start analysing to what extent philosophy, and in particular anthropology, constitutes an essential part of their agenda, and also how far their leadership training is holistic and comprehensive.
- b) Self-knowledge and coaching as training tools should be spread out in Eastern Europe.
- c) Those in charge of training and beneficiaries should be particularly attentive to their skills’ progress, particularly in the milestones of their career, as when they finish school and during professional maturity.

9. Implications for management training

The recommendations of implementation are addressed to institutions and people involved in management education regarding innovation alternatives (*tackling the milestones of the career*) and to the managers regarding the main issues discovered in relation to their training and development (*understanding the main responsibility over training development*). At the end of this section we offer a recommendation for training leadership for transition contexts: project-based leadership. In the Appendix, the author inserts a chart with the structure of a four-day seminar for training leadership, making full use of his research's contents, findings and conclusions. Please note that the structure of the last day is based on Jim Collins' book *Good to Great* (2001).

9.1 Tackling the milestones of the career

The opinion of the author is that a leadership seminar, the traditional format for training leadership, is not the panacea of leadership training. To develop leadership is to develop managers as people, as human beings, and it takes more than a couple of days. Obviously, in a world signed by materialistic and short-sighting attitudes, there are potential shortcomings of a more "deeper" approach and difficulties for its implementation. Often, we face the fact that many leaders have never considered the spiritual aspect of their work and life, the existence of something deeper, and therefore they do not see why reflecting on these things is important. (Polsfuss and Ardichvili 2008, 680) In any event, serious programmes could greatly help in this task.

It is too far from the objectives of this work to go into detail about leadership development programmes. The author suggests that special attention should be paid to two particular "niches" where the author did not discover adequate programmes, at least in Latvia, and which agree with the special life stages where people generally have a stronger willingness to change, or where they have the desire to review their fundamental traits:

- Young professionals who have finished their bachelor/master degrees should begin a corporate career. They need help to adjust their knowledge to the reality of the environments into which they are introduced. But first and foremost, they need special support to plan their careers, harmonise their professional and personal goals, and set a long-term vision. As an HR manager stated during the interviews, the young professionals lack maturity when they begin their corporate lives.
- The senior executives. There is a stage in career and life development where the managers need to recreate either themselves or their companies. To know themselves and to understand where they and their companies are is an essen-

tial insight needed to set a vision for their future, if they lack one or to change the old one.

It is particularly important in these two stages of career/life to help people discover-invent-reinvent themselves. In this sense, the goal would be to try to make them discover which issues could trigger their motivation and their best efforts. From this point on, they can evaluate or redesign their professional and personal plans. “People begin to become leaders at that moment when they decide for themselves how to be” (Bennis 1994, 53).

We could argue that career planning is part of the past. There is not one method which could guarantee the building of a certain running-up in positions in the post-industrial economy. “De-layering, the breaking of contracts by organisations with their middle managers for guaranteed lifetime employment, portfolio careers, and the need for multiple occupations and skill sets in individual’s working lives, have all led to a sharp decline in the frequency of the incremental managerial career” (Grey and Antonacopoulou 2004, 92) We see that we need to focus on *competences planning* rather than career planning. These competences could allow executives to move along their careers, each time ready for change.

9.2 Undertaking the main responsibility for the development of training

The managers, to improve their leadership attitudes and the leadership attitudes of the subordinates, should be proactive and pursue learning services that not only offer practices and techniques, but also learning services which can *help them to think* better how to solve problems, “the cognitive rules or reasoning they use to design and implement their actions” (Argyris 1975, 149)

“The shift of focus from training to development has accompanied and reinforced the shift of responsibility from HRD departments to individual learners.” (Grey and Antonacopoulou 2004, 93)

How are things done and conceived by the company? Argyris speaks about the learning dilemma: “success in the market-place increasingly depends on learning, yet most people don’t know how to learn” (1975, 148). The last part of this phrase reflects the general perception of the author; the executives do not know where they should look and what they should look for as learning solutions. Additionally the author did not hear, at least in Latvia, of the existence of any strong and long-standing co-operative relationships with consultants and business schools that could help them to clarify and develop a long-term and consistent plan. As the author understands, the answer does have two sides: as Argyris states, many companies do not realise that the learning dilemma exists (1975, 148), and there are no local business education institutions which appear as integral learning providers and partners. Furthermore, “partnerships are key for integrating HRD research and

practice, which in turn should help advance the field and improve organisational effectiveness” (Swanson and Holton 1997, 48).

9.3 Project-based learning

During 2009, the author participated in a project, namely *Learning from peers*, sponsored by the European Commission on the dissemination of best practices in the management of e-Business in SMEs all over Europe. From the success of this project, for the author it has been a great learning experience. Basically it was a way of becoming acquainted with what could turn out to become a key method for learning in times of change: project-based learning. “Building communities of reflective practitioners may be a way to meet the challenge of diffusion of learning, and projects may serve as practice fields for developing learning capabilities and cultivating effective habits of reflective practice that cross the boundaries of the specific project or project team.” (Grey and Antonacopoulou 2004, 272)

Project-based learning goes beyond the traditional management education method of case studies and its introduction in the development of leadership capabilities might be worth trying. “There is a gap between what we think we do – ‘espoused theory’ – and what our behaviour shows – ‘theory-in-use’ (Argyris 1975). Senge (personal conversation, 1999) states that ‘our core challenge is to become more reflective on the reasoning that guides our actions and gradually improve our theories-in-use’” (Grey and Antonacopoulou 2004, 272). Finalised projects offer adequate grounds for reflection on our behaviour in relationship with the different elements of the model for leadership development.

Certainly some conditions should be guaranteed in order to make project-based learning actionable. Ayas and Zeniuk outline them in six categories: sense of purpose, psychological safety, learning infrastructure, communities of practice, exemplary leadership, systemic and collective reflection.

The moral of this discussion is straightforward: if we want leaders who comfortably manage themselves and their context in chaotic times, we have to equip them with the ability of reflection and improvement even in times of ambiguity. Project-based learning offers a suitable space for learning experiences because projects are available continuously to leaders and they offer the ingredients for any changing context.

10. Conclusions

The author understands that the findings and ideas exposed in this paper are innovative and should be considered as a starting point for further and long-term research. The main topic of this paper and research is about how to teach and how to learn leadership during processes of change. This is the reason for the title of the paper where the author inserted the keywords: **building – model – leadership**

– **development – crisis.** The idea has been to understand and present a general framework which could help as a foundation for practitioners and management education agents in the task of designing training initiatives on Leadership.

The inclusion of the word *building* is to give the readers two important ideas:

- the model and ideas included in this work should be used with flexibility and should be adapted to each specific ground. In other words, based on the model presented in this paper, each organisation (company, NGO, government, business school, etc.) should *build* its own framework for leadership training.
- furthermore, the author has been more interested in presenting the key ideas and concepts behind this framework than the framework itself.

The research's content, surveys and model are addressed to assist leaders from the public and private sectors. However, public servants and public administration practitioners and academicians constitute the primary audience. The reason is that leadership education needs institutional and cultural support from public organisations in order to progress later at a micro level in public offices, schools, universities, companies and families. Consequently, public servants should understand leadership essentials if they want to support the improvement of quality in education, the competitiveness of the private sector, and the raising of leaders for government, non-profits and corporations. It is a mistake to ease the role of human resources areas in public administration. "Attracting, keeping, and developing skilled and motivated people at all levels are a core function in the management of public organisations' human resources." (O'Toole and Meier 2009, 500) Unfortunately, not all agree on this statement. As examples, graduate programmes in Public Administration still offer HR courses as elective and Human Resources research in public settings is scarce (O'Toole and Meier 2009). Swanson (2008, 765) even goes further, saying that "analysing and understanding a nation's human resource development related policies are directly related to the applications of macroeconomics".

The current environment, marked with globalisation and complexity, calls for proposals and initiatives in academia and practice in the field of leadership and management education. We should remind ourselves of the "pressures managers are subjected to arising from the complexity central to environmental turbulence, organisational change and ambiguity, and the need to be in control of this complexity." (Grey and Antonacopoulou 2004, 15) Leadership skills are central for *controlling* this *complexity*, and training and education solutions should be oriented to support the development of these skills. This research was oriented to help in understanding how this contribution could be made effectively.

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Appendix: Executive Leadership Programme based on model

Day I	Day II	Day III	Day IV
Self-awareness and vision	Leading ourselves	Leading Interpersonal relationships	Leading the environment
Introduction	Virtuous Leadership: Building character as our strategy's foundation	Authentic Leadership: trust and effectiveness	Disciplined people
Leadership Assessment inventory		Beautiful leadership: support through empathy	Disciplined thought
Core personal values			Disciplined action
Perks, values and goals	Life balance: daily leadership	Inspiring leadership: Communicating your vision	Building greatness to last
Building the personal vision and strategy			

Source: Author

Section II

Managing Public Personnel



Public Administration Studies and Training: Networking in the Context of High Technology Development

Nikolaj Ambrusevič¹

Abstract

The author of the presented paper aims at putting forward an overview of the theoretical aspects of public administration studies and training networking in the context of high technology development. International theories and theoretical framework for the implementation and measurement of public administration studies and training development networking, such as the Knowledge System Model, are presented here. Further investigation of the methods of public administration studies and training networking in the context of high technology development, based on the Triple Helix Model, is also provided. The author's suggestion to investigate the processes of public administration studies and training networking in the context of high technology development, based on co-operation between three main factors: academy, business, and government – is covered. As a result, a correlation and regression analysis of expenditure on research and development as the main factor of high technology development is provided. The author foresees some guidelines for the implementation of public administration and training networking in the context of high technology development by emphasising the main role of the business sector in the networking process.

Introduction

Nowadays, the priority of the economy of the European Union under conditions of recovery from the financial crisis is to ensure growth by creating new jobs. This can only happen through a continuous process of transformation of the European

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Union into a dynamic knowledge-based economy by providing excellent education, undertaking scientific research and defining space for creativity and innovation. Thus, knowledge and innovation are primary factors for the competitiveness of the European economy in the global market. This European transformation into a dynamic knowledge-based economy has been the objective of the Lisbon Agenda since 2000. In this framework, European Heads of State and Government set the goal of increasing the overall level of investment in research to 3% of Gross Domestic Product by the year 2010, and of raising the share of research funded by the business sector. This certain goal and further steps of successful knowledge-based economy, and especially high technology development, may be achievable only with the participation of integrated public administration studies and a training networking system.

Public administration studies and a training system are the main elements of a strong and competitive environment creation, required for a knowledge-based economy development. One of the most important conditions for the creation of useful public administration studies and training systems in the European Union is the process of networking. Public administration studies and training systems ensure the processes of creation and implementation of innovations and are extremely important for high technology development according to the challenges of the new global age.

1. International theories of public administration studies and training systems

Training refers to a planned effort by a company to facilitate employees' learning of job-related competencies (Kumpikaitė and Čiarnienė 2008). According to authors, these competencies include knowledge, skills, or behaviour that are critical for successful job performance. The goal of training is for employees to master the knowledge, skill, and behaviour emphasised in training programmes and to apply them to their day-to-day activities. According to Baldwin et al. (1997), Martocchio and Baldwin (1997), Brinkenhoff and Apking (2001), the role of training has evolved from a programme focused approach to a broader focus on learning and creating and sharing knowledge. Thus, while training continues to involve programmes to teach specific skills, there is increasing emphasis on devising methods which stress broader learning, particularly through creating and sharing knowledge (Noe 2005).

Noe (2005) has identified six levels of technology-based training which are listed below:

- VI level: Electronic performance;
- V level: Blended learning;
- IV level: The delivery of computer-based training and Multimedia;
- III level: Testing assessment;

II level: Online referencing;
I level: Communications.

The difference between the highest and lower levels of technology-based training is that at the higher levels, learning is more job-related and helps meet a business need (Kumpikaitė and Čiarnienė 2008).

According to Karl M. Wiig (2000), the role of public administration focuses on the constant requirement to identify the expected benefits of a knowledge-based economy and work to achieve them. This is possible only in the case of managed knowledge-related actions and processes in four functional levels represented in Figure 1.

No doubt, the main goal of public administration and public policy is to create public administration studies and training systems, which would not only be governed by central and local institutions, but would also be integrated into international networks. In this case, the priority of public administration studies and training systems' development consists of the problems of internationalisation of the activities of universities and training institutions and the creation of international networks of various regional, national and specialised higher education and training organisations.

The importance of public administration studies and training systems is approved in the working papers of many scientists and researchers. Studies of scientists such as Boyer et al. (1999) and others, as well as strategically significant documents of national and international organisations, tend to focus on the importance of education and training levels. The main ideas of the importance of studies and training systems may be represented as the "knowledge system" (Figure 2).

The "Knowledge System" Model shows the relationship between the main actors of a knowledge-based economy, i.e. enterprises, universities, government and other public research institutions, and a variety of some specific factors such as industry structure, education and training systems, human resources and the labour market and the financial system, etc. It is possible to identify the main building blocks of a "Knowledge System". In this system, science, technology or innovations and industry are central, but not sufficient, to ensure economic growth, competitiveness and job creation. The education and training system, human resources and the labour market, and the financial system all have a substantial impact on the performance of the chain "Science-Technology-Industry". From this perspective, the performance of an economy depends not only on how the individual institutions perform, but also on how they interact with each other as elements of a collective system of knowledge creation. Such interactions between various institutions are possible with well-developed integrated public administration studies and training system, which ensure a connection between all three elements: science, technology and industry.

Figure 1
Four Functional Areas of Public Administration

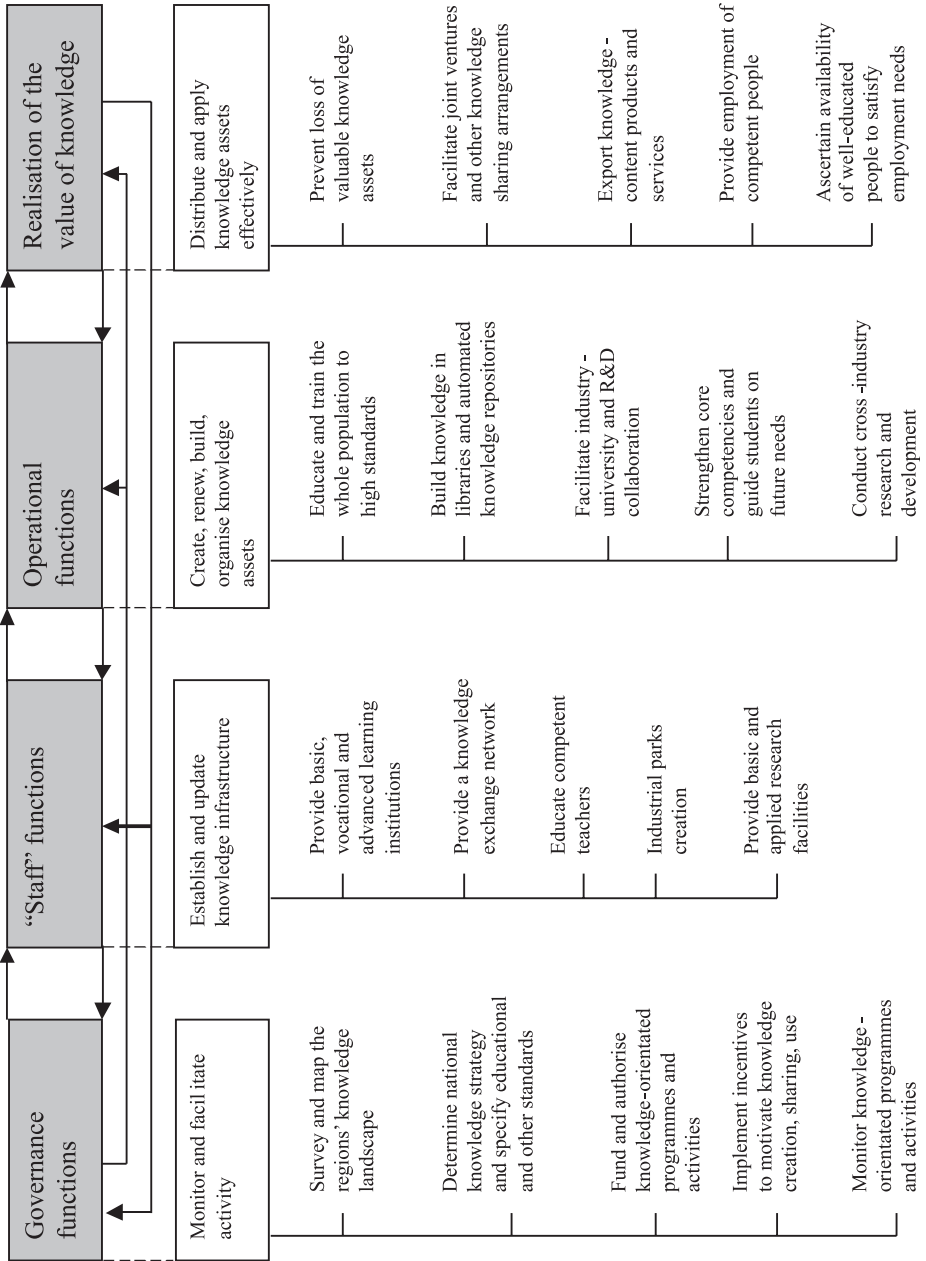
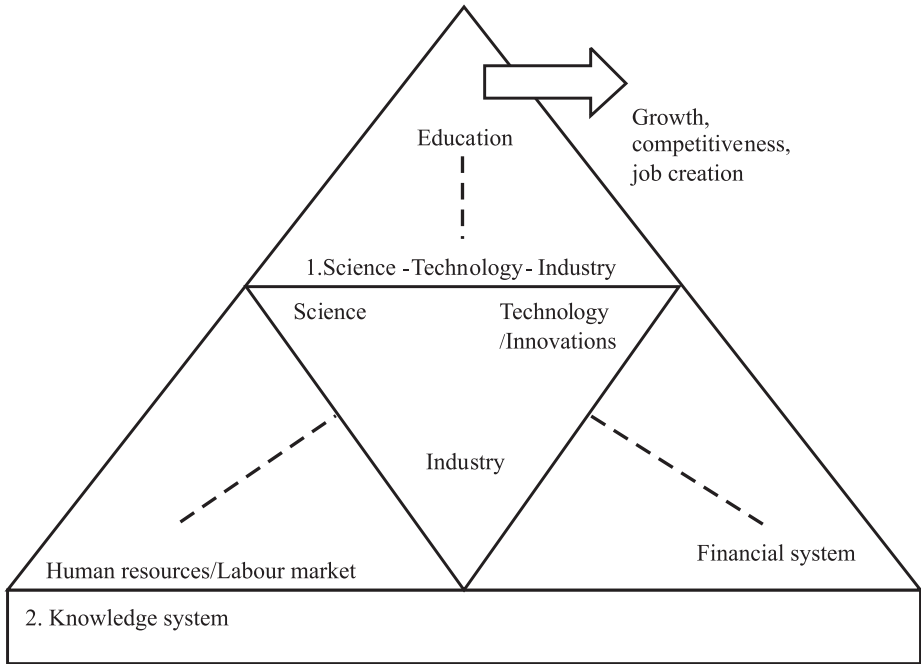


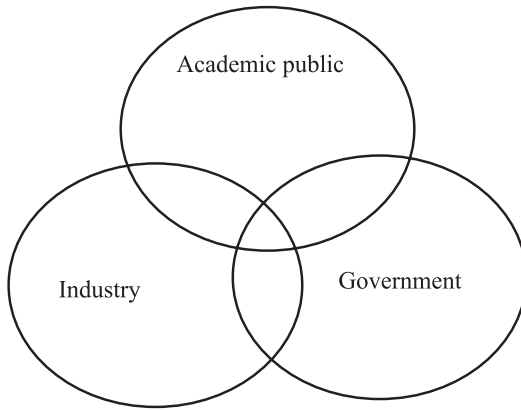
Figure 2
The “Knowledge System” Model



2. Overview of the theoretical models of high technology development

The main theoretical models of high technology development were created over the last decade of the previous century. The most popular Triple Helix Model of high technology represents a spiral model of innovation that captures multiple reciprocal relationships at different points in the process of knowledge capitalisation (Etzkowitz 2002). The model consists of three autonomous helices and determines the processes related to innovation and high technology development by co-operation between the academic society, public institutions and the business sector. The first dimension of the Triple Helix Model is the internal transformation in each of the helices, such as the development of lateral ties amongst companies through strategic alliances or an assumption of an economic development mission by universities. The second is the influence of one helix on another. The third dimension is the creation of a new overlay of trilateral networks and organisations from the interaction among the three helices, which support high-technology development.

Figure 3
Triple Helix Model



Viale and Campodall'Orto (2002), Etzkowitz (2002), Gulbrandsen and Levitt (2000), and Wessner (1999) agree that the Triple Helix Model denotes the university-industry-government relationship as one of the relatively equal, yet independent, institutional spheres, which overlaps and takes on the role of the other.

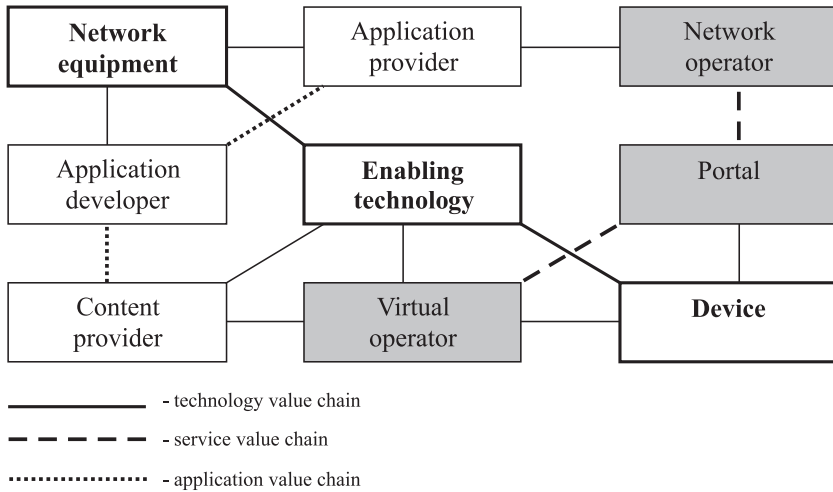
In the last decade, scientists began addressing the different aspects of university-industry-government co-operation. The majority of these studies showed the importance of the education and qualifications of the labour force. This is confirmed in the working papers of many scientists and researchers, such as Boyer et al. (1999), Etzkowitz (2002), Casas et al. (2000), and Leydesdorff (2005), as well as strategically significant documents of national and international organisations which tend to focus on the importance of the education and training level of high technology development. The main ideas of the importance of the educational level and qualifications of the labour force may be explained as a deeper interaction between the three elements of the Triple Helix Model.

From this perspective, the performance of an economy depends not only on how the individual institutions perform, but also on how they interact with each other as elements of a collective system of knowledge creation. Such interactions between the various institutions are possible within a well-developed education and training system, which ensures the inter-connection between all three elements: science, technology and industry.

A group of scientists – Potočnik (2008), Aho (2008), Courtois (2008) after analysing the possibilities of embedding the processes of networking in one of the sectors of high technology, in the sector of business of informational technology, has established that the process is influenced by:

- The impact of technological development, which enables the domination of the created system on the market;
- Sales, showing the level of customers' and suppliers' interest in innovation;
- Reliability of partnership, showing the vitality of the project.

Figure 4
Embedding the Processes of Networking in IT Business Sector



Successful implementation of a networking model requires four main elements (Wrobel 2008):

- **Thriving ecosystem.** Business does not grow in vacuums, but in a co-operational environment of suppliers, researchers and customers, thus, the partnership of the business sector and scientific laboratories should be secured;
- **Financial backing.** Innovations require money for starting capital and deeply engaged investors are critically important;
- **Big open market.** The enterprise requires plenty of room for its activity; sometimes it is necessary to use a modification of existing niches or customer segments;
- **Support of big corporations.** In many cases, it is easier to develop business in a shelter of big companies that create their own ecosystem. At all four levels, the impact of public administration is significant.

Individual scientists propose to take into account additional factors that influence innovation-oriented networking between business and science. In the opinion

of Alexander von Gabain (2008), the traditional element of “positioning” or “location” should be replaced by an element of “qualified personnel or staff”. This is explained by the specifics’ dependence on business-oriented innovation and high-quality technology on well-skilled staff. This idea is disclosed to the researcher’s three assumptions in the process of developing and integrating an innovations company: scientific platform; well-trained team and the ability to deliver on promises. The Finnish researcher, Risto Siilismaa (2008), points out the important role of public administration in the processes of proper formulation of the law basis and providing support to ensure effective innovation design and installation by providing appropriate studies and training.

3. High technology development: importance of R&D

Scientific literature provides two main approaches of understanding and classification of the high technology sector. One group of authors – Gardner et al. (2000), Sahadev and Jayachandran (2004), ascribe high technology industries according to the extent of funds allocated for research and development in each sector:

- High technology industries (aerospace, computers, office equipment, electronic communication, pharmaceutical industry);
- Medium/susceptible to high technology industry (scientific instruments, electronic equipment, motor vehicles, chemical industry, non-electrical machinery and equipment);
- Receptive to the knowledge of high technology sectors (post and telecommunications, computers and related activities, research and development).

Another group of scientists – Geisler (2002), Heertje (2001), Scheel (2002), Sigurdson and Li-Ping Cheng (2001), relatively divide the sector of high technology into three groups, according to their susceptibility to science, which determines the development and production of innovative technological solutions:

- Technology of high scientific susceptibility (aerospace technology, computer technology, medical technology, chemical technology, communication technologies, pharmacology, technology of accurate instruments and machinery industry);
- Technology of medium scientific susceptibility (shipbuilding, ground transportation, industry of polymers, glass, stone, coloured metals and alloys);
- Technology of low scientific susceptibility (oil refinery, metallurgical industry, light industry, wood processing, paper industry).

The Organisation for Economic Development and Co-operation (OECD) recognises those high technology industry areas, where research and development are significant in promoting sales of final outputs such as: air industry, the pharma-

ceutical industry, computers and office equipment, communication tools, and the scientific (medical, precision measurement, optical) measures (Loshky 2009).

According to the National Science Foundation of the United States of America, there is no single preferred method for identifying high technology industries (National Science Foundation 2009). Therefore, the National Science Foundation and group of scientists – Agmon and Messica (2006), Dhaoui (2008), Ghazinoory and Ghazinoury (2009) – indicates two main criteria necessary for the development of a high technology sector:

- Skilled labour force which is understood as occupational employment, and the percentage of particular occupations within industries change over time, reflecting on the changes in employment growth, as well as the business structure;
- Research intensity, where data is derived from studies of publicly traded companies is known as R&D dollars as a percentage of total sales.

Due to objects multiplicity, the typology of high technology is multi-faceted, but the key features that distinguish the high technology sector are the following: the susceptibility of science, necessity of a skilled labour force and research intensity (R&D).

Since 2007, the Seventh Framework programme for research and technological development (FP7) has been the EU's main instrument for funding research in Europe. The main aims of FP7 have been to increase Europe's growth, competitiveness and employment (European Innovation Scoreboard 2008). Research and development lies at the heart of the EU's strategy to become the most competitive and dynamic knowledge-based economy; for instance, one of the goals was to increase R&D expenditure to at least 3.0 % of GDP by 2010.

4. Analysis of academy, business and government networking in high technology development: correlation and regression analysis

The problem of establishing main sources and elements in a network of cooperation developing high technology sector was discussed in scientific work of different authors – Etkowitz, and Leydesdorff (1997), Etkowitz, Gulbrandsen and Levitt (2000), Guerin and Manzocchi (2009).

In order to evaluate the networking of three main elements – business, government and academy – of high technology development correlation and regression analysis of data in the EU-27 countries, Japan and USA was used. Use of a correlation transformer to determine the extent to which changes in the value of an attribute (GDP expenditure on R&D) is associated with changes in another attribute (expenditure on the business enterprise sector, expenditure on the government sector, expenditure on the higher education sector and expenditure on private

Table 1
Input-Data of Correlation and Regression Analysis

	GDP on R&D, % (Y)	Business sector, Bln. EUR (X₁)	Government sector, Mln. EUR (X₂)	Higher education sector, Mln. EUR (X₃)	Private non-profit enterprises, Mln. EUR (X₄)
EU-27	1.85	135.716	28777	46666	1968
Belgium	1.87	3.934	500	1291	72
Bulgaria	0.48	0.031	78	12	1
Czech	1.54	1.165	309	279	7
Denmark	2.55	3.56	360	1396	32
Germany	2.54	40.531	8100	9600	0
Estonia	1.14	0.067	20	61	3
Ireland	1.31	1.56	145	601	0
Greece	0.57	0.367	254	585	16
Spain	1.27	6.558	1971	3266	21
France	2.08	24.081	6546	6875	480
Italy	1.15	7.856	2701	4712	330
Cyprus	0.45	0.014	18	26	5
Latvia	0.59	0.057	17	39	0
Lithuania	0.82	0.053	44	94	0
Luxembourg	1.62	0.422	63	12	0
Hungary	0.97	0.435	228	219	0
Malta	0.59	0.017	1	9	0
Netherlands	1.70	5.392	1261	0	0
Austria	2.56	4.284	325	1689	26
Poland	0.57	0.477	560	469	7
Portugal	1.18	0.462	176	425	138
Romania	0.53	0.215	144	79	6
Slovenia	1.45	0.293	119	73	1
Slovakia	0.46	0.093	71	52	0
Finland	3.47	4.108	539	1079	36
Sweden	3.60	8.754	525	2387	25
United Kingdom	1.79	19.611	3361	8144	712
Croatia	0.81	0.109	79	109	0
Turkey	0.72	0.774	264	1249	0
Iceland	2.75	0.187	86	80	11
Norway	1.64	2.13	637	1229	0
Switzerland	2.9	6.257	91	1943	194
Japan	3.2	91.277	9795	15012	2212
USA	2.67	192.591	30471	39095	11635

Source: Eurostat Yearbook 2010.

non-profit enterprises). The data for a correlation analysis consists of five input columns. Each column contains values for one of the attributes of interest.

The correlation coefficient r is a measure of the linear relationship between two attributes or columns of data. The value of r can range from -1 to $+1$ and is independent of the units of measurement. A value of r near 0 indicates little correlation between attributes; a value near $+1$ or -1 indicates a high level of correlation.

When two attributes have a positive correlation coefficient, an increase in the value of one attribute indicates a likely increase in the value of the second attribute. A correlation coefficient of less than 0 indicates a negative correlation. That is, when one attribute shows an increase in value, the other attribute tends to show a decrease.

All correlation coefficients show a linear relationship between columns of data. All of them are positive. That means that the possible values of x and y all lie in a straight line with a positive slope:

Table 2
Data of Correlation Coefficients

r_1	r_2	r_3	r_4
0.36788834	0.30114393	0.307697	0.272597

T-value is the observed value of the T-statistic that is used to test that two attributes are correlated. A T-value near 0 is evidence that there is no correlation between the attributes. A T-value far from 0 (either positive or negative) is that there is correlation between the attributes.

To see if this T-value is significant or not, it is necessary to compare T-value with T-statistic. Only bigger values than T-statistic showing T-value are significant.

Table 3
Data of T-value and T-statistic

T_1	T_2	T_3	T_4
2.272745332	1.814155611	1.8576454	1.6275907
			T-statistic
			2.034515

Since only the T_1 -value obtained is bigger than the statistical T-value, there is a significant relationship between expenditure on R&D and expenditure on the business sector.

Use the Regression transformer to identify the relationships between a dependent variable and one independent variable, and to show how closely they are correlated.

Calculations demonstrate:

Table 4
Data of Regression Analysis

	X_1
a_0	1.450766442
a_1	0.00834728

The relationship between expenditure on R&D and expenditure on the business sector should be expressed by the following equation:

$$Y=1.450766442+0.00834728*X_1$$

In order to see if this equation is significant or not, it is necessary to compare the Fisher coefficient F with F-critical.

Fisher coefficients are as follows:

Table 5
Data of Fisher Coefficients

F_1	$F_{critical}$
5.165371346	1.782509201

Since the F-value obtained is bigger than the critical Fisher coefficient's $F_{critical}$ value, there is a significant equation showing the relationship between expenditure on R&D and expenditure on the business sector: $Y=1.450766442+0.00834728*X_1$.

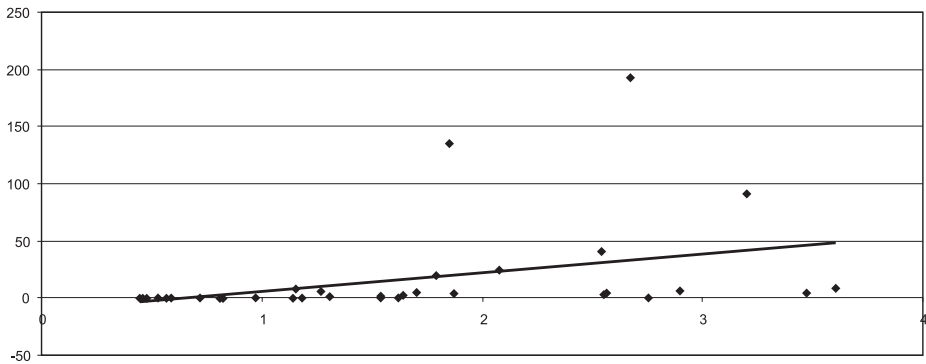
In conclusion, the relationship between expenditure on R&D and expenditure on the business sector should be expressed by the following:

The equation shows that expenditure on the business sector positively increases GDP expenditure on R&D. Each unit of expenditure on the business sector, expressed in Bln. EUR, increases GDP expenditure on R&D by a rate of 0.00834728.

Correlation and regression analysis shows, that between the main factor of high technology development – expenditure on R&D and expenditure on the business sector there exists a linear and strong relationship. This requires focusing on the use of methods in public administration studies and training in the business area.

Figure 5

Linear Relationship between Expenditure on R&D (horizontal, in % of GDP) and Expenditure on the Business Sector (vertical, in Bln. EUR)



The results of an analysis and theoretical guidelines of high technology development established that the business sector is the core element of high technology sector development regarding the essence of the Triple Helix Model. Thus, possibilities for public administration studies and training networking in the business area are extremely important.

This is an interesting finding that raises serious questions as to how to stimulate public administration studies and training in the business area. As such, further research is needed to explore the current and required levels of public administration studies and training in the business sector for high technology development.

5. Findings and conclusion

In conclusion:

- Lack of attention to the problem of public administration studies and training systems may be the main reason for the European Union losing the opportunity to become a leading global knowledge-based economy.
- New challenges in public administration studies and training system development under conditions of the new global age require the creation of a competitive background for the knowledge-based economy by processes of continuous development of networks orientated towards science-industry-technology cooperation.
- International experience, practice, co-operation and networking accumulate progressive development of public administration studies and training systems. The solutions for the establishment, development and implementation of na-

tional and international network systems become the driving force of high technology sector development.

- The importance of a well-trained labour force encourages the requirements for the improvement of public training, studies and qualification quality. The process of integration of scientific research elements into processes of training and qualification improvement are assumed to be very important at this stage of high technology networking development.
- The business sector is the core element of high technology sector development regarding the essence of the Triple Helix Model. Thus, the possibilities for public administration studies and training networking in the business area are extremely important.
- The results of the analysis and the theoretical overview of measurements of public administration studies and training provides basic guidelines for networking creation in the business sector:
 - to ascertain the availability of well-educated people to satisfy employment needs;
 - to provide basic, vocational and advanced learning institutions;
 - to provide basic and applied research facilities;
 - to conduct cross-industry research and development;
 - to facilitate industry-university and R&D collaboration;
 - to provide a knowledge exchange network;
 - and finally, to stimulate industrial parks' creation.
- The education and training system, human resources and the labour market, and the financial system all have a substantial impact on the performance of the chain "Science-Technology-Industry", important for high technology development. From this perspective, the performance of an economy depends not only on how the individual institutions perform, but also on how they interact with each other as elements of a collective system of knowledge creation. Such interactions between various institutions are possible within a well-developed educational and training system, which ensures the inter-connection between all three elements: science, technology and industry.

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Work Satisfaction in the Public Sector A Case Study in the Romanian Ministry of Foreign Affairs

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Abstract

It is now widely recognised that the age of the knowledge society has come and many private, but also public organisations, are changing their style of work, organisation and culture. Knowledge management plays a very important and complex role in the public sector because its effectiveness determines society's culture, quality of life, success and viability. A competent public administration is the key to a healthy society, but an incompetent one leads to severe decline. Work satisfaction plays a very important role because the main resources used in a knowledge society are knowledge and the key instrument of creating, using and sharing them is people. In this context, a flexible system of personnel management is a must and an organisational culture that listens and looks after its employees' needs is essential. In fact, personnel management policies can bring a positive change to both the work environment and the employee's satisfaction. Employee's satisfaction is a topic that has been quoted many times over the past decade in academic research but also in organisational analysis. This paper represents an organisational study on employee satisfaction and describes the efforts and approaches made by the Romanian Ministry of Foreign Affairs in its initiative to reform the human resource management system, especially regarding employees needs. The methodologies used are empirical research, literature reviews and a complex questionnaire distributed to 1114 employees of the Romanian Ministry of Foreign Affairs. The human resource management reform has been rooted in the results of this research. The role of this survey was to identify employees' work satisfaction, also considering

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aspects such as: ministry strategy, work conditions, financial aspects, training, internal communication, performance evaluation and promotion of personnel, ethic aspects, career pathways and career development, team work and relations with management. The paper presents the results of this survey and the legislative and organisational aspects of the reform which began in 2004. The results of this survey indicated that, together with some general factors that determine work satisfaction, most employees are proud to work for the Romanian MFA. The survey identified specific needs of civil servants regarding work satisfaction such as: a career management system designed to take into consideration their career interests, performance evaluation and recognition, coherent and consistent legislation for diplomatic and consular personnel, and positive correlation between performance and salary, etc. These results indicated that a complex reform is still necessary. The paper presents the legislative and organisational aspects of the reform which began in 2004. The opportunities and negative effects of the current financial crisis have also been analysed. Important steps were taken in the last 5 years with respect to Romanian Foreign Service officers' work satisfaction, but still, there is much to be done, especially regarding the career management system. At the end of the paper, we consider some conclusions.

1. Introduction

Over the last decades, societies all over the world have been transformed and have passed from an industrial approach to a knowledge based society. Moreover, with the end of the cold war, the high level of certainty and predictability in the national but also international context has been replaced by dynamic and very complex business relationships. A lot of factors contributed to this transformation, including the development of a global economy, the end of the Cold War, and the rapid progress and widespread adoption of information technology. The public sector is also being transformed, leading to the emergence of what has been called the New Public Management (Christensen and Læg Reid 2008). This new concept has substantially contributed to changes in ideas and practices of governance and the scope, organisation and managing system of the public services have changed dramatically since the 1970s (Farnham and Horton 1996).

Clearly, these changes do not stop with the public sector. Organisations from the private sector have also been under constant pressure to adapt to an increasing turbulence in their environment (Hammer and Champy 1993). Many popular concepts used in public management such as project management, performance management and headhunting are borrowed from developments that are taking place in the private sector.

Many popular public management concepts (such as project management, performance management or headhunting) have been based in private sector de-

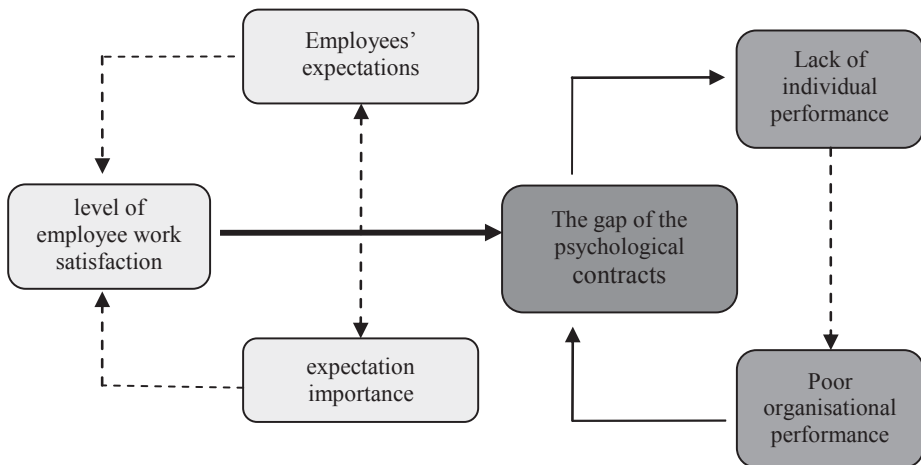
velopment concepts. The major difference between the public and the private sector seems to be the attention devoted to the HRM concept. Clearly, HRM is more developed in the business administration field. This has also been proved by the enormous number of books and articles published on HRM for the private sector, although the public sector has also begun to show an increasing interest in the topic. Over the last years there were several HRM public studies published all over the world. Indeed, many of the changes promoted by New Public Management or other initiatives to revitalise the public sector, have important consequences for the organisation of work and the employees' work satisfaction (Kellough 1999). Some will even argue that the public sector of the 21st century needs a new type of worker (knowledge workers) compared to the public sector of the welfare states in the second half of the 20th century and this has important consequences for HRM practices in public sector organisations. It appears that mainstream Public Administration authors are often forgetting that management is always people management; many seem to think that people will automatically adapt to new types of management and new organisational structures. An important lesson from HRM literature is that people are the key of any organisation's success and the performance of an organisation depends on the individual's performance. For a long time, jobs were just a source of income, but today they are the means for employees to see their dreams come true – a successful career, personal growth, recognition, and power. If work satisfaction is going down amongst workers, it will have negative effects on the quality of the services, not only because less motivated workers will deliver services of a lower quality, but also because it will make the public sector less attractive as an employer.

Employees' work satisfaction can strongly influence the type of psychological contract existing between the public institution and the civil service. The psychological contract is the "meeting point" of the employees and employers' contributions/expectations from each other. It is also important that those expectations met by the employer or employee are consistent with their expectations. Many organisations spend money and resources on meeting expectations that are not important for most employees and do not put any emphasis on what is really important for them, which they believe has value (Sparrow and Cooper 2003). In Figure 1 we can see how the level of employee work satisfaction influences psychological contracts that can contribute to a lack of individual/organisational performance. Generally, employers want to know: what are the expectations of their employees (A) regarding employer promises, the scale of importance of these expectations for the employee (I) and to what extent employees believe that these expectations are satisfied by their employers (S). The difference between these 3 factors is called the gap of psychological contracts:

The psychological contract gap = [employees' expectations (A) – expectation importance (I)] – level of satisfaction (S)

Figure 1

The link between work satisfaction and psychological contracts



In the last 20 years, this relationship between organisations and employees has greatly changed, passing from a mutual commitment to an exchange relationship. The changes in organisational structure, international competition, and new technologies, changes in workforce diversity and different work and family life are the main factors that influenced the transformation of psychological contracts into a transactional relationship. All these transformations had also affected the traditional thinking about career management and work satisfaction. Foreign Service officers have different and complex expectations from their employees and this is strongly connected to the level of satisfaction. Organisations do not offer promises of future employment but rather employability, by providing opportunities for continued professional growth and development (Greenhaus et al. 2010). This phenomenon is also a reality in relationships between Foreign Service officers and their employers because of the rapid changes that happen in the international relations world. In the Foreign Service sector, work satisfaction issues play an important role, but there are not sufficient studies in this respect. The lack of HRM studies in the diplomacy sector can have several explanations, but the most important one might be that this public sector had its doors closed to HRM research for many years. Today, together with the introduction of new concepts such as public diplomacy and multi-stakeholders diplomacy, this topic becomes more available to the public and the first studies were about the consular service satisfaction among national citizens. Over the last decade, many foreign ministries developed studies about work satisfaction among Foreign Service officers. All that interest, increased by the need to adapt “in real time” to the changes, appeared in international relations, but also by the rapid technological advance which foreign service officers perceived to be a

major job security threat. Another aspect is the creation of international organisations which “borrowed” a lot of national human capital from member states. Other aspects that explain the rapid growth in interest for this subject are the characteristics of a diplomat’s career: working all over the world in a multicultural environment, sometimes having his/her family members accompanying him/her abroad. Family aspects are a key element in Foreign Service officers’ work satisfaction, given their need for life long mobility.

The next chapter briefly introduces some research aspects and results developed by the Romanian MFA. Next, we will discuss some aspects regarding the reform developed as a result of the survey findings and we finish with some conclusions.

2. Work satisfaction in the Romanian Ministry of Foreign Affairs

2.1 Background

The next part of this paper focuses on work satisfaction analysed in the Romanian MFA. Work satisfaction is a research subject which is often approached, as it is generally believed that higher job satisfaction is associated with increased productivity, lower absenteeism and lower employee turnover (Hackman and Oldman 1980). It is not, however, possible to give a full outline of the literature on this subject as, already by 1993, there were more than 6,247 articles or dissertations on work satisfaction in the PSYCINFO computer database (Jayaratne 1993) and in the last decade the interest for this subject has increased.

There is also a growing number of articles on work satisfaction in the public sector. For example, in recent years Ting (1997), looked at the determinants of work satisfaction of US federal government employees. Reiner and Zhao (1999) looked at the work satisfaction of US Air Force Security Police and Barrows and Wesson (2000) made a comparison between the work satisfaction of professionals in the public and private sector. Karl and Sutton (1998) illustrated the importance of looking separately at workers in the private sector. Comparing job values of workers in the public and private sector, they concluded that whereas private sector workers rank “good wages” as the highest in importance, public sector workers ranked “interesting work” as the highest. Specialised literature illustrates many models that explain the differences in work satisfaction. Most times, two different types of variables are distinguished: individual and organisational. First, this includes variables such as race, gender, educational level and age. Although these variables seem to have some effect on job satisfaction, the explained variance is often not very high. Many studies have shown that variables linked to job content and organisational context are better able to explain differences in work satisfaction. Ting (1997) re-

ported that variables related to job content and the organisation are more important determinants of job satisfaction. He reported the significant effects of pay satisfaction, lack of promotional opportunity, task clarity, the utilisation of skills and the meaningfulness of the task. He also reported the significant effects of organisational commitment and relationships with supervisors and co-workers. Herzberg (1959) is one of the first who noted the importance of the work environment as the primary determinant of employee work satisfaction. In this paper we will look explicitly at the effects of organisational variables related to personnel practices.

2.2 Scope of the research

What is the level of work satisfaction in the Romanian MFA? This paper has tried to identify the strong and the weak aspects of work satisfaction in the Romanian MFA, the opportunities and also the threats of the global crisis, and aims to present the components of the reform developed in the last 5 years.

2.3 Methodology

In 2003, the Romanian Ministry of Foreign Affairs distributed a large survey to its employees (RMFA Work Satisfaction Survey). This survey did not take into consideration the political aspects and it was part of a large reform that began in 2000. It was applied only to career diplomats and administrative staff. Since then, many actions have been taken to increase work satisfaction amongst foreign service officers.

In total, 1114 employees (diplomatic and consular employees as well as administrative staff) were interviewed in 2003 (67 % of all employees). The ministry tried to make the sample as representative as possible by keeping a balance between Headquarters and the missions abroad, gender, age, diplomatic ranks and seniority as shown above:

- the gender distribution was 36 % women respondents and 64 % men. This was also the percentage of gender representation in the entire ministry;
- the subjects were aged between 22 and 60 (average age was 42.1);
- seniority was between one month and 40 years.

The survey is structured in five parts with items which aimed to identify overall work satisfaction:

1. **Satisfaction with top management.** This scale consisted of 27 items about strategic planning and communication of the strategic objectives to the employees; satisfaction with the overall policy of the ministry; satisfaction with the way management operates; team work; management style; ethics; equal opportunities and internal communication;
2. **Satisfaction with tasks.** This scale included 58 items about satisfaction with job tasks; satisfaction with future tasks; satisfaction with the level of autonomy; with

Diagram 1
Age distribution of respondents

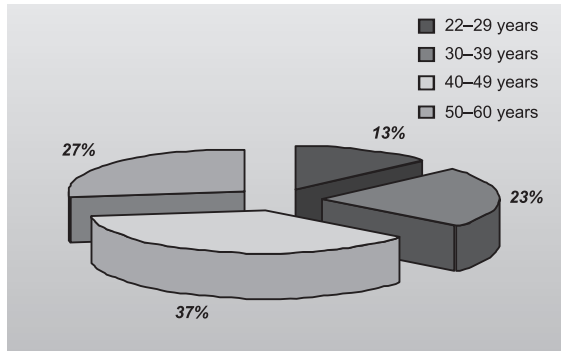
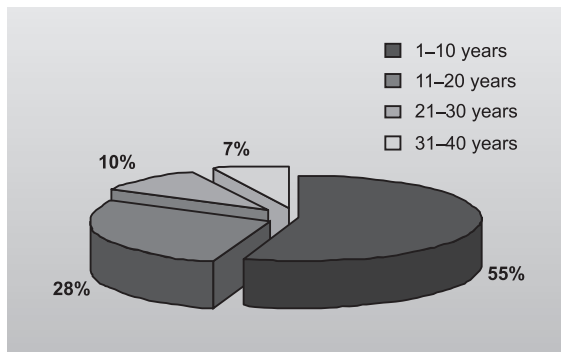


Diagram 2
Seniority distribution of respondents



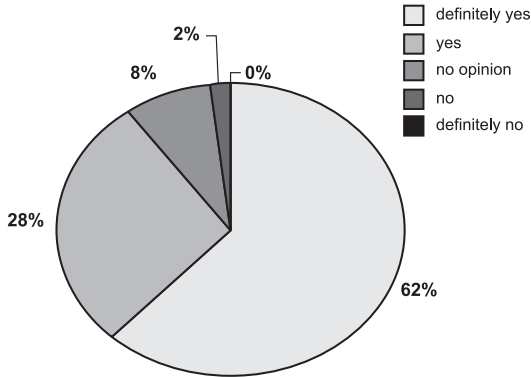
on-the-job training opportunities; team work; satisfaction with the level of pay; with work conditions; IT technologies and the work environment;

- Career management policy.** This scale contains 27 items about:
 - career planning** (existence of appraisal interviews, performance evaluation, mobility policy abroad, promotions, mobility);
 - career development** (personal development plans, career plans, individual coaching, training).
- Relationship with direct management.** This scale included 8 items about hierarchy, interaction with the manager, team work, and role and responsibilities of subordinates;
- One item regarding the **overall impression** of working for the Romanian MFA.

2.4 Results

The overall impression of the respondents is that they have a positive opinion of working in the Romanian MFA. In the last item “I enjoy working for the Romanian MFA?”, 62 % of respondents said categorically yes and 28 % said definitely yes.

Diagram 3
Overall working satisfaction in the Romanian MFA



We will first look at the main positive and negative aspects identified by the survey and Table 1 gives an overall view of them.

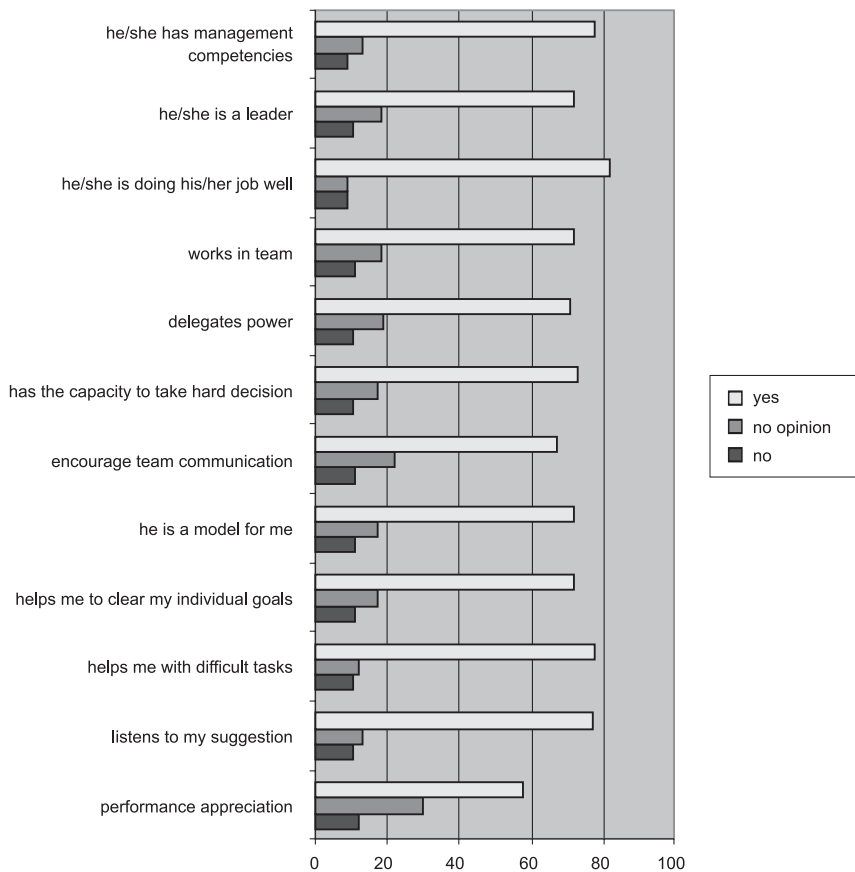
Table 1.
Positive and negative aspects of work satisfaction in the Romanian MFA

POSITIVE ASPECTS	NEGATIVE ASPECTS
Clear image about ministry strategy	Salary
Institution image, Prestige	Lack of a Statute for the diplomatic and consular corp
International career opportunities	Lack of benefits in the headquarters but also abroad
Team work	Insufficient specialised training programmes
Work autonomy	Correlation between salary and performance
Stimulated tasks	Lack of transparency in the mobility policy (working abroad)
Work itself	Responsibility (job description – lack of responsibilities)
Interpersonal relationships (with co-workers and clients)	Work environment, work conditions
Relationship with direct management	IT technologies
Multicultural work enviroment	Performance evaluation system
	Career planning and career development strategy

1. Positive aspects

- 96 % of employees had a clear image of the strategic objectives of the ministry and 93 % felt that their work contributed to achieving those objectives;
- 86 % of respondents were satisfied with work conditions and 75 % considered that those conditions stimulate them;
- more than 70 % consider that they are part of a team and almost 70 % appreciate that there is a collaborative environment between departments;
- 69 % considered they have work autonomy and this is a very motivating aspect;
- almost 70% of respondents were satisfied with their relationship with their direct manager. The diagram below represents the qualities appreciated by employees.

Diagram 4
Work satisfaction with the direct management



2. *Negative aspects*

- over 60 % of the respondents considered that the salary is not attractive and that there is a huge difference between headquarters' salaries and the salaries for diplomatic/consular staff from abroad;
- 47 % considered that the process of internal applications for MFA vacancies abroad is not transparent;
- 45 % see the performance evaluation system **as useless** because it has a high level of subjectivity and uses some rather ambiguous evaluation criteria;
- only 40 % of employees considered that top management listen to their opinions;
- almost 44 % of respondents are not satisfied with how their salary is correlated with performance levels;
- more than 43 % of respondents considered that the lack of career planning systems affect individual and organisational performance.

Several conclusions can be drawn from these statistics. First, we can see that there are many negative aspects of HRM policy and there are some issues that cannot be resolved simply by intervention from the management institution. This is why a legislative initiative is required. The next chapter presents the main reform actions developed in the Romanian MFA in the last 5 years.

3. **Romanian MFA reform**

The Public Administration Reform, particularly the reform of Central administration, is strongly influenced by national political, social and economic factors, but also by international factors such as globalisation, technological innovation, global economy, international relations and international organisations etc. A reform can only be successful with the help of civil servants and it requires their entire commitment. Due to their importance, civil servants should be well-trained, efficient and very motivated to do their job. We believe that the issue of work satisfaction is relatively new in our public administration and is becoming more and more present in our institutions, which need to analyse these aspects.

After the implementation of the survey above, The Romanian Ministry of Foreign Affairs began a large reform based on 2 pylons:

1. **The first pylon is the legislative reform that assured a better organisation and functionality of the ministry.**

In the next paragraph we make a short presentation of the most important legislative initiatives, in chronological order. The legislation regarding the status of the Diplomatic and Consular Corps has been constantly amended since the Revolution.

The **Law no. 269 regulating the Status of the Romanian Diplomatic and Consular Corps** was adopted and published in 2003 and represented a big step forward for the Romanian Ministry of Foreign Affairs. This Statute stipulates the privileges, immunities, rights and obligations of the Diplomatic and Consular Corps of Romania and aspects of admission to the ministry³, career pathways⁴, training and development⁵, financial aspects⁶, medical assistance on missions abroad or the possibility to take a second job⁷.

In 2004, a **Government Decision was adopted** (Government Decision no. 100/2004 regarding the organisation of the Romanian Ministry of Foreign Affairs) **with the purpose of improving the internal organisation of the Romanian MFA and becoming more flexible, given the rapid changes that took place in the international arena.** That initiative has also taken into consideration the need to adapt ministry organisation and structure to EU standards in the context of EU integration.

In order to attract well-trained people into the public administration, a new specific Law was adopted in 2004: **Law No. 495/2004 on salaries and other monetary rights for personnel employed within the headquarters of the Foreign Affairs Ministry, as well as for personnel sent abroad on diplomatic and consular missions and to the Romanian Cultural Institutes.** The main target of that law was to create a legal financial framework for employees of the Romanian MFA, diplomatic and consular corps and also for the back-office staff. This legislative initiative was aimed at stimulating the existing staff, and also to increase the attractiveness of the ministry to young people and attract the best-trained and capable personnel.

In 2005, **Government Decision no. 880, regarding the creation and organisation of the Romanian Diplomatic Institute (RDI) was adopted.** After creating this institute, every year more than 40 % of Romanian MFA employees participate in diplomatic training programmes developed by the RDI. A Basic Diplomatic Programme for young diplomats was developed, which helped them to obtain the basic knowledge and abilities for diplomatic work, which has stimulated networking amongst them and made an easier integration into the ministry. Those aspects con-

3 Art. 17 – (1) stipulates that the admissions in the ministry are made as a result of a contest and some eligibility conditions.

4 Art. 4 stipulates that the members of the Romanian Diplomatic and Consular Corps can have diplomatic or consular ranks and art. 9 stipulates that the promotion is made after having completed the stage between 2 ranks and after performance evaluation.

5 Art. 23 stipulates that diplomats and consular staff have the right to receive annual training.

6 Art. 24 – (1) and (2) stipulates that members of the Diplomatic and Consular Corps of Romania have the right to conditions comprising salary and other additional benefits for knowledge of foreign languages, confidentiality, seniority or holding a PhD.

7 Art. 49 stipulates that the quality of a member of the Romanian Diplomatic and Consular Corp is incompatible with any other public or private function, except in the case of a university function in an accredited university.

tributed directly to the increase in work satisfaction not only amongst the young, but also amongst senior staff. This was achieved by using a win-win formula: young diplomats have received support in order to help them effectively integrate into the system and senior staff have more time to dedicate to other important affairs rather than losing some 80 % of their work time in integrating new employees.

At the end of 2007, the Law No. 495/2004 on salaries and other monetary rights for personnel employed with the headquarters of the Foreign Affairs Ministry, as well as for personnel sent abroad on diplomatic and consular missions and to the Romanian Cultural Institutes, was modified in order to adapt the salaries of diplomatic and consular corps to EU standards. At the end of 2009, together with the global crisis, that initiative was affected by **Law no. 330 on the public sector unified wage** that reduced the wage level in the Romanian MFA.

2. The second pylon is the organisational reform with great attention to the HRM policy

As we saw in the results of the 2003 Work Satisfaction Survey, held in the Romanian Ministry of Foreign Affairs, many negative aspects were correlated with the HRM policy. Below, we present the main actions carried out by the organisational reform:

- **changing the internal document management system** by taking steps towards a more friendly IT approach and the automatisisation of routine activities, especially on consular work aspects;
- **creating a 360° evaluation performance** system with 21 evaluation criteria and clear objectives for evaluation. This evaluation is made at the end of every year and is correlated with the promotion system and training programmes;
- changing the old written exam (used until 2005) to a **promotion evaluation based on merit** that includes 4 different parts of the evaluation: professional experience abroad, training and development, managerial experience and performance evaluation made by an internal evaluation board. This is a transparent and competitive system because all results are made public and the rejected candidates are counselled to improve their performance and also receive recommendations for future training and development opportunities;
- **redesign of the diplomatic training system** by correlating it with the performance evaluation system and promotion procedure. Considering the performance results, at the beginning of next year, the HR department will carry out a complex evaluation of the training needs called Identification and Analysis of Training Needs. At that time, managers, as well as other employees, can suggest new types of training programmes.

4. Current opportunities and threats in the context of the financial crisis

The global financial and economic crisis presents significant challenges for Romania. As Albert Einstein said “A crisis can be a real blessing to any person, to any nation. For all, crises bring progress. Creativity is born from anguish, just like the day is born from the dark night. It’s in crisis that creativity is born, as well as discoveries and great strategies. The one who overcomes the crisis, overcomes himself, without letting himself/herself become overcome. Who blames his failure on a crisis, neglects his own talent, and is more respectful to problems than to solutions. Incompetence is the true crisis.”

Even if most people consider the financial crisis a negative issue, we believe that a crisis also has some positive aspects. For the Romanian MFA, for example, it is an opportunity to focus on the development of new procedures and development programmes for employees, bearing in mind that the hiring procedure has been blocked by the Government because of a lack of funding. Another opportunity lies in seconding diplomats to EU institutions and to other international organisations such as NATO. This is an advantage and also a disadvantage. It is an advantage because it is in the Romanian national interest to have national experts in international organisations, but also to return to the “mother” institution with expertise and new skills. It is a disadvantage because of the lack of national expertise that cannot be replaced due to the blocked contests in the public sector.

Another opportunity is the access to European funding. Between 2007 and 2013, 208 million euros were allocated to Romania for the Operational Development Programme of Administrative Capacity, through the European Social Fund. But this is not the only option, because there are 2 other national programmes whereby Romania can obtain funding (Operational Programme Human Resources Development and Operational Programme Increase of Economic Competitiveness). Taking into account that the national co-financing needed is only 2% per project – and that up to 98% of the eligible expenses may be covered from structural funds, the Romanian MFA has a great opportunity to develop projects in the HRM field that can improve employee competencies (training projects), internal procedures (IT projects) and public policy strategy.

The “threats” of the crisis, including lower salaries, may lead public employees to look for better-paid jobs in the private sector, given the restriction imposed by law: a civil servant can only have an extra job within academia, not in the private sector.

5. Conclusions

Commitment and participation of workers in the public sector is related to their work satisfaction. Motivation and commitment of workers are essential conditions for successful public institutions and a key element of HRM policy.

Overall work satisfaction of Romanian Foreign Service Officers seemed not to be particularly high, but the reform developed in the last 5 years has eliminated many of the negative aspects identified by the 2003 survey. The Law no. 269/2003 regulating the Status of the Romanian Diplomatic and Consular Corps, introduced by the Romanian Diplomatic Institute (2005), or the Law No. 495/2004 on salaries and other monetary rights are the main legislative initiatives that contributed to this process of improving the level of work satisfaction in the Romanian MFA. To these initiatives, we could add organisational structure changes stipulated in Government Decision no. 100/2004 regarding the organisation of the Romanian Ministry of Foreign Affairs and the new HRM strategy. **An increase in popularity of HRM practices is especially related to a higher satisfaction with management of the organisation and with career support.** Today, Romanian MFA employees have more confidence in the top management.

Changes are still required in Romanian public organisations in order to improve HRM policy and to increase work satisfaction among employees. Work satisfaction of employees brings increased individual performance, less conflicts, creativity and cost effectiveness in a period when financial aspects are very problematic due to the global financial crisis. This finding also illustrates the need for public administration academics and practitioners to include more studies on HRM in their theories and policies and especially in the field of work satisfaction.

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- Law No. 495/2004 on salaries and other monetary rights for personnel employed with the headquarters of the Foreign Affairs Ministry, as well as for the personnel sent abroad to diplomatic and consular missions and to the Romanian Cultural Institutes are just the main legislative initiatives that contributed in this process of improving the level of work satisfaction in the Romanian MFA.
- Law no. 269/2003 regulating the Status of the Romanian Diplomatic and Consular Corps.
- Law no. 330/2009 on the public sector unified wage.

Developing a New Approach for Civil Servant Appraisal in Ukraine

Ivanna Ibragimova¹

This paper seeks to describe current Ukrainian efforts and approaches aimed at developing a new approach for civil servant appraisal. It offers an overview of the processes and problems identified with the current approach, including inputs received from an extensive consultation process. The paper sets out the lessons learned and the key recommendations for a new appraisal procedure in Ukraine.

1. The Ukrainian civil service context

The Ukrainian civil service is a relatively young institutional mechanism whose origin dates back to the emergence of an independent Ukrainian state in 1991. Despite its nascent stage of development and professionalisation, the *contemporary* Ukrainian civil service traces its roots back to the tradition of public administration which emerged in Ukraine over nine decades ago. The year 2008 marked the 90th anniversary of the establishment of public administration in Ukraine under Hetman Pavlo Skoropadsky. Ukraine's historical experience and tradition in public administration – including a separation between administrative and political spheres at that time – bear important and relevant lessons for the emerging contemporary Ukrainian civil service. The evolution of this bureaucratic apparatus is being moulded and impacted by many factors – some historical such as those noted above, some internal such as the movement to consolidate democratic institutions within Ukraine after decades of authoritarian rule and some external such as the process of Ukrainian integration with the Euro-Atlantic community.

The current law *On Civil Service* sets out the legal framework within which the Ukrainian civil service operates. It was originally passed in 1993. The adoption of this initial law served as an impetus for the development of the whole of the con-

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temporary Ukrainian civil service system. At an institutional level, many significant changes preceded the introduction and passing of this foundational law.

In recent years, in response to internal assessments on the effectiveness and responsiveness of the law *On Civil Service* as well as recommendations of international experts, the MDCS has been leading the development of a new law on the civil service to bring the Ukrainian civil service in closer alignment with European principles of public administration. The draft law envisages a formal separation between administrative and political spheres in the public sector in Ukraine and sets out key human resources management processes and procedures related to hiring and promotion, classification, appraisal, dismissal, the cadre reserve, civil servant training, etc.

Overall, since independence, more than forty (40) legal and policy acts (“normative acts”²) have been issued, offering policy direction and regulation within the civil service sphere, including the *Anti-corruption law* and the establishment of different procedures and standards for human resources management. Professionalisation of the civil service (CS) is considered to be an essential component of Public Administration Reform in Ukraine³ as part of a broader reform effort to ensure adaptation of the civil service to EU standards.

Significant progress had been made in reforming the current system of governance; however, much remains to be accomplished. The public administration challenges for Ukraine are numerous and include the need to provide a stable legal framework in order to legitimise the function of public institutions, to strengthen the policy making system, and to depoliticise the civil service⁴ so that it functions as a professional corps and merit-based bureaucratic apparatus. The civil service needs to transform both its image and approach in order to be recognised as an employer of choice in the Ukrainian labour market

On the basis of the baseline assessment of the key civil service human resources management functions, a roadmap for civil service reform in Ukraine was developed

2 At the moment, there is no differentiation between policy and legal acts in Ukraine. There is a dominant preoccupation with legislation and law-making, which leaves little space for operational flexibility and discretion at the level of policy implementation.

3 The Concept on Public Administration Reform in Ukraine, Presidential Decree No. 810 dated 22 July 1998.

4 To date, there is a lack of clarity in terms of the scope of the civil service and there has been no effective separation between political and administrative spheres. As such, the political-administrative interface represents a “grey” area which limits explicit space for the development of a professional, non-partisan civil service which could be staffed through appointments solely on the basis of merit. The civil service, as it presently exists, is subject to fluctuations and volatility at the political level – with the core of the civil service being directly affected during times of transition in political leadership. Furthermore, as a result of these ongoing fluctuations – much of the corporate memory within the civil service is effectively eroded with each change in government and Minister.

entitled the *Strategic Framework for Human Resources Management*⁵, where forty-two (42) recommendations were formulated to support comprehensive reform of the central government human resources management system and to contribute to the building of a modern, democratic, professional, merit-based, ethical, politically neutral, diverse and sustainable civil service in Ukraine. Improvement of the performance appraisal system was among the key recommendations and planned activities for UCS-HRM project in support of civil service reform in Ukraine.

Development of the new approach to performance appraisal was officially declared as one of the key priorities for the civil service and HR reform in Ukraine⁶.

2. Developing a new performance appraisal procedure in Ukraine

A new approach for civil servant assessment in Ukraine was developed within the *Ukrainian Civil Service Human Resources Management Reform (UCS-HRM) Project*⁷ in co-operation with MDCSU⁸.

5 The Strategic Framework for Human Resources Management was developed within the Ukrainian Civil Service Human Resources Management Reform (UCS-HRM) Project, which is a technical assistance project based in Kyiv, Ukraine, funded by the Canadian International Development Agency and implemented by the Canadian Bureau for International Education in collaboration with the Main Department of Civil Service of Ukraine. Framework recommendations were presented at the 17th NISPAcee Conference in 2009 http://www.nispa.org/conf_program_full.php?cid=17.

For an electronic copy of the *Strategic Framework for Human Resources Management*, please see <http://www.ucs-hrm.org.ua/zagalni-dokumenti/view-category.html>.

6 The need for its improvement has been officially recognised in Ukraine through a set of (conceptual) normative documents, including, but not limited to, the “Strategy of Civil Service Reform” approved by Decree of the President of Ukraine on 14 April 2000 #599, The Concept of Adaptation of Civil Service in Ukraine to the Standards of the European Union approved by Decree of the President of Ukraine on 5 March 2004 #278, and the Programme of Civil Service Development for 2005–2010 approved by Regulation of the Cabinet of Ministers of Ukraine on 8 June 2004 # 746. Please visit <http://www.rada.gov.ua> for an electronic copy of the above-noted normative documents.

It was also included among the recommendations of international experts in the area of civil service reform, for example, in the SIGMA Governance Assessment in Ukraine conducted in 2005–2006. SIGMA, 2006. *Ukraine, Governance Assessment*. <http://www.oecd.org/dataoecd/46/63/37127312.pdf>.

7 Ivanna Ibragimova, Paul Migus, Larissa Bezo, and Sylvia Pollock are Project experts who have been engaged in the development of the proposed new procedure in collaboration with the MD-CSU. For more information on the Project, please visit: <http://www.ucs-hrm.org.ua>

8 The following are the key MDCSU employees from the Personnel Department of state bodies and local self-government bodies engaged in the development of new procedures: Yuriy Pizhuk (Department Director), Lubov Shevchuk (Deputy Director of the Department – Head of the Unit of personnel management in local state administrations and service at local self-government bodies) and Oksana Omel’chenko (the Head of the Unit on the management of personnel in central executive government, bodies and other state bodies). Other MDCS employees, as well as civil servants from other governmental institutions, were also engaged in the discussions of the current procedure and provided their input on how to improve the approach to performance appraisal within the Ukrainian civil service.

The development of the new procedure for performance appraisal consisted of several steps. In February 2009, the MDSCSU created a policy analysis group tasked with formulating recommendations on improving the current approach to annual civil servant evaluation. This group consisted of MDSCSU employees and representatives of other governmental institutions. They received training on policy analysis⁹ and, with the support of the author, developed a policy paper on the civil servant appraisal process in Ukraine.

Consultations with civil servants across the system took place during the development of the paper to assess the strengths and weaknesses of current practices, as well as expectations for improvement. For the first time in the Ukrainian civil service on 24 and 25 June 2009, four focus groups were conducted to seek input from civil servants prior to the actual development of a proposed new procedure/mechanism. There were 30 participants in the focus-groups representing 11 central executive bodies from across executive government, including a focus group with the heads of departments and divisions and their deputies; a focus group with the heads of units/sectors; a focus group with the heads of personnel units; and a focus group with specialists (general civil service cadre). A draft policy paper was also presented at a number of seminars and workshops for civil servants from central and local levels with the active engagement of the heads of human resources departments.

These consultations helped to clarify existing problems with the current procedure of appraisal, identify different perspectives with regard to possible improvements, as well as challenges associated with future changes to the approach. These discussions demonstrated the importance of essential communication and training support to ensure the future effectiveness in implementation of a new performance appraisal procedure.

As an intermediate step, at the end of the year 2009, some changes were introduced to the current annual evaluation procedure¹⁰. The new procedure was developed and went through inter-agency consultations. It is expected that following the approval of the new draft law on the civil service, the new procedure will be submitted for the consideration of the Cabinet of Ministers of Ukraine.

⁹ A policy paper is not an official document, it is rather considered to be an output of training exercises of a learning policy analysis group with the aim of helping in the development of the required normative acts. Since 2005, MDSCSU has organised several projects aimed at creating policy analysis groups within central government bodies and an associated network of said groups across the Government of Ukraine. These groups are exposed to training in the development of policy papers.

¹⁰ The list of criteria for evaluation and the requirement for an individual work plan were cancelled at the end of 2009 as part of the preliminary work in the development of a new approach for annual civil servant evaluation. For details, please refer to part 3.

3. Moving beyond the current approach to performance appraisal: challenges and needs

The key problem within the civil servant appraisal system in Ukraine is its very formal character (i.e. serving largely as an administrative rubber stamp). As a consequence, the performance appraisal process has, to date, exerted very limited influence on civil servant performance and the overall performance of government bodies. Appraisal is not used or seen sufficiently as an effective HR instrument.

There are a number of different problems (reasons) that have impacted upon the ineffectiveness of the current appraisal procedure, including the following:

There is a *lack of a unified approach* to civil servant performance evaluation, due to the fact that there are two different parallel procedures which are in existence – annual evaluation (conducted between a manager and employee) and attestation (conducted by an Attestation commission, created within a government body and headed by a deputy head of it, once every three years)¹¹. Across government, public authorities have applied these procedures inconsistently. This has resulted in a situation of inequality in treatment and caused much confusion within the system as to the intended approach.

Civil servants in Ukraine, who took part in the discussion of existing procedures, including focus-group meetings, expressed different points of view with regard to performance appraisal – while some stand for the abolition of the annual evaluation, others – of the attestation process. The key concern is the impact of the procedure on a servant, who undergoes the appraisal. Several respondents stated

11 According to the current legislation, “the goal of the annual evaluation is to ensure regular control over the civil service and professional achievements of civil servants; facilitation of the improvement of staff selection and placing, development of initiative and creativity of civil servants, identification of their potential and learning and personal development needs and career planning; improvement of the processes of planning and organisation of activities of civil servants and governmental bodies, identification of organisational problems and enabling an immediate response to them, analysis of the work descriptions”. *Typical order on conducting an annual evaluation of the duties and tasks assigned to civil servants*, approved by the MDCS Order dated 31 October 2003. For an electronic copy of the order, please see <http://www.rada.gov.ua>.

The goal of attestation is to increase the effectiveness of civil servants’ performance and responsibility for given tasks in governmental bodies. Attestation is a tool of evaluation of the work and professional qualities of employees during the performance of their official duties, determined by the professional and qualification descriptions of their positions and presented in job descriptions which are approved by the heads of public authorities.

Order on conducting civil servants attestation, approved by the Cabinet of Ministers of Ukraine Regulation dated 22 December 2000 # 1922 (developed in accordance with item 20 of the Strategy of civil service reform in 2000–2001, Order of the President of Ukraine 26 July 2000 p. # 925). Methodic recommendations with regard to the application of the Order of attestation implementation, MDCS Order dated 17 November 2004 # 201. For an electronic copy of the order, please see <http://www.rada.gov.ua>.

Typical order on conducting annual evaluation of the duties and tasks assigned to civil servants, approved by the MDCS Order dated 31 October 2003. For an electronic copy of the order, please see <http://www.rada.gov.ua>.

that the procedure of annual evaluation was useful for them as they had good (motivating) discussions of their strengths and weaknesses with their bosses. However, this happens rather rarely. Very often, those who conduct an annual evaluation as well as those who are being evaluated (within both procedures), consider the evaluation procedure to be a pure formality. Those, who prefer the attestation procedure, refer to it as a more powerful mechanism, because it presupposes the engagement of senior officials from within government bodies and has the potential to lead to serious consequences (those who will be assessed as being in non-compliance within a given position, risk being fired from their position – as such, attestation provides a real opportunity to rid organisations of ineffective employees). At the same time, the interview process in front of the attestation commission puts intense pressure on employees to perform.

Although 90 % of civil servants receive good and excellent appraisal rating levels¹², both existing procedures demotivate personnel. Moreover, they are largely considered a tool for punishment rather than as a strategic instrument available to managers and employees in the workplace. Employees expect to receive only positive grades, as negative grades are interpreted by civil servants as a personal threat to their employment livelihood. The majority of servants would simply prefer to avoid the appraisal procedure altogether.

Ukrainian legislation presupposes linkages between appraisal and promotion, training, payment of incentives/bonuses, etc.; however, in practice these procedures have little effect¹³. Evaluation results have influence on neither the employees, who are being evaluated, nor the managers, who are conducting these evaluations. At present, they are taken into consideration mainly in cases of extending the term of an individual's tenure within the civil service (for those who have reached a pensionable age and are required to retire by law) and, in the opinion of consultation respondents – in the case of firing¹⁴.

12 For example, according to the annual evaluation results, 94% of civil servants of central executive power bodies received positive final grades, incl. 79.7% – “good”; 14.1% – “excellent” in 2006 and 78.2% – “good”; 15.6% – “excellent” in 2008. There is a similar situation at the local level, as 95–96% were evaluated positively (81–82% received the grade “good” in 2006 and 2008). As a result of attestation, in 2007, 97.5% of civil servants at the central level and 96.14% of civil servants at the local level who went through attestation, were evaluated as those who are in compliance within their position under conditions of recommendation implementation were 3.28% of civil servants at the central level and 3.74% at the local level; those who were assessed as being not in compliance within their position – 0.007% at the central level and 0.12% – at the local level. MDCS Statistical Data, www.guds.gov.ua

13 Linkages with the provision of next rank, training, awards/bonus payments, etc., mentioned in the current regulation on evaluation, are not direct and they largely depend upon the implementation of other normative acts.

14 This opinion is quite strong as a low evaluation grade (score) often serves as a means for imposing sanctions and possible dismissal of a civil servant from their position. In 2007, 44% of those who received a decision of the attestation commission indicating that they were not in compliance with their current positions (0.16 per cent (265) of civil servants, who went through attestation) were fired, others were appointed to other positions.

If reading the existing normative act on annual evaluation one could notice many typical provisions, which could be found in more experienced democratic countries. But mainly, these provisions remain on paper and the character of the procedure and its impact are highly affected by the ‘command and control’ administrative tradition and culture, which serves as a barrier and deterrent for civil service reform and performance appraisal, in particular. It should be noted that HR procedures are highly centralised in Ukraine. The present hierarchal and closed administrative culture within the civil service is one that is focused on control where individuals are “managed” with the emphasis on punitive measures. Limited attention is paid to civil servant growth and career development, or in cases of non-performance, upon corrective measures. Further, there is limited effort in building a workplace culture of mutual trust, support and open dialogue. Present HRM processes and procedures fail to provide positive improvements and reinforcements in workplace culture at an operational level. This situation is further exacerbated by a weak system of redress for civil servants. Combined, the above-noted elements offer little in the way of incentive for individual civil servant career growth and perspective.

It should be acknowledged that there is also a lack of attention to the substance of innovations, which undermine or make it more difficult to implement new procedures or to improve them or reform in general. Over the last decade many new concepts and principles have been introduced (i.e. transparency, accountability, good governance, leadership, performance, results-based management, etc.) into the public administration rhetoric in Ukraine. In some instances, newly introduced principles continue to exist at the abstract level – not having been translated into an operational reality within the civil service. In some instances, notions and practice became different because of the different context and different experience and *lack of understanding of the essence/true meaning and implications of principles and mechanisms*. They have failed to be operationalised in the civil service due to a lack of support for implementation (i.e. training, mentoring, advisory support, etc.). That is also a story of performance appraisal introduction.

Lack of understanding by managers and specialists of the needs of, and goals for, conducting performance appraisals to a large extent, explains the current practice. Managers often do not understand their responsibility for HRM and associated main HR functions; conducting an annual evaluation is rarely used by managers as an opportunity for meaningful communication with subordinate employees to help a civil servant improve his/her performance. Sometimes managers ask personnel units to prepare the documents needed in their place in order to have the procedure envisaged by the legislation in place. In general, there is a *lack of information and methodological support* for evaluation, including a *lack of explanatory activities*.

Currently, the mechanisms for evaluation and attestation are not based on clear *criteria*. During attestation, standardised evaluation criteria are not employed

– resulting in much variation (for instance, an interview with one employee can last 5 minutes, while a second interview can last up to 1.5 hours). Although the procedure refers to the job description of a civil servant, they are of little help, as usually they are written in a very generic/abstract way and presuppose implementation of “other duties, required by the superior”, which in practice could include various not always relevant activities that often require an essential proportion of their work time. Civil servants usually do not know what questions they will be asked “on examination”. This reality creates unfair and unequal conditions for civil servants. This situation is also an open window for political influences in case of the desire to get rid of undesirable employees. In the case of annual evaluation, up until the end of 2009, managers were provided with recommendations on the use of 15 criteria. These criteria were vague and overlapping. Further, they were inconsistent and did not allow for easy identification of relevant ratings¹⁵.

Although the “quality of work” was one of the recommended criteria, it was used quite subjectively without thorough analysis of achievements, shortcomings and means for improvement. Planning highly undermined evaluation/attestation due to the absence of an effective hierarchy of policy documents, the contradiction between conceptual acts, the lack of consistency in priorities and the cascading of tasks-orders from higher level institutions – all of which result in the presence of many unexpected work tasks ultimately forming the dominant part of a civil servant’s workload. Lack of clarity between the hierarchy of goals between the government, agency and a civil servant’s associated role and numerous assignments make it almost impossible or at least unbelievable to fill in individual civil servant’s work plans at the beginning of the year. Civil servants’ individual work plans¹⁶ were also formal; they primarily determined only certain activity directions and mostly were updated during the year. Often, while performing duties and responsibilities, a civil servant does not see the main goal/purpose of his/her work and his/her activity is not result-oriented¹⁷. According to the data of focus-groups, managers often filled out the evaluation forms/tables (as an annex to the Performance Evaluation Form) mechanically and defined the final score before the actual evaluation and did not take into account recommended criteria of evaluation.

The system of *final evaluation scores* used in annual evaluations were associated with the marking system which was employed within educational institutions

15 For example, for such criteria as professional abilities and skills, planning of work, professional knowledge, responsibility, leadership capacity and discipline, the description of performance at good and high levels was not clearly separated and often overlapping.

16 This plan was cancelled at the end of 2009.

17 To a great extent, civil servants work plans, as well as job descriptions, depend upon the level/degree of generality/abstraction (inaccuracy) of regulations of departments/units and organisations.

– thus only one (maximum two) rating (from four) were considered as positive¹⁸. There is a lack of understanding of the concept of performance which exceeds expectations. Generally speaking, there appeared to be an opinion that, to a great extent, evaluation outcomes depended upon the *subjective attitude* of a manager and the relationship between an individual civil servant and his/her immediate supervisor/manager.

Respondents stated that the Performance Evaluation Form was imperfect and complicated; it took too much time to fill it in and after the procedure a lot of *papers* were collected in a personnel file which became cumbersome; as a rule this information was never referred to or made use of in the future human resources management processes and procedures.

The *evaluation and attestation of managers*, especially senior managers, have not been consistently undertaken in Ukraine for a number of reasons. Due to the *high turnover* at the management level, many managers do not undergo evaluation/attestation. This also applies to many civil servants, due to the fact that their managers have supervised them for less than one full work year. Such practices create unequal conditions for civil servants and undermine responsibility for HRM, ultimately lessening opportunities for managers to conduct needs assessments of their staff. There is limited understanding of the need for considering generic competencies for managers¹⁹. Overall responsibility for managing people is rather limited to the formal assigning tasks.

Oversight of the implementation of an annual evaluation/attestation is insufficient. There is very limited reporting/accountability for the performance evaluation/attestation on the part of managers, with no discussion of the evaluation practice at the level of institutions on how to improve the approach. Further, there is no reporting of the heads of executive power bodies to the higher superiors on HRM, including the conduct of attestation and annual evaluation; the results are not used to analyse “policy” at the general level. *Reporting* on, as well as *analysis* of, civil servants’ performance evaluation/attestation outcomes are quite limited. Reporting data does not allow for the elaboration of linkages between evaluations and civil servant progression within the system (e.g. training, compensation, career development). The MDCSU has access to quantitative data, including data on the number

18 The final grade within annual evaluations includes: below average, average, good, excellent. Attestation Commission conclusions could be the following: employee is in compliance with the position; is in compliance with the position “under the conditions” of implementation of recommendations (with regard to “upgrading of professional qualification” (training) in certain areas, acquisition of computer skills, etc.); is not in compliance with the position.

19 There were 5 criteria which were recommended for the manager’s evaluations and they were not sufficiently clear and comprehensive. They did not take into account responsibility for planning, HRM, leadership issues etc. These criteria were not connected to government priorities and do not allow implementing unified approaches to planning and evaluation of results and achievements. These criteria were cancelled at the end of 2009 as a result of the consultation process mentioned above.

of recommendations provided to place a civil servant on the cadre reserve list, to undergo an internship for a higher position, to confer a higher civil service rank, to add increments (envisaged by the law) or to change the amount of the increment, to raise the issue of the prolongation of civil service tenure, but there is no information about the implementation of these recommendations as well as information about providing recommendations to those who were evaluated as not in compliance with their positions, etc.²⁰. Such a situation complicates possibilities of consultative and methodological support of annual evaluation and attestation entrusted to MDSCS.

In summary, Ukrainian civil servants, who took part in focus-groups and other discussions, expressed the following needs and expectations with regard to improving the current and/or developing a new performance appraisal procedure:

- To get rid of formalism and guarantee positive influence/real impact of the procedure (including bonuses at the end of the year, etc.);
- To avoid subjectivity during evaluation;
- To weaken the psychological pressure on civil servants;
- To use evaluation as a motivational factor to improve performance and development of civil servants;
- To improve methodology of the use of criteria of performance effectiveness taking into account the real workload, ethics and professional skills;
- To conduct public awareness activities with regard to HRM, purpose and method of evaluation;
- To decrease paperwork, to avoid maintenance of unnecessary information etc.

There is a strong expectation for the procedure to be simplified.

3. A clear direction for a new approach to performance appraisal

Based upon an analysis of the challenges facing the current approach to performance appraisal, the following policy goals were formulated for consideration for the future direction of civil servants' performance appraisals.

The *main policy goal* is to ensure the effectiveness of the performance appraisal process and increase its impact upon the performance results of civil servants and the governmental bodies in which they are working and also to strengthen the connection between evaluation and civil servant development within the system. It is

²⁰ In 2007, 18% of those who went through attestation received recommendations, incl. 58.6% of them – to be included in the cadre reserve list, 18.6% – to be the subject of prolongation of the civil service tenure; 9.8% – to receive a new civil servant rank, 5% – to obtain an increase in financial increments envisaged by legislation, 8% – to proceed to an internship at a higher level.

necessary to overcome formality in the process of conducting annual performance appraisal in order to ensure a meaningful orientation and management towards expected performance results.

Evaluation should promote excellence in performance due to recognition and the annual rewarding of achievements (expected results of performance) which is linked to the strategic priorities of the governmental body and its units in accordance to the principles of the civil service, ethical behaviour, etc.

It should not be a civil servant's examination or evaluation of personalities but the evaluation of their performance, results and professional behaviour. It is important to interpret and use appraisal as a management tool for motivation, support and development, oriented towards current and future successes, but not as old-fashioned control and punishment.

The key aspects of the new system to be considered are presented in the chart (Annex 1).

These would require the introduction of changes in the following directions.

- First of all, it is important to provide a *unified approach* to the civil servant's appraisal and its consistent implementation to ensure consistency, transparency and fairness. This presupposes a cancellation of the current attestation procedure and improvement of the annual evaluation procedure by incorporating the strengths of the two existing procedures, while reducing unhealthy pressure on servants.
- The *improvement* of the *planning* system creates the basis for a new performance appraisal. There is a need to align planning to government priorities and develop a comprehensive performance management system which explicitly links the current approach to strategic planning with the annual performance appraisal within the Ukrainian civil service.
- The improvement of the *mechanism* for conducting the annual appraisal would require the establishment of clear evaluation criteria and final grades, clarification of steps, key responsibilities and peculiarities of performance evaluation of different civil servants' groups (i.e. senior officials, managers and the general civil service cadre (specialists) at the central and local level, etc.).

Performance results should be the key criteria for civil servant appraisal, with expected performance outputs and evaluation indicators to be identified at the beginning of the reporting year and clearly communicated and discussed between a manager and subordinate employee.

In the future, the appraisal process should include consideration of the *needs* of individual civil servants in the area of *competency development*, including leadership competencies, and the means for providing for this development.

During evaluation it is important to ensure *effective dialogue* between the manager and subordinate servant with regard to the discussion of the plans of the organisation and servants, linkages between them, expected performance results at the beginning of the year and *ways of performance improvement*, rewarding the achievements and input of an employee towards the successful performance of the government body during the interim and final assessment. It is necessary to devote sufficient time to discussion with the appropriate description of performance results and results of the discussion in the appraisal form (template).

The managers are to be personally responsible for the effective performance appraisal of their subordinates, guiding and maintaining on-going dialogue with them. The HR staff have to play a strategic role in providing consultation and methodical support to the whole process of appraisal.

It is recommended creating an Evaluation Committee within each institution, comprising of the heads of the bodies (government secretaries in the future) and deputy heads – who would be responsible for the provision of the strategic oversight of the transparent, fair and objective civil servants' performance evaluation and would facilitate the achievement of the department's strategic objectives and performance improvement, and employees' development and promotion using the existing institutional capacity. The idea is that the Evaluation Commission will analyse individual contributions to the organisation relative to others operating within the same category and ranking level, with the aim of ensuring a consistent approach to evaluation across the organisation, support fairness in the evaluation and the best use of human resources within the institution. The analyses could reveal common problems, subjective position of managers and the need to improve managers' activities, etc.²¹

- It is extremely desirable to ensure the effective *analysis of the results* of the appraisal and their impact on further civil service passing, which is impossible without the improvement of reporting at the level of individual organisations and the civil service as a whole. The *reporting* is to be modified to allow its feasibility, analyses, comparability, sharing and learning from it. Not only should the format be changed but also the content and mechanisms of reporting at the level of an institution and the government in general (to strengthen policy over-sights). Not only quantitative data, but also qualitative data, should be available for analysis. This would allow an oversight of the general picture, trends, successes and shortcomings and to learn lessons from own performance to meet government goals and public expectations.

There is a need, not only to establish reporting requirements, but also to develop *information systems* to support HR people in preparing reports and *tools*

21 For more information about the new mechanism, please refer to the next part "Proposed new procedure" and "Annex 2". Draft Sample of the Annual Civil Servants' Performance Appraisal Form.

for managers to self-assess internal best practice and set the requirements and outline the contents for the annual report on overall performance appraisal within the civil service, which will be submitted to the highest administrative official (in the future – the Governmental Secretary). It is important to identify the governmental body which would be responsible at the strategic level to correlate the results of annual performance evaluations at the corporate government level/within the civil service, with strategic planning of HR at the government level.

There is a need to strengthen the MDSCS' oversight role in the performance evaluation process as the MDSCSU is leading the reform of the civil service and it will develop new regulations, guides, tools/templates and will provide methodological support and training.

- It is vital to ensure a wider understanding of the reasons for performance appraisal and the effective ways to implement it. This requires strengthening of information, methods, consultation and training support, which should accompany the introduction and implementation of the new performance appraisal procedures. It is to be based on a developed comprehensive communication strategy and training strategy/plan.

These pre-suppose the development of information products, including guidelines, frequently asked questions/fact sheets, and the organisation of special events, etc.; provision of consultations and organisation of explanatory activities (with regard to the aims and methodology of the evaluation, including a system of final evaluation grades (scores), the need to discuss the possibilities of civil servant development and input into the achievement of organisational goals and ensuring the effectiveness of the government body); development of the training package for civil service managers to build capacity in applying the new approach to performance appraisal. It is essential to help managers to realise their responsibility for human resource management and the potential of the evaluation tools to maintain feedback, build trust and foster development.

- To serve as a tool for motivation, it is important for the appraisal procedure to envisage ongoing dialogue, support and feedback on the results of the performance. Feedback includes the provision of relevant recommendations. Thus, it is important to provide linkage between evaluation results and passing the civil service (e.g. year-end bonuses on the basis of appraisal, decisions on rewards, promotion and in-service training, etc.). It is necessary to establish linkages between performance evaluations and professional training and development (individual learning plans for civil servants is to be the one of the main elements of the system of planning and evaluation). There is a need to improve approaches to foster the promotion of civil servants and provide other forms of non-monetary recognition, based on the results of the performance evaluation.

Together with these recommendations, the following appraisal policy principles were emphasised during the discussions on the new approach to civil servants' performance appraisals:

- Consistent application at all levels, standardised approaches at the level of individual public institutions and the government as a whole;
- Fairness of the evaluation process; evaluation of both managers and employees based on the same principles;
- Strategic approach to appraisal (linkages with the strategic goals of the government and government bodies);
- Long-term perspective (taking into account the future needs of the organisation and the possibilities of development and career growth for civil servants);
- Objectivity, political neutrality, avoidance of prejudices; the use of measurable performance indicators;
- Transparency/understanding of the evaluation process and criteria by all participants; on-going open dialogue;
- Consistent and regular appraisal (annually);
- Supportive process – civil service managers are responsible for providing their staff/subordinates with the necessary training and tools to support performance on an ongoing basis, including encouraging continuous dialogue between the manager and the employee with regard to plans and performance results; responsibility of managers for the provision of support to employees;
- Respect for the dignity of each civil servant; appraisal not for the sake of punishment but for the sake of helping to improve and develop civil servants;
- Protection – employees have the right to provide input in the performance appraisal process and to seek redress if they feel that decisions are unfair.

Overall, the goal of the reform is to increase the effectiveness of the performance appraisal approach and to introduce a focus on performance management within the civil service – both at the level of executive government as well as at the level of individual civil servants. Thus, it is important to improve the actual mechanism for performance appraisal and to ensure consistency, transparency and fairness in the implementation of the performance appraisal policy and process.

4. Consultative input to the development process for a new appraisal process

The above noted and other (more precisely, technical) recommendations were discussed with key members of policy groups and understanding was gained to follow the suggested course of the reform. It was a concordance that the new procedure has

to be focused on performance results in comparison to plans and envisaged bonuses at the end of the year, depending on the results and ratings.

Several drafts of the new procedures on performance appraisal (draft of the Cabinet of Ministers of Ukraine Regulation on the order of appraisal of the results of the official activities of civil servants) were already developed; they are different in their formulation but the same in terms of essence. They include the new template for appraisal (see Annex 2) for managers and specialists appointed prior to the month of July of the reporting year; for managers and specialists appointed after July of the reporting year²² and a template for the appraisal of deputy heads of executive bodies. The learning plan and the performance improvement plan (for those, who are not sufficiently efficient) are parts of the new appraisal template. A draft of methodical recommendations (guidance) is also under development and should be finalised after the improvement of the regulation by the Cabinet of Ministers of Ukraine.

The issues which have attracted most discussion and attention to date have included the following:

- The criteria for the evaluation (how to evaluate them, what to do with competencies, as by now there is insufficient clarity in this regard; what to do with the overwhelming volume of unpredictable tasks, etc.);
- The role of the evaluation commission (how to ensure real dialogue between deputy heads without having the relevant traditions and experience;
- Who should serve as the head of the commission, as HR decisions are highly centralised, Ministers are political figures; however, they are responsible for all (including HR) decisions, but they have no time for such a commission; there are no state secretaries at present, etc.); and
- Other procedural issues, such as the various stages of the procedure and how access should be restricted to performance evaluation results (the reason for this is that there is no law on privacy data protection), etc.

There are several stages envisaged by the new draft procedure: 1) planning at the beginning of the year (identification of expected performance results and indicators, dialogue between the manager and employee); 2) interim assessment/review (informal dialogue to monitor the process, provide help, check and adjust plans; this will be held in the middle of the year or, for those who were appointed in the reporting period, 3 months before the final evaluation; for those, who were appointed after the July interim evaluation, this will be the only one during the calendar year) and 3) final appraisal. Final appraisal includes self-assessment, dialogue with the superior, evaluation by the direct supervisor; higher level manager is to be given the results of

²² Civil servants appointed after the month of July of the reporting year will not undergo a final evaluation, only the mid-year review. This may result in no linkages to bonus pay at year end as a result of the final year end evaluation in that particular year).

the evaluation and he/she can provide his/her additional comments); consideration of the appraisal process by the Evaluation commission and approval of the results by the relevant Heads of institutions. The possibility of redress is envisaged in the procedure before a decision is made by a Head. Systematic non-performance of the Programme of performance improvement could be a reason for dismissal. Thus, a servant will have a 6-month probation period to improve his/her performance.

The composition, functions and responsibilities of an Evaluation Commission are amongst the important issues to be discussed further on. It is planned, at present, that the Evaluation Commission will analyse information on the evaluation in the organisation from the point of view of consistency, fairness and strategic needs; will analyse the supervisors' approaches to the evaluation process and questionable/controversial issues; will review high and low grades – those who are recommended to be evaluated as surpassed and insufficient effective performance; will make decisions or final recommendations (depending on the composition) with regard to final grades and rewarding, recognition of effective performance and providing new ranks, promotion, rotation, training, etc. The issue of the improvement of insufficient effective behaviour is also to be a subject of discussion in the Evaluation Commission.

The new draft procedure also introduces other procedural changes, for example establishing four final grades (interpreted as level, not marks); clarified approaches with regard to those who are the subject of appraisal (civil servants of the patronage service; pregnant women could go through the procedure if they wish); it is suggested that the appraisal of deputy heads of central executive government bodies is conducted in a form of interview with the department Head, etc.

5. Conclusions: EU experience, challenges and lessons learned for Ukraine

The current situation and pending problems in the sphere of appraisal in Ukraine are quite common to those faced by EU Member States in recent years. It is important that Ukraine considers the lessons learned from those reforms undertaken within the EU as it addresses its present system challenges. The author expects that some of the challenges in Ukraine will be greater, as they have undoubtedly been affected by the fundamental machinery of government reforms as well as cultural transformations within the civil service system – significantly influenced by Ukraine's highly centralised and hierarchical bureaucratic tradition.

As seen in a recent survey²³, the instrument for performance appraisal is gaining importance in all EU Member States and many countries in recent years have seen the introduction of new changes in performance appraisal which have “gained

23 Christoph Demmke. 2007. *Performance Assessment in the Public Services of the EU Member States*. European Institute of Public Administration.

a position at the core of human resource management”²⁴, and become “on each manager’s daily agenda and naturally integrated into the toolbox for leadership”²⁵. Performance appraisal has increasingly become decentralised and has been adapted to the respective targets, structures and values of individual organisations. “There has been a trend towards less formal, more dialogue-based employee interviews and target agreements”²⁶, the simplification and reduction of bureaucracy and assessment forms have become shorter and more comprehensible²⁷. “Personal traits (punctuality, intelligence, social skills) as well as attributes achieved outside the workplace (level of education, character) are losing importance; with more importance assigned to (a limited number of) target agreements, function appraisal and competence appraisal”²⁸. There is more clarity and transparency, as well as flexibility in the procedure. Much more communication between the manager and employee is expected. “For decades, the relationship between superior and employee was hierarchical, and was based on commands and obedience. The use of the new instruments shows that not only the understanding of the superior/employee relationship has changed, but also the public service (as such) is changing”²⁹. Changes in the procedure “lead to the enhancement of professionalism in the system”, “a procedure of a much higher standard, much more professional and more complex and resource-intensive” which leads to more workload³⁰. Thus, performance appraisal systems are not greeted with unanimous agreement by all employee groups. However, there is an understanding that there is no other way to achieve objectivity and transparency.

According to a SIGMA assessment of the progress of seven countries, which accessed the EU in 2004³¹, changes in performance evaluation systems do not have great prospects, if they are implemented in isolation without significant human resources management reform in the civil service.

It is very important to improve:

- Approaches to activities planning, establishment of an effective system of strategic planning at the government and individual ministry levels, determination of the expected performance results at the beginning of the year;
- Identification of key responsibilities in the job description;

24 Ibid., 2.

25 Ibid., 55.

26 Ibid., 27.

27 Ibid., 57.

28 Ibid., 27.

29 Ibid., 31.

30 Ibid., 49–51.

31 Dr. Jan-Heinrik Meyer-Sahling. 2009. *Sustainability of civil service reforms in Central and Eastern Europe five years after EU Accession*. SIGMA Paper # 44. Retrieved at <http://www.oilis.oecd.org/oilis/2009doc.nsf/linkto/gov-sigma>

- Description of competencies' profiles (for relevant positions, as well as introduce leadership competency profiles);
- Reward system, ensuring an efficient system of effective/excellent performance recognition
- Approaches to improve poor performance;
- Comprehensive system for providing information for human resources management; and
- In-house training system, etc.

“The greatest challenges lie in these four areas: the roles of the managers in the performance appraisal process; mastering the increased workload, complexity and bureaucracy; managing target agreements and improving the appraisal and connecting the performance appraisal with consequences (feedback, payment, promotion, training, sanction) as quickly as possible”³².

The key challenges for Ukraine are the planning improvement and manager's preparation, strengthening of HR responsibility of managers. This requires an essential cultural transformation. It is vital to overcome the prevailing image of evaluation/attestation procedures as a means of hierarchical control and punishment, but rather to develop it and allow the use of appraisal as a tool for communication, learning, development and the fostering achievements at both individual and organisational levels. The tradition of ongoing and meaningful dialogue will not be built overnight. It will require political will and consistent sustainable efforts.

The complexity of the issue requires the phased-in implementation of a new policy, the conducting of extensive consultations with stakeholders, the provision of explanations and rationale and supporting training, along with piloting of the new procedure.

European countries' experience also shows that in the case of the underestimation of the role of consultation during the decision-making process, as well as information-explanatory work and training, especially training for managers, there is a great risk of failure in the introduction of innovations. It is possible that new policies and procedures may not be internalised and they will simply remain on paper.

It is necessary to develop a policy implementation plan, as the initiation of any changes may affect other elements of the system; so it is necessary to see the overall picture for effective change management, to take into account the capacity of those who implement policy and to prepare civil servants for changes (they must understand the nature, impact, main stages and results of the policy).

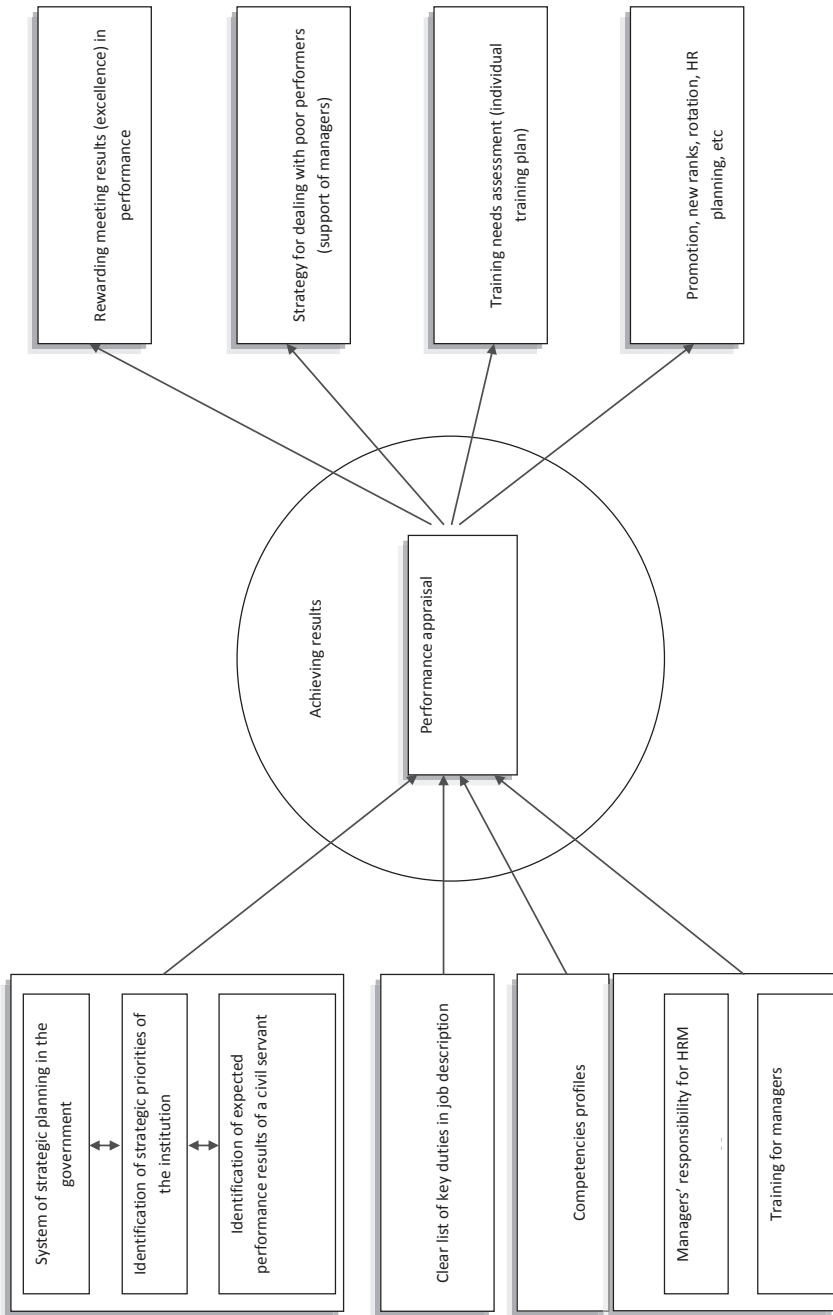
³² Christoph Demmke. 2007. *Performance Assessment in the Public Services of the EU Member States*. European Institute of Public Administration, 109

In the case of not conducting an information and training programme step by step, there is also a risk, which is caused by the fact that the issue of subjectivity will always be present during the appraisal process, while training and explanations can help to minimise its impact. In addition, the procedure should not define completely all evaluation aspects because it is important to leave certain flexibility to allow managers to consider current institutional needs.

Lack of manager training, subjectivity, lack of expertise in setting and measuring objectives, lack of time and the formal character of the interview are among the key issues, which undermine the proposed changes and thus they require serious attention. The role, commitment, effort invested and competencies/skills of managers are critical. The culture of on-going dialogue (feedback!) and building mutual trust are essential for the success of the new appraisal procedure.

6. Annexes

Annex 1. The key factors of the new appraisal procedure



Annex 2. Draft Sample of the Annual Civil Servants' Performance Appraisal Form

				Review period					
				From			To		
				D	M	Y	D	M	Y
SECTION I: GENERAL INFORMATION									
Surname/Family Name				First Name			Patronymic		
Position Title				Category		Rank	Date of Appointment		
Title of the government body			Structural subdivision				Immediate Supervisor (title and full name)		
SECTION II: KEY GOALS/ OBJECTIVES – EXPECTED PERFORMANCE RESULTS									
Evaluation criteria: performance work plan results <i>(to be completed at the beginning of the year; immediate supervisor identifies 5–8 main expected results)</i>		Performance Measures <i>(to be completed by immediate supervisor at the beginning of the year; 1–3 indicators for each result)</i>		Deadlines		Performance Achievements <i>(self-assessment to be completed by employee at year-end)</i>		Evaluation <i>(to be filled in by immediate supervisor at the end of the year)</i>	
								<input type="checkbox"/> agree <input type="checkbox"/> do not agree <input type="checkbox"/> agree with comments	
								<input type="checkbox"/> agree <input type="checkbox"/> do not agree <input type="checkbox"/> agree with comments	
SIGNATURES									
_____					_____				
Immediate Supervisor's signature					Date				
<i>I have read the Plan and understood what goals have been set and according to what criteria my performance will be evaluated at the end of the year.</i>									
_____					_____				
Employee's signature					Date				
<i>Please return the original copy of the approved form to the Human Resources Department.</i>									
SECTION III: MID-YEAR DEVELOPMENT REVIEW AND CONTINUOUS FEEDBACK (June–July of the current year)									
Continue as Planned						Date of Meeting			
<input type="checkbox"/> Yes <input type="checkbox"/> No						D M Y			
Comments <i>(to be prepared by immediate supervisor, any changes to the plan should be included as well as training or other support needed for employee)</i>									
Adjustment of objectives\ tasks (filled in if needed)									
Evaluation criteria: performance work plan results <i>(to be completed by immediate supervisor)</i>		Performance Measures <i>(to be completed by immediate supervisor)</i>		Performance Achievements <i>(self-assessment to be completed by employee at year-end)</i>		Evaluation <i>(to be filled in by immediate supervisor at the end of the year)</i>			
						<input type="checkbox"/> agree <input type="checkbox"/> do not agree <input type="checkbox"/> agree with comments			

SECTION II MANAGING PUBLIC PERSONNEL

SIGNATURES	
_____ Immediate Supervisor's signature	_____ Date
<i>I have read the Plan and understood what goals have been set and according to what criteria my performance will be evaluated at the end of the year.</i>	
_____ Employee's signature	_____ Date

Please return the original copy of the approved form to the Human Resources Department

SECTION IV: YEAR-END PERFORMANCE APPRAISAL			
		Date of Meeting	
		D	M
		Y	
Immediate Supervisor's comments on employee's performance results and behaviour			
<i>To be completed at the end of the year (results, examples, influence of other factors)</i>			
ANNUAL APPRAISAL RATING RECOMMENDED BY IMMEDIATE SUPERVISOR			
<input type="checkbox"/> I Surpassed	<input type="checkbox"/> II Met All	<input type="checkbox"/> III Met Most	<input type="checkbox"/> IV Did Not Sufficiently Meet
<input type="checkbox"/> Where not Assessed	Explanation/Reasons for Exceptions:		
INDIVIDUAL TRAINING AND DEVELOPMENT NEEDS			
<i>To show the progress of training and development during the current year (according to the Plan and actual progress; to be completed by employee</i>			
Training and development needs for the next year <i>(to be completed by immediate supervisor, supervisor notes competencies to be developed and activities/ways of training and development)</i>			
OTHER RECOMMENDATIONS			
<i>To be completed by immediate supervisor at the end of the year</i>			
WAYS OF PERFORMANCE IMPROVEMENT <i>(to be completed in case of rate IV)</i>			
General comments:			
Proposed actions	Timeframe	Comments on performance	
Employee's Comments			
SIGNATURES			
_____ Immediate Supervisor's Signature	_____ Date		
_____ Employee's Signature	_____ Date		

DEVELOPING A NEW APPROACH FOR CIVIL SERVANT APPRAISAL IN UKRAINE

NEXT LEVEL MANAGER'S COMMENTS	
_____ Next Level Manager's Signature	_____ Date

Please return the original copy of the approved form to the Human Resources Department

REVIEW BY EVALUATION COMMISSION			
Evaluation Commission Ratings			
<input type="checkbox"/> Approve rating recommended by immediate supervisor with no changes		<input type="checkbox"/> Assign new performance rating _____	
<input type="checkbox"/> I Surpassed	<input type="checkbox"/> II Met All	<input type="checkbox"/> III Met Most	<input type="checkbox"/> IV Did Not Sufficiently Meet
Evaluation Commission Comments (<i>decision rationale, recommendations to employees, immediate supervisor of employee, HR unit; recommendations for the Heads of the government body</i>)			
SECTION VI: SIGNATURES			
Head of the Evaluation Commission		Evaluation Commission Secretary (Head/Deputy Head of HR Department)	
_____ Signature	_____ Date	_____ Signature	_____ Date
Employee's Signatures			
<i>I am acquainted with the decision of the Commission:</i>			
_____ Date	_____ Employee	_____ Date	
SECTION V:			
Approval by the Head of the government body of the results of civil servants' performance appraisal		Signature of a civil servant	
Final rate _____ Order dated _____ № _____		<i>I am acquainted with the results of my performance appraisal:</i> _____ Employee _____ Date _____	
Signature of an immediate supervisor			
<i>I am acquainted with the decision on results of performance appraisal of my subordinate:</i>			
_____ Signature		_____ Date	

Please return the original copy of the approved form to the Human Resources Department

Measuring Gender Equality in Public Institutions: An Exploratory Study

Sorin Dan Șandor¹, Simona Claudia Creța², Felicia Cornelia Macarie³

Considering that Romanian public institutions are responsible for implementing the European Union's goal to "promote equality between men and women in all activities and policies at all levels" we would ask the following questions: Are these institutions able to develop and implement policies aimed at reducing the gender gap? Is gender equality a reality inside these institutions? We will move along the following lines, searching for possible outcomes of discrimination such as: Occupational Sex-Typing; Occupational Sex Segregation; Gender Gap in Wages or Earnings; Occupational Mobility (including glass ceiling).

Many instruments were developed to assess diversity. Many of them are cultural-dependent, being relevant only for one or a small number of countries (especially those developed in the USA). In this research (part of a larger project financed by the Romanian National Council for Research in Higher Education, code 2254_2008) we intend to develop and test an instrument for measuring gender equality in public institutions. In order to identify the most important gender related organisational issues a questionnaire was built and applied in a public institution to public servants (both women and men). Our research could also indicate the degree of gender equality in Romanian public organisations, despite the lack of external validity.

1. Gender equality in Romania

Romania's country profile regarding gender equality and attitudes shows us a contradictory picture. UNDP's Gender-related Development Index 2009 shows a very low gender disparity in basic human development (women reaching 99.9% of the general achievements), of fifth in the world. UNDP's Gender Empowerment Measure 2009 – a measure of the degree to which women take an active part in economic

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and political life – places Romania only 77th out of 155 countries. A conservative gender view (according to the World Values Survey 2005, is that Romania is closer to traditional values than most other European countries and furthest from a culture of trust and tolerance) which is very likely to explain the contradictions. We know little about the way in which this view is translated into barriers towards women empowerment.

Organisational gender equality studies tend to evolve along four different lines:

- The existence of practices and policies to support women;
- Perceptions of organisation support;
- Perceptions of discrimination and prejudice (especially sexism or harassment);
- Evaluation of the experience of being a dominant/non-dominant group member within the organisation.

As regards Romania, the first line is not relevant, since policies and procedures are supposed to be gender-blind. We will move along the other lines, searching for possible outcomes of discrimination as:

- Occupational Sex-Typing;
- Occupational Sex Segregation;
- Sex Gap in Wages or Earnings;
- Occupational Mobility (including glass ceiling).

As a short presentation of the labour market, according to ILO, only 54% of working-age women are in the workforce worldwide, compared to 80% of men. Most women have part-time jobs in developed countries, whilst in developing countries women work in the informal sector and home-based work. Globally, women earn 20–30% less than men and hold only 1% of chief executive positions. Labour market policies, at national and European level, include specific regulations regarding equality of opportunities. Still, some studies show that, in spite of many regulations, there is a large wage discrepancy in some areas. European policies aim, not only at equality of opportunities and combating discrimination, but also gender mainstreaming – the inclusion of a gender dimension in all policies. As regards equality of opportunities, there are two major dimensions – more women visibility on the labour market and improvement of working conditions for women (e.g. better jobs, better remuneration, promotion, opportunities). The problem of occupational segregation remains as most of those jobs were in areas predominantly “feminine”.

2. Gender equality in the workplace

Gender stereotypes are general beliefs regarding characteristics attributed to men and women in society. Much research suggests that managers and other organisational agents have stereotypes associated with sex and once the perceivers have developed stereotypes associated with different categories, they will use them to categorise continuously (some researchers suggested that this is quite an automatic process). There was an overwhelming amount of research regarding gender stereotypes in different cultures. Many studies based on women's and men's characteristics showed that they are opposite. Williams and Best (1990) found in their study that women are perceived as superstitious and sentimental in all 25 countries they studied while men are forceful, independent and adventurous. Women are perceived more or less favourable with respect to main religion in a particular society (they are perceived more favourably in Catholic countries than in Muslim countries). Unfortunately, people are not aware of their stereotypes, so they do not accept that stereotypes may affect their decisions. Fiona Wilson (2005) intended to find out what women from two British universities think about the assumption that they are appreciated and treated differently. The conclusion was that women do not necessarily feel they are appreciated differently but men consider them as having different and sometimes inferior qualities. Women are seen as *something else* when they are measured by male norms and standards. Beverly Dawn Metcalfe and Marianne Afanassieva (2005) consider that political and economic transition is a re-masculinisation process in which gender hierarchies and gender power relationships in Central and Eastern Europe private and public sectors are reaffirmed.

Regarding women managers, Vincenza Priola (2004), concluded in a study based on interviews with managers and academics (women and men), that there are some stereotypes associated with women managers' activities: care and support, communication skills, multiple tasks commitment, and team work predilection/bias.

What is interesting is the opinion of Sharon Mavin (2006) about women managers who see their female subordinates as opponents and not as natural allies, because they recognise the male in women managers.

Researcher, Marshall J. (Cole 2004), identifies two male and female value groups that define the organisational cultures which they consider "as qualities accessible for both sexes...Women and men are both the same but also different." These values are, according to the author, the following: men's values – Self-assertion, Separation, Control, Competition, Focused perception, Rationality, Clarity, Discrimination, Activity and women's values – Interdependence, Co-operation, Receptivity, Merging, Acceptance, Emotional tonus, The Being, Intuition, Synthesis.

Research carried out by the Centre of Urban and Regional Sociology (CURS), for the National Council against Discrimination in December 2005, and aiming

to evaluate men's and women's situations in Romania, shows that 40% of people consider that men and women are equal in Romania. The elder population (45%) sustains the equality between women and men, those that graduated a maximum 8 years of school (45%), those married (43%), and those from the villages (46%). The equality of chances between men and women is defined as: "Having equal rights" – 58%; "Taking decisions in common" – 15%; "Equal family obligations" – 11%; "Understanding inside the couple" – 7%; "Access to the same jobs" – 6%; "Both partners to have jobs" – 2%; "Both partners to have the same spare time" – 1%. But almost half (48%) of those questioned recognise that nowadays in Romania there is no real equality between men and women. The main reason for the discrimination of women on the Romanian labour market is that: "women work more at home" – an opinion expressed by almost half of those questioned.

There were also identified traditional attitudes expressed as prejudices: "women cannot practise some professions" (40%); "there are biological differences between men and women" (35%); "the Christian moral makes the difference between men and women" (24%). The role of men and women in a couple are viewed in a traditional way by the majority of people: 76% consider that "the man is the head of the family", 67% believe that "it is more a man's duty to bring money home" and 64% believe that "it is more a woman's duty to do the housework".

Horizontal segregation represents a predisposition to occupy the position in different sectors while vertical segregation refers to a predisposition to hire women and men in different positions in the same sector, which may lead to an under-representation of women in management positions. According to the study "Evolution of Occupation on the Romanian Labour Market in a 2010 Perspective" (Pirciog et al. 2006) 35.9% of Romanians connect their occupation with gender (industry is considered a masculine sector while services are considered feminine), stereotypical assessments being made by women and men, no matter what their positions (executive or manager).

Occupational segregation leads ultimately to differences between women's and men's remuneration; feminine occupations are less paid than masculine occupations and even during the last years there has been a sensible diminution of these gaps (between 1994 and 2004 from 21% to 14%). In 2004, 66.4% of women had less than average earnings due to their jobs in specific "feminine" sectors. In state sectors, in predominantly masculine areas (police, army and transport) there are larger salaries than in feminine areas (health, education and public administration). At EU level there is still a gender pay gap (in 2007 – 17.6%) whilst in Romania, this gap has been changing between 2002 and 2008 (2002 – 16%, 2006 – 7.8%, 2007 – 12.7%, and 2008 – 9%). This gender pay gap was larger in financial intermediation (32.2%), and health and social work (24.3%) and smaller in transport, storage and communications (9.9%) and construction (5.5%). In the sectors with the larger pay gaps, the workers are predominantly women and in sectors with smaller gaps, the

workers are mainly men. The smallest pay gaps were, in 2008, in Italy (4.9%), Slovenia (8.5%), Belgium (9%) and Romania (9%); also Portugal, Poland, and Malta had small pay gaps. On the other hand, the countries with the highest pay gaps were the Czech Republic (26.2%), Austria (25.5%), Germany (23.2%) and Greece (22%).

There are four major ways in which people are gender discriminated against in the workplace, namely hiring, pay and benefits, promotion, and firing. Legally, gender discrimination is punishable by laws; unfortunately, in Romania, laws are not always implemented and respected.

According to the Euro Barometer – Discrimination in the EU (2006), 23% of Romanians and 33% of European citizens (EU 25) consider that being a woman represents a disadvantage. In the same study, 40% of Europeans and 32% of Romanians think that there is gender discrimination; what is important is that a small part of the respondents considered discrimination to be more important than in 2001 (27%, respectively 26%). 72% of Romanians consider that we need more women in leading positions (77% in the EU) and more women Members of Parliament (64%, 72% in the EU). There are still 11% of Romanians and 16% of Europeans that are against specific measures for implementing (gender) equality of opportunities at work.

3. Measuring stereotypes and discrimination

Important studies trying to measure social identification gender-based were carried out by Bem (1974) and Spence and Helmreich (1978). In the first study, Sex-Role Inventory was used, created to measure the extent to which men and women consider themselves as having (stereotypically) masculine or feminine traits. The instrument (a 60-item questionnaire) included feminine and masculine items and measured masculinity (high masculine and low feminine identification), femininity (high feminine and low masculine identification), androgyny (high – both masculine and feminine identification), and undifferentiated (low – both masculine and feminine identification), using the Masculinity and Femininity scales. The Personal Attributes Questionnaire had two scales – “expressivity” (emotional, gentle, kind, able to devote one’s self completely to others, helpful to others, aware of feelings of others, understanding of others, warm in relationships with others) and “instrumentality” (independent, active, competitive, can make decisions easily, never gives up easily, self-confident, superior, stands up well under pressure) – in fact, femininity and masculinity. Both studies found significant differences between women and men according to their scores on the two dimensions. Williams and Bennett (1975) used the technique of the Adjective Checklist – people were asked to choose from a long list of adjectives (300) those typically associated with men or women. Spence and Helmreich (1972) also developed an Attitudes towards Women Scale (AWS) intended to measure attitudes towards the rights and roles of women in American

society. This instrument was also used to measure attitudes towards women in the workplace. The Myers-Briggs Type Inventory (1985) is an instrument that uses four dimensions to classify individuals either as extraverted (E) or introverted (I), sensing (S) or intuitive (N), thinking (T) or feeling (F), and judging (J) or perceiving (P). According to this instrument, women see themselves as more intuitive and feeling and men rated themselves as predominantly sensing and thinking.

As regards discrimination, the Sexual Experiences Questionnaire (SEQ) was developed by Louise Fitzgerald (Fitzgerald et al. 1988). The SEQ comprises 18 items assessing the three dimensions of gender harassment – unwanted sexual attention and sexual coercion. Gender harassment and seductive behaviour were more common than other serious forms of harassment. Cortina et al. (2001) developed the Workplace Incivility Scale, a measure assessing negative workplace experiences, comprising 7 items. The Workplace Prejudice/Discrimination Inventory was developed by James (James et al. 1994) and contained 15 items (developed on the social identity theory).

4. Methodology

In order to identify the most important gender related organisational issues, a questionnaire was built and applied in a public institution to public servants (both women and men). The questionnaire was divided into 5 dimensions, respectively:

- Stereotypes measured as the extent to which personal traits (27) are considered to belong to one category or another;
- Sexual harassment (from indecent comments to sexual favour demands);
- Discrimination (hiring, promotion, pay and benefits, evaluation, advancement and task distribution practices in institutions). Another set of questions regards the individual perception of his/her position in the workplace;
- Occupational mobility.

The questionnaire was applied between 29 March and 2 April 2010, to all public servants from a local public institution in Bistrița-Năsăud County. 95 completed questionnaires were received, the response rate being 43.37 %.

30.9 % of our respondents are men and 69.1 % women;

14.9 % are <30 years old, 24.5 % are between 30–39, 41.5 % are between 40–49 and 19.1 % are over 50.

14.9 % have managerial positions, 81.9 % have executive positions, and 3.2 % have other types of positions;

38.3 % were hired in the institution less than 5 years ago, 26.6 % between 5–9 years ago, 21.3 % between 10–15 years ago, and 13.8 % more than 15 years ago;

3.3 % have a high-school diploma, 1.1 % have a Post-HS diploma, 48.4 % are bachelors, and 47.3 % have a master's degree;

15.4 % have studies in Law, 36.3 % in Economics, 6.6 % in other social sciences, 38.5 % technical, and 3.3 % other.

5. Main findings of the research

The questionnaire began by asking for an assessment of the male and female situation, both in Romania and in the institution. The situation was perceived as more balanced in the case of the institution than at national level (46.4 % of men and 52.4 % of women agreed that men's conditions and women's conditions are the same in the institution compared with 35.7 % of men and 28.6 % of women who agreed that men's conditions and women's conditions are the same at national level). Yes, as expected, in both cases there is a significant difference between men's and women's assessments – both categories consider their situations worse than the other's. Lambda coefficients for both cross-tabulations (0.143 and 0.164) show a weak relationship.

5.1 Stereotypes in the workplace

We tried to measure the existence of gender stereotypes in institutions indirectly (we did not ask about the exact work roles and positions of both sexes but asked their opinions regarding personal traits that belong either to men or women). The means obtained, in ascending order (the lower – belong to men, the higher – belong to women, 3.00 – belong equally to both sexes) show us that there are few traits reclaimed for a specific gender.

In the Table below, the means of the values obtained for each gender are presented with the difference between male and female opinions and their level of significance.

From Table 1 we may conclude that men are physically resistant and aggressive and women have the following traits: Pay more attention to detail, Goal oriented, Communication skills, Ambition, Intuition, Prudence, Patience, Emotion, Conscientiousness, Dedicated to family, Sensibility.⁴

We can see that there are differences between men's and women's perceptions, 17 out of 27 being statistically significant.

We tried to see how each gender considered personal traits.

4 We used only those traits with values of at least ± 0.50 away from the theoretical mean (3.00).

Table 1
Personal traits and gender

	Personal traits	Mean	Difference (M-F)	Significance⁵
1.	Physical resistance	2.1398	-0.41	
2.	Aggressive	2.3667	0.95	***
3.	Courage	2.5213	-0.48	*
4.	Authoritarian	2.5269	0.46	*
5.	Logical thinking	2.6383	-0.57	***
6.	Individualism	2.7582	0.19	
7.	Objectivity	2.8737	-0.36	*
8.	Psychical resistance	2.9579	-0.24	
9.	Intelligence	3.0319	-0.35	**
10.	Good co-worker	3.129	-0.34	*
11.	Dedicated to work	3.2473	-0.50	*
12.	Empathy	3.2979	-0.24	
13.	Kindness	3.3085	-0.09	
14.	Competitive	3.3579	-0.32	
15.	Perseverance	3.4362	-0.27	
16.	Good subordinate	3.4632	-0.18	
17.	Creativity	3.4894	-0.40	*
18.	Goal oriented	3.5213	-0.45	**
19.	Communication skills	3.5368	-0.34	
20.	Ambition	3.5474	-0.45	**
21.	Intuition	3.5532	-0.55	***
22.	Prudence	3.5532	-0.80	*
23.	Patience	3.7065	-1.07	***
24.	Emotional	3.9579	-0.34	
25.	Conscientiousness	4.0213	-0.63	***
26.	Dedicated to family	4.0532	-0.29	
27.	Sensibility	4.0753	-0.67	***
28.	Pays more attention to detail	4.1429	-0.42	**

Men seem to think that most traits belong equally to both sexes, whilst women claim more traits for themselves.

Men stereotypes are fewer. They appear to think that courage and logical thinking are more common to men (better for leadership?), women being more conscious and careful with details (more characteristic to routine work), sensible and emotional (maybe less fit for work under pressure) and dedicated to their family (lower commitment?).

⁵ * – significant at 0.05, ** – significant at 0.01, *** – significant at 0.001

Table 2
Personal traits as seen by each gender

Personal traits according to men		Personal traits according to women	
Personal traits	Mean	Personal traits	Mean
Physical resistance	1.8621	Aggressive	2.0492
Courage	2.1724	Physical resistance	2.2698
Logical thinking	2.2414	Authoritarian	2.3651
...		...	
Conscientiousness	3.5862	Perseverance	3.5156
Sensibility	3.6071	Good subordinate	3.5231
Emotional	3.7241	Creativity	3.6094
Pay more attention to detail	3.8571	Communication skills	3.6462
Dedicated to family	3.8621	Goal oriented	3.6563
		Prudence	3.6875
		Ambition	3.7231
		Intuition	3.8000
		Patience	4.0317
		Emotional	4.0615
		Dedicated to family	4.1563
		Conscientiousness	4.2188
		Pays more attention to detail	4.2742
		Sensibility	4.2813

Women see men as more authoritarian and aggressive (used to giving orders) and themselves with qualities needed to fulfil their duty (such as perseverance, prudence, conscientiousness, patience, paying attention to detail, good subordinate), better in inter-human relations (communication skills, sensibility, emotional) but also fit for complex tasks (ambition, goal oriented, creativity and intuition).

5.2 Sexual harassment

We asked our respondents to tell us if they have heard, in the last 5 years, of any sexual harassment situations where:

Table 3
Frequency of sexual harassment situations

Situation	Never	Very seldom	Seldom	Often	Very often
Some employees assisted in indecent comments from their colleagues	22.6%	46.2%	21.5%	5.4%	4.3%
Promises were made to some employees in exchange for sexual favours	81.7%	10.8%	6.5%	1.1%	–
Superiors asked for sexual favours	84.6%	9.9%	5.5%	–	–
Some employees have had to accept unwanted gestures	72.0%	19.4%	7.5%	1.1%	–
Some employees offered sexual favours in return for some benefit	80.2%	12.1%	6.6%	1.1%	–

The difference between men's and women's responses is not significant. The most common harassment refers to indecent behaviour, comments or gestures, from some employees and the least is the situation in which a superior asks for sexual favours. Even if such cases are rare, there are still practices of sexual harassment in institutions; it is important to note no formal complaints of such treatment were made.

5.3 Discrimination

We asked our respondents to tell us if they have heard, in the last 5 years, of any situations in which staff – men or women – were gender discriminated against in their institution.

Table 4
Frequency of discrimination situations by type

	Never	Very seldom	Seldom	Often	Very often
Hiring	54.8%	22.6%	12.9%	9.7%	–
Tasks distribution	32.3%	33.3%	23.7%	9.7%	1.1%
Evaluation	43.0%	24.7%	20.4%	6.5%	5.4%
Advancement	48.4%	21.5%	16.1%	11.8%	2.2%
Promotion	41.3%	22.8%	21.7%	12.0%	2.2%
Bonuses	36.6%	20.4%	20.4%	11.8%	10.8%

Some discrimination was perceived and most respondents had heard about discrimination cases of every type. Bonus awarding is the most frequent type of discrimination and hiring is the least. Bonus distribution is a less transparent proce-

ture, which may be subjective, and may easily generate suspicions. Hiring in public institutions is a formalised procedure (based on competition) and our respondents obviously succeeded.

We tried to look at possible gender discrimination in another way, asking our respondents about their work relations and their perceived role in the institution and if there were some specific differences between men and women. We did not find gender based differences regarding any of the indicators – appreciation of work results, opinions, expertise; equity regarding rewards, work conditions, tasks distribution; autonomy and access to information. These results may indicate that treatment for all employees is similar for both categories and discontent is felt equally.

We found that there were discrimination cases (see Table 4) but we could see that our respondents considered themselves to be treated in a similar manner regardless of gender. There are two possible explanations for our findings – either they have just heard about such cases, or the victims were both men and women.

5.4 Occupational mobility

We asked our respondents to rate their chances of occupying different positions in institutions (horizontal or vertical mobility). Public servants are more optimistic with respect to their chances of horizontal mobility (65.7% consider that they may have a similar position in another office, and 57%, more important duties) compared with 46.2% who consider they have the opportunity to obtain a superior position. There are no significant differences between women's and men's perceptions of their opportunities to change positions.

6. Conclusions

In order to identify the most important gender related organisational issues we followed four dimensions respectively – stereotypes measured as the extent to which personal traits (27) are considered to belong to men or women, sexual harassment (from indecent comments to demands for sexual favours), discrimination (hiring, promotion, pay and benefits, evaluation, advancement and task distribution practices in the institution and the individuals' perceptions of their position in the workplace, and occupational mobility.

For the first dimension there are differences between men's and women's perceptions – 17 out of 27 being statistically significant. There are only three traits considered to belong principally to men (by both categories). Men seem to think that most traits belong equally to both sexes (they choose only five traits belonging mainly to women), while women claim more traits for themselves (14). Regarding sexual harassment, the difference between men's and women's responses is not significant. The most common harassment refers to the indecent behaviour, comments

or gestures, of some employees and the least common is the situation in which a superior asks for sexual favours.

Some discrimination is perceived in the institution; most of the respondents have heard about discrimination cases (bonus awarding is the most frequent type of discrimination and hiring is the least) but the respondents consider themselves as being treated in a similar manner, regardless of gender. Similarly, for occupational mobility, there is no significant difference between both categories' perceptions of their opportunities to change positions in their institution; horizontal mobility being seen as more likely than vertical mobility.

The questionnaire provides a fairly good internal consistency (Alpha Cronbach of 0.758 is considered to be a good value, especially for an exploratory study). Still, beyond technical considerations, one question remains: have we done anything? Did we find what we were looking for?

The findings of our study showed the existence of sexual stereotyping, sexual harassment and discrimination, but at a reduced measure. It is difficult to understand why there is knowledge about discrimination cases but the respondents are treated equally.

In the case in which gender inequality seems to be rather small, the instrument (and the data analysis chosen) is not accurate enough to capture the exact dimension, especially for a small number of cases.

In order to complete the information (and to elucidate some of the questions raised during data analysis) such research must be completed with qualitative data.

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Section III

Globalisation and Governance



Cultural Personnel Governance in the Stage of Globalisation

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Annotation

This article analyses the relevant topic of cultural personnel governance in the stage of globalisation by broadening the analysis of the professional training conditions for cultural personnel and by evaluating the strategic trends and perspectives of cultural personnel governance. It is emphasised that in order to implement its culture policy purposefully, a country must be oriented towards the effectiveness of satisfaction of the cultural needs of the society, the advanced governance of the personnel related to this area and the solution of cultural problems, whilst taking into account the effect of the ever-changing environment. It is also maintained that effective personnel governance in the stage of globalisation is based, not only on the thorough development of the system which involves the employees of the cultural institutions, but also on the recognition of the international practice and its factors of influence. The multicultural context of modern Europe is shaping new challenges, both for those that are implementing culture policy at a regional level and for those that are creating the long-term strategies for national and international cultural organisations. The results and conclusions of the theoretical analysis of this article may be employed while improving the concepts of culture personnel governance, and also as the methodical literature for personnel managers working in cultural sectors or members of the academic society interested in this topic.

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Introduction

Under circumstances of globalisation, the formation of the collective cultural space in the European Union, the effectiveness of cultural personnel governance is encountering new requirements and new challenges. In a period of economic and political crisis throughout European countries, the development of governance is not receiving the necessary encouragement by failing to dedicate the proper attention of the academic society to the issues of cultural personnel governance. Considering that modern administration methodology does not include any objectively investigated and adequately distinguished solutions related to the consolidation of the cultural personnel governance quality by orienting the actions towards bigger and better results, it is advisable to broaden the acquired knowledge and experience by analysing the circumstances of the modern-day stage. The aspiration of the personnel involved in the implementation of the culture policy to absorb the beneficent international experience must be recognised as one of the fundamental strategy-making components of this area. The period of transformation of political and economic challenges encountered by the countries is presupposing the alternation of valuable orientations in societies.

In a change of political, economic and social circumstances, the international arena of culture management covers strategic needs for the development of cultural processes, as well as possibilities for the adoption of the most effective methods of implementation of cultural politics in practice.

The phenomenon of the implementation of a culture policy, as a totality of process changing in a special manner, is highlighted in a new programme of the European Union (EU) “Culture” (2007–2013), which establishes a vision of cultural changes within seven years and which shows the importance of the development and protection of language diversity as the main expression of democracy, and in the “Convention concerning the protection of World Cultural and Natural Heritage” (1972), the “Convention of Protection of Non-material Cultural Heritage” (2003) of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and any other essential documents establishing features of management of world cultures (“European Cultural Convention” (1954); “European Charter for Regional and Minority Languages” (1992); “European Convention for the Protection of Audiovisual Heritage” (2001); UNESCO “Convention on the Protection and Promotion of the Diversity of Cultural Expressions” (2005)). If implementation of a culture policy is understood as a component of cultural management where the establishment of political objectives, priorities and tasks in the field of culture is presented in practice (in programmes and projects), theoretical-methodological changes in cultural management should always be observed and assessed. The European practice of cultural personnel governance is more and more often becoming based on the consolidation of democratic values, modernisation of the relationship between public institutions and private business structures and purposeful visions of long-

term development. However, the training and education of the cultural administration specialists, the analysis of their working methodology, the training strategies, the control of the bureaucratic systems and the legal and ethical responsibility are all vital factors of the modern period of globalisation, the essence of which has not been investigated sufficiently from a systematic point of view. The purpose of the article is to analyse the cultural personnel governance in the stage of globalisation. The object of the work is the cultural personnel governance in the stage of globalisation. The tasks set for achieving the anticipated objective of the work are the following: to define professional cultural personnel training conditions and to analyse the strategic trends and perspectives of the cultural personnel governance. The article covers the following methods of investigation: scientific literature analysis, theoretic simulation and comparative and systematic analysis methods.

Professional cultural personnel training conditions

The professional cultural personnel training in an ever-changing market environment becomes an exceptional phenomenon in the system of the countries struggling against the economic and political crises, causing resonant repercussions in the implementation of diverse policies. It is advisable to choose the methods for organising the professional training of personnel working in cultural institutions by referring to the long-term analysis of needs of the cultural consumers, the SWOT, competition and other analyses based on observations and expert interviews, by taking into account the desired results and the available resources. One of the classic textbooks on personnel management “The New Public Personnel Administration” introduces the definition of personnel administration: the process of creating a qualified personnel selection and development system, followed by the organisational conditions motivating such personnel to put their best efforts into the work they are performing (Nigro and Nigro 1994, 48–49). Personnel administration and professional training in the cultural area is closely related to the creation of a new quality, therefore it can be reasonably named as one of the most important means for reforming the cultural administration (Chlivickas 2007, 162–178). The activity of the administrators working in the culture sector is versatile; it requires knowledge, abilities and talent. Abilities may be divided into abstract (the ability to consider a cultural organisation as a whole), technical and human knowledge (Denhardt 1995), or, referring to another approach, the activities of the employees working in public institutions may be divided into interpersonal, informational and decision-making levels (Raipa 2007b, 8–35). Culture managers representing the indicated levels possess a certain authority in teams, groups and departments. The cultural administration personnel, including the employees working in public cultural institutions, culture managers, coordinators, intellectual experience providers, consultants, experts, members of cultural associations, councils and trade unions in this area and part of the public officials are an important social group in every

society, whose working particularity directly influences the satisfaction of cultural education, self-realisation and recreational needs of other members of the nation. The influence of personnel management is also perceptible in the initial professional cultural personnel training stages (selections). These stages shed a particular light on the above mentioned human knowledge (teamwork, managerial intuition) abilities which are the most relevant in the context of the highest link category of managers. The field of personnel governance has expanded greatly over the last decade and there is more diversity of perspectives, both within and across the three traditions (the prescriptive tradition, the labour process tradition and the industrial relations tradition) (Bach and Sisson 2000, 4). The improvement of new processes of control in the implementation of policy, changes in application of innovations of the implementation process, primarily the opportunities for integration of different types and level structures (by preparing and implementing cultural programmes and projects) where such opportunities are understood as a modern management of implementation on the basis of the concepts of network structures, political and management networks and networking, are important in the processes of democratisation of the implementation of public policy.

Lithuania is a small country with a long history. Independence was restored in August 1991 after half a century of submission to Soviet and Nazi totalitarianism. An understanding of post-Communist Lithuania requires, therefore, some insight into the Lithuanians' mental world, their historical perceptions and their collective memory (Lane Th. 2001, 12). Taking into account the difficult financial and economic situation in Lithuania, when the deficit in the government sector was, according to the evaluation of expert specialists, almost 3 per cent of GDP in 2008 instead of 0.5 per cent of GDP as predicted by the previous Government, and where the situation was partially stabilised in 2009 and 2010, it should be stated that the consequences of the crisis on the implementation of culture policy are still present. Orientation of human resources in the management of cultural processes is related to training of personnel in the public sector and the improvement of their qualification. It is not clear in modern society how public officers should be trained in order to have effective adjustment of compliance with laws in organising more democratic and humane activities of organisations (Smalskys, Skietrys, 2008, 61). As state borders are disappearing and economic and information spaces become dominant, the main trends of management modernisation are privatisation, decentralisation and development of the power of society.

In Lithuania, a legislative public sector basis has been formed for New Public Management introduction, human resource management rearrangement, and a number of practical means have been implemented. In 2002, the Law of State office issued the main principles of the state service, state employee status, responsibilities, work pay, social and other guarantees and the legislative foundations of the state service. In 2003–2005, the PHARE project “Development of the State Management”, came to life, the aim of which was to reinforce the administrative capabilities

of a department and modernise human resource management. Realising the Twin Project, a human resource management guide book was prepared, introducing computer technologies and telecommunication equipment for a better application of the management information system. Moreover, a training strategy for state employees was adopted for 2007–2010. In 2006–2008 a project was carried out – “The enforcement of the state and municipalities’ employees’ capabilities in the field of management” (Sakalas and Vienazindiene 2010, 418).

During the professional training of cultural personnel in Lithuania, the following major problems are being encountered: the cultural facilities which are not being modernised quickly enough; the insufficient provision of professional training institutions with modern information technologies; the scarce financial and legal possibilities for the realisation of independent, original initiatives, cultural innovations; the low salaries of cultural employees, compared to other sectors and the passive use of the relevant and various possibilities of international cultural administration experience. In the practice of the countries with poorer economic development, such factors as salary and satisfaction of essential needs are more often determining the unfavourable opinion of the functions performed by the employees of cultural institutions, if compared to, say, the social factors, such as status or motivation. A job-seeking, frustrated and international crisis-influenced society is more likely to take any primary offers, often without considering their potential input into one or another certain area. Therefore, in the shadow of internationalisation, it is essential not to stop proper education of cultural administration personnel by applying more successful qualification and competence evaluation factors during the selection procedures, by preparing the required specialist, not only to be able to provide his/her knowledge of public administration, culture, risk and crisis management, but also to develop his/her communication skills and technological understanding, to help him/her to gather the perceptive experience of the cultural history and development, to strengthen the skills of the international partnership and a sense of responsibility. Professional training is an introduction to the professional practice of cultural administration and personnel management, therefore the programmes of cultural management, public administration and public policy studies, preparatory modules and continuous directions must create the preconditions for a modern and multicultural environment, stimulate collaboration among the various links of the personnel, the expansion of the political and management networks, the expertise of the new-generations managers and the adequate reactions to the ever-changing global situation. In a modern society seeking the effectiveness of managerial functions, employees of public organisations must understand how to act, how to manage and how to take decisions in the socio-political environment, how to manage public programmes and projects, and how to administer the public resources effectively and with competence (Raipa 2007b; 8–35). In order to improve the conditions of professional cultural administration personnel training, the problem must be treated as complex, by realising the influence of the environmental

factors and the importance of refining the legal basis reflecting the objectives of the cultural administration reform, the advantages of the mixed working methods implemented in the successful public institutions; one must also look for additional possibilities by integrating management and administration technologies and by broadly invoking quality management principles and the control and evaluation systems. One of the possible solutions of the problem is the reinforced actualisation of the underlying conditions for professional cultural personnel training. Modern new (good) public management seeks to emphasise the importance of changes in the bureaucratic organisation of public management at the end of the 20th century, as well as the positive and negative consequences of anti-bureaucratic reforms. The concept of “constitutional bureaucracy” is more and more widely used and attempts of theoreticians to develop theoretical provisions of political bureaucracy control are becoming stronger in the modern theory of public management (Frederickson and Smith 2003, 27–31). Modern aspects of implementation of culture policy are related to the latest theories of management, where more attention is paid to the impact of modernisation of management, democratic context for implementation of culture policy and the theory of de-bureaucratisation of decisions on the implementation of culture policy. The harmonious and effective cultural personnel governance, as a process, becomes a complex cultural development opportunity when countries are becoming more oriented towards the goals and objectives of international organisations. Integration of the Eastern and Central European countries in the European Union does not only show the growth of the European Union, but also characterises the core transformation of the entire European cultural space. Towards transformations, two key priorities of culture policies can be defined:

- culture policies that are designed to popularise on a mass scale and affirm progressive values of humanism and democracy,
- stereotypes of social behaviour, as well as lifestyle patterns and standards of moral and spiritual life in the Eastern and Central European countries;
- culture policies that are designed to guarantee that traditional Western European society is able to consider the Eastern and Central European society as equal and compatible with the norms of Western culture and lifestyles, and the progressive historical and cultural experiences of the Eastern and Central European countries and their elitist spheres are integrated into the overall system of the European cultural system (Melnikas 2007, 16).

The requirements for the quality and the effectiveness of cultural personnel governance are becoming more and more categorical, there is a universal tendency of shifting to the implementation of international culture policy guidelines, and this also affects the personnel governance in this area.

Strategic trends and perspectives of cultural personnel governance

The European Communities Commission Communication on a European Agenda for Culture in a Globalising World includes the following three groups of objectives of the European Union: the promotion of cultural diversity, cultural dialogue and culture as the accelerator of creativity by implementing the Lisbon Strategy for economic growth and the creation of jobs and the promotion of culture as a very important part of the international relationships of the EU. The influence of global orientations on the national culture policies and administration are evident in various decisions. To encourage the creation of the integral cultural space in Europe, the appropriate culture policies must be implemented in the whole of Europe. These policies may embrace many priorities, including:

- preservation of cultural diversity of all European countries, as well as ethnic, confessional or other social groups or layers;
- heritage preservation of these countries and further integration of these cultures into the overall process of cultural development;
- adaptation and dissemination of the integrated European dimensions in the whole of Europe;
- elimination of inappropriate factors within humanism and democracy (Melnikas 2007, 17).

Rolling on the waves of the economic recession, the Lithuanian culture must demonstrate its relevance and significance all over again (The Strategic Plan of Actions of the Republic of Lithuania for 2009–2011), therefore the training of cultural administration specialists is now encountering, not only a shortage of funds, but also the interference related to the formation of priorities, the insufficient insight of the importance of the cultural dialogue, the presupposed barriers and the long-term objectives lacking in concreteness. The concretisation of the personnel goals and objectives for cultural administration is associated with the process of administrative creativity, determining the environment which is beneficial to the generation of new ideas. Critical contact between the creator, developer of culture policy and cultural manager (administrator) is more difficult to control as it is influenced by the so-called cultural crisis and different social and political trends. Contemplation of the cultural crisis is derived from critical consciousness (cultural and mental fatigue, surfeit of culture, denial of the principle of culture, oblivion and destruction of the essential forms of culture which confirm the tragedy of culture (Donskis 2009, 187). A free cultural market, which includes the activities of the communities of different hobbies and acts in a democratic context in order to de-bureaucratise the solutions for implementation of policy, is being formed in Lithuania.

Theoreticians present a number of problematic issues of bureaucratic implementation of culture policy and cultural personnel governance that are related to the environment of organisational activity, pathology of bureaucratic activities and objectives and opportunities for innovative settlement of implementation issues, etc. One of the most important problems in the implementation of cultural policy is unfair financing of political trends, programmes and attention of politicians in the selection of priorities and projects which could bring the best dividends. Therefore, this problem may be defined as injustice.

Another disadvantage of culture policy implementation is related to the development of programme implementation from the functional, structural and location point of view. In this case, implementation of programmes equally depends on central and especially on local government, which compose the whole mosaic of bureaucratic process of culture policy implementation with rules and procedures. Therefore, the second problem of bureaucratic process of culture policy implementation may be called fragmentation or segmentation of implementation. The third disadvantage is related to the problem of functionalism because culture policy implementation is based on trust between developers and implementers of the programmes. This includes central government, representatives of local government and local agencies. All of the above elements are not always included in the context for implementation of the principle of trust, real subsidiarity, and into vertical as well as a horizontal model of implementation. Therefore, the second problem is related to the trust between implementation structures and their levels. The fourth disadvantage is related to control, which does not present any element of trust in the processes of culture policy implementation. The interests of recipients of programme services, legal measures, audit and control systems and monitoring may help to solve the problem of activity control of the institutions (Kettl and Fesler 2009, 382–383).

Executives and culture managers must be able to receive flows of information and have them at their disposition while searching for rational decisions or agreements. With the help of strategic planning, as one of the most rational methodological tools, organisations are formulating their fundamental long-term goals and objectives which are the basis of the actions of both the entire team and the individual managers or executives. While administering culture, the leaders of the organisations are thinking strategically and consolidating the future results of their activity, their suitability for the mission and for the overall philosophy of the direction (Raipa 2007a, 276). The search for agreement and appreciation of different approaches are indispensable when seeking more effective methodological ways of personnel governance, and therefore, in times of global cultural processes, the spread of the consensus and the principles of subsidiarity are becoming an increasingly encouraged phenomenon.

A new concept in economy – the concept of the cultural industry – was formed at the end of the 20th century. T. Adorno, creator of this concept, wrote about the entertainment industry. Now, cultural industry is interpreted as a place of cultural and creative activities and production and use of culture, as a complicated flow of information. The most important factors – the realisation and use of new ideas – can be seen in the cultural industry (Bikulcius, 2006, 28). Creative cultural industries' managers should know how to encourage everyone to work as a team in a culture organisation. Feedback—when it is carried out correctly—can improve results and strengthen working relationships. When it helps people see their blind spots and understand the impact of their behaviour, feedback can change the trajectory of a career. The most essential qualities a real culture manager should have are: integrity, enthusiasm, ability to delegate tasks, team-building and problem solving skills. An effective project leader is often described as having a vision of where to go and the ability to articulate it. The ability to communicate with people at all levels is almost always named as the second most important skill by project managers and team members.

The fundamental culture strategy documents of Lithuania, conveying the essential national goals and objectives of the area in an ever-changing international situation, have preserved the keystone theses emphasising the identical cultural strengths and weaknesses of the country, notwithstanding the results of the cultural programmes and projects that have already been implemented (the Strategic Plans of Actions of the Republic of Lithuania for 2007–2009; 2008–2010; 2010–2011, the Provisions for the Lithuanian Cultural Policy). This leads to suspicion regarding the critical thinking expertise of the specialists and their abilities to assess the cultural situation realistically. Similar elements of negative experience may be discovered in the cultural administration practice of various European countries; however, the advanced countries, in order to have effective governance of cultural personnel after having first of all implemented the necessary corrections to the legal basis, are working on the modernisation of the infrastructure, by bringing the user of the cultural products and services as close to the administrator as possible, by supporting the potential and valuable initiatives of the citizens and different interest groups and by embedding established objectives in the consciousness of the administrator, by motivating him/her to become more loyal to his/her organisation.

The objectives of the Cultural Policy of the Republic of Lithuania are the guidelines of the area which are also affecting the goals and objectives of the personnel working in the specific organisations: to preserve and to foster the identity of the national culture; to encourage the creative activities and the diversity of art; to develop an information society; to encourage openness of the national culture and to allow society to participate in culture and be able to use it (Provisions for the Cultural Policy, 2001). The major part of the attention in the area of the Lithuanian culture in 2009 is dedicated to the programme of the millennium anniversary of the first mention of Lithuania's name, approved by resolution No. 971 of the Gov-

ernment of the Republic of Lithuania issued on 18 July 2003, and also the National Programme “Vilnius – the European Capital of Culture” approved by resolution No. 150 of the Government of the Republic of Lithuania issued on 6 February 2008. There are 11,400 culture and art specialists working in culture and art institutions in the Republic of Lithuania, of which 4,689 are librarians, 928 are museum curators, 3,473 are cultural centre specialists, 2,111 are theatre and concert institution specialists and 194 are specialists of other cultural institutions. When administering culture under circumstances of globalisation, there are also personal goals and objectives of the personnel that exist in parallel and these should be associated with the elements of motivation, understanding of commitments and responsibility. According to data from the Department of Statistics, under the Government of the Republic of Lithuania, the average gross salary of a cultural employee working in the state sector during the 4th quarter of 2007 was 1,484 litas per month. The salaries of cultural personnel have not been increased from 30 June 1999 until the decision of the Fourteenth Government to increase them by an average of 18 per cent in 2006. During the change of the base salary of budgetary workers, the salary of cultural workers increased by 11.3 per cent (The Salaries of the Cultural Workers to Be Increased by 60 Percent in 3 Years, 2008). However, it was proposed to increase the salary of librarians and museum specialists by only 15 per cent, theatre and concert institution specialists – by 15 per cent, cultural centre specialists – by 20 per cent and other cultural institutions specialists – by 15 per cent from 1 January 2010. The future system of earnings for workers in the cultural sectors of the country is not promising any tendencies to increase rates either. From 1 January 2011 it is proposed to increase the salary of librarians and museum specialists by 7 per cent, theatre and concert institutions specialists by 17 per cent, cultural centre specialists by 9 per cent and other cultural institutions specialists by 10 per cent. The goals and objectives of cultural administration personnel are associated not only with the influence of the rewards system for future specialists and the 2009–2011 Programme for Increasing the Wages of the Cultural and Art Workers anticipating consistent increases in the wages of cultural and art workers, which was approved by decision No. 401 of the Government of the Republic of Lithuania issued on 17 April 2008, but also with other factors of the national culture sponsorship model, which are reflected in the wealth of legal documents of the country. An important condition for the effective training and governance of cultural personnel is the potential of the artistic market and the ambition to activate cultural management.

Lithuania maintains a voluminous infrastructure of professional art institutions; professional artists working under contracts all have social guarantees, but the relatively low salaries of cultural workers are increasing social tension among people who are working in the cultural area. Many artists are self-supporting, but limited funding is available from the government. Some apply for foreign grant money. The creators of art and culture are going abroad and thus the country is losing part of its creative potential. Such tendencies are also reported by observers

from the neighbouring countries sharing a similar historical experience. Quite often, the cultural management specialists, not seeing any practical benefit from their activity, are feeling a lack of motivation and they are not secure about favourable perspectives of the sector. Although the membership of Lithuania in the European Union is helping to reveal and show the historical and cultural links with other European countries, it is encouraging institutions to participate in worldwide cultural programmes, but, due to the increasing problem of the competitive ability of the artists, personnel governance is becoming a more and more bureaucratic process. Therefore, in order to administer culture under the conditions of globalisation, it is necessary to ensure the rational application of the principles of centralisation and decentralisation by rendering governance more effective and by concretising the goals and objectives of the personnel.

The topics of cultural personnel governance are affected by the economic, the political and the particularly important social and technological factors which are having an increasingly visible effect. Neither the cultural theorists nor the public administration specialists nor the cultural anthropologists all over the world have ever substantiated the idea that it was possible to create a universally coordinated cultural governance model which could also have the most effective influence on the personnel administration sector. Culture changes rather slowly (Kotter, Heskett, 1992; Trice, Beyer, 1993; Morgan, 1989); it cannot be expected that there might occur rapid changes because traditional public administration government lacks the orientation to New Public Management values (Sakalas and Vienazindiene 2010, 419). It is being maintained that, bearing in mind the different historical cultural experience of the different countries, it is possible to present only generalised recommendations, guiding the individual systems towards the direction of better personnel governance efficiency. The evaluation of culture policy formation and implementation activities is based on the internal practice examination of cultural management and administration in every country, by analysing the administration of human resources in this context. The effects of the policy which are given preference are never completely clear at the beginning and that is why it is necessary to perform monitoring after performing any actions related to the policy (Dunn 2006). It is also necessary to consider that the tools applied to the pursuit of public objectives are often unreliable and contradictory, as the decision-making rules may be rather different in various situations (Lane J. E. 2001). In order to be able to implement its culture policy purposefully, the country must be oriented towards the effectiveness of satisfying the cultural needs of the society, which is also related to the rationally operating personnel in the area. Supervision and monitoring of changing management systems (at the current stage, a clear transformation of New Public Management into "good" public management is identified) help to improve the development of democratic processes by involving citizens in cultural management (Bovaird and Löffler 2009, 62). The solution of cultural problems, by taking into account the effect of the ever-changing environment, may also strengthen the

governance of the personnel in this area. Therefore, the strategic cultural personnel management, in the context of globalisation, can be associated with the reinforced possibilities of exploring consumer needs and considering suggestions and the influence of the interest groups, the non-governmental sector and the individual experts. According to data from the Department of Statistics under the Government of the Republic of Lithuania, the general economic and social development indicators of Lithuania were still decreasing in 2008. The incoming economic stagnation and the means for overcoming the crisis, formulated by the Fifteenth Government of the Republic of Lithuania, are causing an increase in prices of cultural goods and services, and therefore it seems likely that some of the cultural goods and services may become inaccessible to a certain part of society. Considering this, it is necessary to distinguish the constant control and supervision of the governance processes from the entire strategic cultural personnel governance trends. When evaluating the demand for funds for the renovation of the cultural infrastructure, it is necessary to optimise personnel governance expenses, to carry out the continuous and potentially valuable training of the workers, following the recommendations of the national public servants' training centre and the innovative worldwide practice. The global financial crisis which began in 2008 is impeding not only the realisation of the cultural programmes for 2009 and 2010, but even the implementation of the strategic objectives of the culture policy for the next several years. The slow provision of the cultural institutions with modern technologies is posing new challenges to the improvement of the workers' qualifications, participation in international cultural projects and the spread of cultural information. When evaluating the fact that the artistic education and creative processes in Lithuania are experiencing a lack of modern technologies, one must state that the effective personnel governance in the period of globalisation is based, not exclusively on the development of the system in which the workers of the cultural institutions are operating, but also on recognition of the international practice and of its factors of influence. By using the innovative managerial channels, one must seek to compensate the lack of modern technologies in the culture sectors and strengthen the managerial, affiliation and relationship cultivation skills and their abilities to prepare cultural projects for obtaining funding from programmes and funds from the EU. Globalisation, in the context of strategic cultural personnel governance, is presupposing the importance of a more active search for international collaboration alternatives in the culture sectors and orientation to the long-term results during the period of the crisis. Whilst turning back to the spiritual values in the face of the intersection of the economic problems, one must seek to ensure proper results from the cultural personnel activity by splitting the governance into several organised levels and thus alleviating the obstructions for the effectiveness caused by the bureaucratic apparatus.

Conclusions

The conditions of professional cultural administration personnel training are associated with a versatile understanding of the activities performed by the administrators and the creation of an absolutely new quality. In order to improve the conditions of the professional cultural administration personnel training, one must accept the importance of the environmental factors, the significance of elaborating the legal basis, reflecting the objectives of the cultural administration reform, the advantages of the mixed working methods implemented in successful public institutions and look for additional possibilities by integrating management and administration technologies and by broadly invoking control and evaluation systems. Harmonious and effective cultural personnel governance, as a process, becomes a complex cultural development opportunity when countries are becoming more oriented towards the goals and objectives of international organisations.

The strategic cultural administration personnel trends and perspectives are influenced by the general guidelines of the strategic culture policy documents, by global changes of the environment and by the personal values of the administrators. The membership of Lithuania in the European Union is helping to reveal and show the historical and the cultural links with other European countries, and is also encouraging national cultural institutions to participate in worldwide programmes; however, in the context of the problems related to the competitive ability of the artists, personnel governance is becoming a more and more bureaucratic process. In order to administer culture under conditions of globalisation and to obtain a more effective personnel governance in the area, it is necessary to ensure a rational application of the principles of centralisation and decentralisation by concretising the goals and objectives of the personnel, by bringing the consumer of the cultural goods and services closer to the administrator and by supporting the potential and useful initiatives of citizens and various interest groups and by embedding the set mission into the consciousness of the administrator, thus contributing to the encouragement of his/her loyalty.

Referring to the analysis performed, it is advisable to distinguish such strategic cultural personnel governance trends presupposed by globalisation: the reinforced possibilities to explore consumer needs and to consider the suggestions and the influence of the interest groups, the non-governmental sector and the individual experts, and in this manner, guide personnel governance towards better rationality and consistency; the alleviation of the obstructions for the effectiveness caused by the bureaucratic apparatus by minimising the costs of personnel governance and by reducing the frequency of personnel selection, while becoming more oriented towards a strategic selection of workers; the evaluation of the infrastructure renovation conditions by improving the abilities of the cultural workers to prepare cultural projects to obtain funding from the programmes and funds from the EU and by strengthening the collaboration with various experts and organisations from other

areas; the democratisation of the cultural personnel governance process by absorbing teamwork principles from the business sector and by making them particularly effective in project budget planning and control contexts. It is recommended to strengthen the effectiveness of strategic cultural personnel governance by obtaining a complex evaluation of the problematic situation and by adopting systemic decisions, based on the historical and cultural context and the economic condition of the particular country.

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Globalisation of Ethical Values in Public Administration: The Crisis of Ethical Values in the Modern State.

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Abstract

In this paper the authors concentrated on an analysis of public servants' ethical stances in the reality of globalisation. The role and meaning of ethics in public administration are the focus of their interests, and it is even more interesting with globalisation affecting the quality of public administration services. In order to begin the analysis, the authors defined some necessary terms as values (items and beliefs which determine similar psychological experiences and actions of given individuals) or a system of values (a set of values sorted by level of importance). Further, the authors tried to answer a few relevant questions such as: do we need new ethics of responsibility in the sector of public services, and what modern factors affect the public servant's ethics? Do we need to relate more, not to professional ethics, but to the personal honesty of an individual acting as a professional in a given social culture? How important is the individual responsibility of clerks and public servants? They also found out that there is presently a crisis of values, which affects nearly every sector; therefore there is a need to seek new ways of motivation in carrying out professional duties. To sum up, the authors underline that the social and economic development of the Western world, as well as rapid changes in Central and Eastern Europe make public management more and more complicated; therefore the process of globalisation and European integration should also concentrate on a common search for better solutions for good governance in the public sector.

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In this paper, the authors intend to concentrate on an analysis of public servants' ethical stance in the reality of globalisation. The role and meaning of ethics in public administration are the focus of our interests, and it is even more interesting with globalisation affecting the quality of public administration services. No-one would question the need to refer to universal rules that define the stance of public servants towards state and society. It seems unquestionable. The problem lies in the form and way of pinpointing the rules of conduct and means of enforcement when breached.

In order to begin further analysis we need to refer to defined values. We come to a definition where values are items and beliefs which determine similar psychical experiences and actions of given individuals. In the cultural meaning, values are commonly sought after items of a symbolical character and commonly accepted judgments of an existing and normative sort (estimation values). A system of values is a set of values sorted by their level of importance. Even more interesting is the fact that in order to reveal the hierarchy of values, we usually need a conflict situation, where one must make a choice and leave some values behind. The above statement is important for the analysis of conflicting values in public administration. Why is that? It suggests some consequential thoughts. Before we reach the crisis of values, first we already have some singular existing and functioning values, or system of values. Second, the hierarchy of the values is revealed in a conflict situation. All assumptions lead to the point where in the environment of a very stable institutional-legal-procedural order in a democratic state, we come across a full set of values for every individual. Every individual makes a number of choices. It is true that it is easier for the individual to accept values imposed by the state, while the state is carrying out its functions and responsibilities towards the individual well. It is the level of satisfaction and fulfilment of individual's needs that affect individual ethical or unethical choices in all aspects of life i.e. healthcare, education, earnings, life level etc. The above parameters, which are strongly connected with personal and professional life, put the individual on trial, where the individual can improve his/her personal situation by making an unethical decision. Third, we have one more assumption – if the hierarchy of values is revealed in a conflict situation, it means that sometimes a crisis can be a turning point. It can give us important information i.e. information on the level of an individual's identification with the values of the workplace, environment and professional group. Fourth, we have to underline the importance of the relation of state conditions (level of economical growth), level of public participation development (i.e. in the context of public responsibility) or the level of education and public sensitivity.

Does the political system determine the change of extralegal norms, and what does the righteousness of a public servant's decisions mean? Furthermore, do we need new ethics of responsibility in the sector of public services, and what modern factors affect the public servant's ethics?

It is very important to take into account that those who make decisions in public administration make judgments, which affect the fulfilment of individual and collective needs. The time of economic transformation in Central and Eastern Europe was a period that left room for unethical stances and actions in the area of public administration. Modern conditions of intensive growth of the market economy, large competition, and many more factors create the danger of temptation to step off the ethical path. Carrying out public services leads to many situations that put the individual up against difficult choices, either to gain personally or to honestly serve society. Appreciating the difficulty, it must be really hard to make ethical, thoughtful and rational choices. The quality and effectiveness of ethical values conditions the social order in all aspects of life, with respect to the main determinants of ethical stances. A uniform system of social norms and corresponding stances and actions determines the entity of civilisation and inner progress. We cannot consider the meaning of values in the individual scope – it is more a matter of standards. For a human, the most important determinants of honesty, justice, credibility etc. allow us to take specific stances and make choices that correspond to ethical values or not. Absorbed ethical standards are the determinants that make an individual, in relation with other individuals, take specific actions. Social trust and ethical standards are the main elements of social capital.

Considering the effect of the different factors of the change of interpretation of good conduct in conflict situations, we can assume that the judgement criteria of our decisions are related to many factors. One of those factors is advancing **globalisation**.

An integral element of globalisation is wide access to the mass media, which in turn leads to an unrestricted flow and mix of norms, social stances and ethical values, which lead to the creation of new values, norms and behaviour, which are different for the various internal social groups.

The application of the conception of ethical management in public services requires the creation of a coherent system of solutions leading to ethical actions in public administration. We define this as ethical infrastructure. While looking at the basis of the definition: “ethical infrastructure in public administration” and trying to define what the infrastructure is, we need to take the infrastructure as basic bodies and institutions providing services which are essential for the functioning of all branches of public administration and creating conditions for the existence of society. **Professional ethics are not some type of new ethics constructed for a specific professional group or the society of one state.** In the scope of professional ethics, the general ethical norms are incorporated into the mission of persons working in a difficult profession. Every member of a given professional group still remains a human being, who must behave according to personal dignity. **We need to relate more, not to professional ethics, but to personal honesty and individual acts of a professional in a given social culture.** With that approach, we cannot miss the

fact that public servants' ethics relates to ethical intellectualism, which leads to the conclusion that the more the **ethical infrastructure** is developed, the more unethical actions we can avoid, when public bodies have a greater scope for ethical knowledge. That is why the main assumption is the strong belief that ethics can be learned and that we can work out a code of conduct. Doing the right thing is not something we are born with, it is more a behaviour we can learn.

We wish to emphasise that the process of globalisation leads to the disappearance of social divisions, creating common goals, and an awakening of a new, wider solidarity. On the other hand, the outcome of advancing globalisation has the opposite effect, with the advancement of consumption and crisis in the social state and more visible social contrasts. In this situation, individuals and societies are determined to find constant values, which becomes harder and harder to define in a clear and unequivocal way. We face dilemmas arising from the confrontation with global economic needs and the natural pursuit to fulfil clear individual needs. What is very concerning is that in this situation, the individual is existentially lost. There is a natural desire to cater to all individual needs, and the modern world provides such a vast choice in all aspects of life, that sometimes individuals must fight to make these choices. Global structures impose on governments narrow frames of successful strategies, which, when abandoned, lead to a slowing down of economic growth and political marginalisation. We believe that democracy is the essential structural condition in order to achieve an acceptable economical level. The quality of political establishment, national cultural tradition and the effectiveness of governing instruments enable the state to continue developing.

Nowadays, when borders are no longer a barrier, globalisation is a challenge to our comprehension, reflections and actions – we need to reach out with our thinking, in order to shape the future. A crisis of culture, orientation and identity, affecting the people that take part in the process of the transition from an industrial society to a society based on services, creates a society adapting to technology, where modern methods of communication shape our consciousness, new attitudes and conceptions of values. The world entered a phase of deep and fast transformation, which changed the individual's life. Wolfgang Frühwald (2007) believes that our experiences change at a speed that seems to push us out of history. His sense of time as a moving current that captures us and carries us forward seems very realistic. We crave new ideas and paths leading to a new spiritual orientation. We have sets of egalitarian values signed with slogans of equality and social justice. They are not contradictory to a liberal set of values i.e. progress, development and effectiveness. Both systems push each other out of the social space and they cannot be mutually implemented. Civilisation changes undoubtedly bring about positive changes connected to the process of integration and globalisation. It leads to vanishing segregation, creating mutual goals and social efforts towards the achievement of specific objectives, creating interpersonal solidarity which exerts an increase in sensitivity to humankind's needs. Knowingly or intuitively, people reach out for the lost

balance and harmony in life, towards possible integration of various life aspects in a global scope. In the above context, the problem of administrative staff, their formation, functioning and shaping takes up a significant place. With new tasks of public administration in the 21st century, and the new duties of public servants, the criteria for quality in the public services have been increased. The **individual responsibility of clerks and public servants** becomes more important. Knowledge of ethical norms and the professional responsibility of public servants are relevant to the quality of services of public administration and social reception of public representatives' work. Limited efficiency, increasing operation costs and a lack of public trust are only a few consequences of unethical conduct and a lack of knowledge concerning responsibility for administrative errors. An inseparable element of the proper functioning of public administration is the administrative workforce. System changes and modern technical equipment become useless if there is a lack of qualified and competent staff that understand their role and know the powers and responsibilities of a public servant. Public administration clerks should have specific qualities that guarantee the proper execution of their duties. Among those basic values are e.g. professionalism, reliability, integrity, political neutrality (in the civil service), dignity and legal conduct.

In a time of crisis of values, which affects nearly every sector, and in times of technological progress and social transformation, we seek new ways to motivate staff when carrying out their professional duties. It probably happens because with growing needs, we feel we encounter many temptations, and the variety of choices to make is immense. It becomes difficult to make ethical rulings in administration. Public administration faces a number of new challenges. Apart from many budget cuts, people managing branches of public organisations need to face the decreasing morality of subordinates and an aversion to politics in the wide community. We can assume that changes in public administration are lagging behind changes in the functioning of modern societies. The 1990s showed us that managing public matters requires not only high competences, but also extraordinary patience. We need to acquire a deep feeling that the quality of life in modern societies can be improved with a collective effort. Public administration cannot limit itself to "law application"; we should perceive it as an important element of mechanisms shaping our collective life, which has enormous – and often not utilised – capabilities to improve our societies and economic systems. (Peters 1997, 405)

There is no doubt that nowadays we value highly the quality and effectiveness of public affairs management. (Rabska 2003, 5–9) It is the public administration that will play the deciding role in the process of future European integration. The right to good administration guaranteed in the *Charter of Fundamental Rights of the European Union* par. 41³ refers to "good administration". It is not only about the

3 Par. 41 of Charter of Fundamental Rights of the European Union: "Every person has the right to have his or her affairs handled impartially, fairly and within a reasonable time by the institutions and bodies of the Union."

administration being active and efficiently applying law or realising specific general interests, but, above all, about the possibility of executing the fulfilment of administrative duties on the path of democratic control. We link the expectations of citizens with the successful execution of responsibility for the correct conduct of public administration clerks. With the hopes of better, more efficient and effective work (Bugdol 2003a, 16) comes integration requirements, which can lead to an acceleration of improvement in the field of management (Bugdol 2003b, 23–25) and efficiency of public institutions, and moreover, the standards and quality of their services. (Bugdol 2003a, 16; Michoński 2003, 174–180) As the other authors we cannot believe that it is possible to create one wonderful method for improving efficiency in public administration. Public administration experts state that its reform is a never ending task, and that is why we need to employ hard work, together with experience and gradually acquired knowledge. Public administration is an important force in civilisation's development, not indifferent to the direction and pace of transformation, and it is also the executive apparatus of the state – its “tool”. The administrative structure, organisation and functioning must be the outcome of a set of objectives, that it must serve, and the nature of the tasks that it must fulfil. According to the above, public administration can be judged primarily in pragmatic categories.

Changes affect the world and governments and public administration must also change. Philosophers writing about the perfect state, the medieval and the ancient were aware of the gap between theory and reality. Machiavelli thought that it was more appropriate to follow the truth corresponding to reality (*realita fattuale*) rather than the imagination of reality. (Machiavelli 1972, ch. 15; Szutta 2001) The problem lies in the reasons for and methods of public administration reforms and changes. Simultaneously, we need to give credit to the person who said: “the cheapest way of making changes is to restrain ourselves from making mistakes that others already made.” (Szutta 2001) That is why it seems so important to draw collective conclusions and pass collective reflections. We believe that modern civilised countries cannot reach unanimous decisions on the meaning of: truthful authority, honest authority, authority playing by the rules, authority keeping its word etc.

To sum up, the social and economic development of the Western world, as well as rapid changes in Central and Eastern Europe lead us to understand that management and administration processes are becoming more and more difficult and complicated. The need for innovation is now more visible. During a time when it is desirable to universalise and globalise and at a time of European integration, it should be assumed that this will mean searching for better solutions in public administration processes. It seems to be inevitable that consistently fighting corruption is not as important as working out an ethical strategy of the State. It is much more difficult to avoid a problem than to fight it. This is a challenge for the 21st century – searching a source of morality and ethics in public life. Concepts of new public management do not have to be conflicting. The best solution is synergy – a mixture of efficiency and effectiveness of new public management and transpar-

ency, respecting the law and honesty of good governance. Good governance widely concentrates on the social context in reforming public administration, especially in the area of universal standards such as professionalism, political neutrality, honesty and avoiding conflicts of interest. The starting point is, in this situation, the assumption that spheres of public administration and business differ from each other; therefore, how they are organised and function should be different. It aims at a democratic and effective system of governance, effective public institutions, good quality public service and an ability to adapt to new social needs. Good governance requires citizens' trust in government; without it, democracy is an empty term and is limited to certain procedures. Paths to an ethical and efficient system of governance are certainly different. They are based on culture (collection of ethical values generally recognised in society), as well as existing and functioning mechanisms of organisation, laws and procedures. At a time of ethical values globalisation it may also be noticed that in public administration there is a need to define certain terms as justice, honesty, good and evil. Generally speaking, it may be assumed that nowadays, being ethical is not profitable; it is easier and more comfortable to be unethical. That is why ethics became a challenge in certain spheres of social life. Capitalism, which is present in the whole world, is brutal and demanding. Money is the criteria and sets the pattern for human behaviour. It may be said that morality and ethics in today's world are lucrative goods, and to achieve them is only possible for a few people. What has changed: people or the values system? Definitely both – the fast development of civilisation and techniques are the reasons for the changes in living conditions. It is difficult to talk about morality or values, which mark out the areas of ethical decision-making. Everyone has different frontiers for “his/her honesty”. There are no standards which would create universal and obliging values, proper and ethical behaviour. Taking globalisation as a phenomenon, which dominates most of the world's economic rules, meaning faster integration of economics through production, trade, financing, technological development and network and culture, ethical infrastructure should be worked out the same way. This is the time to call for more ethics in public life. This is the time to build a different kind of European integration – ethical integration.

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Section IV

Information Management and Public Administration



Elections in Information Society: The Case of Local and European Parliament Elections in 2009 in Estonia

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Abstract

In every society, elections are one of the most important milestones by which to evaluate the level of democracy and the level of development in civic and political culture within society. There is no doubt that the rapid development of the information society has its influence on the elections as one of the main mechanisms of representative democracy. There is also the danger that the negative aspects and influences of marketing, transfer to the virtual world. The present paper concentrates on the following questions: whether and how has the Internet changed the political discourse in Estonia and, especially, whether the possibilities of citizens to get adequate, updated and balanced information to educate themselves about the issues, parties and candidates in the elections have improved noticeably? In addition to that, the question of interactivity is discussed. The empirical material is based on the monitoring and analysis of the online-communication of politicians and parties during the 2009 elections in Estonia. During the pre-election period, all online environments were visited and analysed before specifying the exact criteria, which differed slightly depending on the specific environment. Altogether 227 official web pages of local governments, 472 items of social media (Facebook, Twitter and blogs) and 29 online newspapers were looked at. The period for analysing the online environments was 5–18 October (local elections were held on 18 October 2009).

It can be stated that the information presented on these websites does not support the increase in citizens' awareness of the choice and consequences, neither are there opportunities for interactivity. On the official websites of parties, the transfer of messages was rather entertainment oriented – in the form of games, videos or au-

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dio clips. Interactivity was minimal; there was no place for citizens to ask questions or initiate discussions. All parties used Youtube or Flickr in one way or another, but their official websites did not refer to them. Regarding campaigns in online newspapers, the conclusion is that these environments were also dominated by colourful slogans and banners of the biggest parties in the largest cities, but the weak point was the lack of content. A number of new political communication and campaign instruments emerged (hijacking the campaign of a competitor, addressing young voters with more appealing and relaxed political messages) and so forth. However, the technical limits of these environments, the strong focus on marketing and on visual form, and a kind of superficiality led to a situation where there is even less substantial information about elections (programmes, background of candidates, etc.) for voters than there was before.

In conclusion, Estonia has proved its position as one of the leading countries in Europe in terms of its ICT infrastructure and the availability of online public services and certainly in terms of the rapid growth in e-voting throughout the four recent elections. However, the focus of the institutions responsible for the development of the information society (the government, municipalities, Civil Society Organisations) should now be turned from the technical side, infrastructure and practical e-services to the substantial side, namely, to the civic and political participation beyond elections.

Introduction

Despite the fact that several authors have concluded that e-government and Internet democracy are not separate terms (Grönlund 2002), the political rhetoric on the information society frequently still treats them as separate phenomena. Even if mentioned in some e-government strategies, the claims about the benefits of e-democracy fundamentally lack empirical evidence concerning the effects of the proposed projects (Mahrer and Krimmer 2005; Wilhelm, 2000; Anttiroiko 2001).

Estonia gathered praise in international academic circles for successful e-projects in addition to positive reports on the indicators of information societies (Coleman 1999; Driessen 1999; Anttiroikko, 2001). Still, it has been claimed that while there are some successful projects of e-administration, the Estonian e-Tax office being one of them, the topic of Internet democracy is often addressed as a rhetorical promise only (Coleman 1999; Anttiroiko 2001).

Estonia seemed to need prerequisites such as flexibility and a relatively high level of education in order to make the necessary ICT-related changes (Estonian Human Development Report, 1996). The Principles of Estonian Information Policy (1998) promises, among other things, to provide a participatory forum where every individual could join the discussion about the future of Estonia's information society. The forum that would have focused on the information society was never

established, but one can see the early ideas of it in the posterior portal TOM². Many of the national initiatives for increasing participation in democracy were, in fact, more related to representational democracy. For example, TOM also operated on the principle that decision-makers would choose the ideas proposed by the citizens and apply some of them. It was not the case that citizens themselves would have direct access to governing. Despite the revolutionary nature of TOM and the high international interest in it, the actual visiting of TOM remained rather low, decreasing after a fairly active beginning. Still, if one was to compare citizens' attitudes to traditional democratic ways of governing, then it could be said that there was great optimism in Estonia. As is also stated by Lauristin (Lauristin and Vihalemm 1997), technology, as a modernist value and the idealist belief in progress, widespread during the socialist times, was still present, creating a favourable context for technological change.

In some sense, the development of traditional democracy in Estonia has been similar to other post-communist countries. It has been characterised by a rapid institutional development and a slower development of civil society. However, Estonia is exceptional, due to its technological development which has been faster than in most other post-communist countries.

In building the e-State, Estonia has benefited from its small and adaptable population as well as from a favourable starting point in terms of economic policy a decade ago. Already in February 2000, the Estonian Parliament approved a proposal to guarantee Internet access to all citizens, essentially equating it with other constitutional rights. By 2009, 75 % of the population used the Internet, 67 % of households had a personal computer and 91 % of personal computers in Estonia were connected to the Internet. The whole territory of Estonia is covered with the possibility of dedicated links and public Internet access points. About 1160 WIFI networks for public use are officially registered.

The triumphal progress of Estonia as an e-State began largely due to banking. At the beginning of the 1990s, effective banking systems of that time were not copied in the banking sector. Instead, a modern electronic system was created that allowed money-owners to manage their funds in an electronic environment provided by the bank without leaving their home or office. The system won the approval of users and, at the same time, created the need for people to learn to use a computer and to acquire personal computers and Internet access.

Banks developed the infrastructure for identifying people in the electronic environment as a key solution. Soon, other organisations and institutions that wanted

2 TOM – (*Täna Otsustan Mina* – Today I Decide) is one of the Estonian key initiatives for fostering participatory online activities (<https://www.eesti.ee/tom/>). It is a state initiated forum website where registered users can propose legislative changes which, after the selection process, are sent to the responsible administrative unit. In Estonia, laws can be initiated by MPs, the government and the president, so this is the only possibility for individuals to initiate legislation. The site was launched in 2001.

to offer their services in an electronic environment also saw their opportunity there. The above mentioned situation created a good basis for the emergence of an e-State. One by one, environments such as the electronic Population Register, e-Tax Board and cadastre, among others, were established. Soon after creating the first modern information systems, the need for interactivity between these systems arose. In the late 1990s, the project X-Road was launched with the objective of creating a secure and standard environment for interconnection or data communication between information systems. By now, X-Road aggregates 80 different databases with about 1500 services from which many complex services have been created. More than 500 different organisations have integrated their information systems into X-Road. Since 2005, it is possible to use a document exchange centre where mostly public sector organisations perform their document management. Currently, about 300 organisations use the document exchange centre via X-Road. Large-scale enterprises from the private sector have also joined X-Road and currently, citizens, enterprises and civil servants all have individual views. Public e- and m-services of more than 150 organisations have been aggregated. In April 2009, the Governmental portal was visited by more than 107,000 people and it had 1.5 million page views.

In 2001, the first nationwide identity card, which is the primary identity document for Estonian citizens, both in the real and digital world, was commissioned. Today, over 90 % of citizens have ID-cards. It is possible to use the ID-card to affix a digital signature that is legally equal to a traditional signature. Approximately 15 % of ID-card owners affix a digital signature every day. Digital signatures have been affixed over 14 million times.

In connection with the ID-card and the enactment of the digital signature, preconditions for the first nationwide e-Elections or elections via the Internet were created. The 2005 nationwide elections of local governments and the 2007 nationwide elections of the parliamentary assembly were unique, due to the possibility to make a choice at home or elsewhere where people had access to the e-election system. 30,243 e-voters took part in the election of the parliamentary assembly.

However, the focus point of the present paper is not the evaluation of the technical possibilities within the context of elections. In every society, elections are one of the most important milestones by which to evaluate the level of democracy and the level of development in civic and political culture within the society. It covers the whole civic society. There is no doubt that the rapid development of the information society has its influence on the elections as one of the main mechanisms of representative democracy. As Estonia's experience in the last European Parliament elections shows, the activities in the online environment have more and more tangible influence on representative democracy, and it is not always a good thing. There is the danger that the negative aspects and influences of marketing transfer to the virtual world.

To be able to describe and evaluate the influence of new media on elections and democracy in a broader scope, the analysis has to cover all the different online environments of the websites of political parties and social media platforms (also called tools of WEB 2.0 – blogs, wikis, YouTube, Twitter etc.).

The central questions raised in the present paper are:

- Whether the important pre-elections information (such as platforms of different parties) the electorate gets is of noticeably better quality and more transparent within the information society?
- Has the use of technology improved the clarity of the presented political argument and made it more available to a broader audience?
- Which online environments are preferred? Is there more communication and interaction between politicians and voters?

The empirical material is based on the monitoring and analysis of the online-communication of politicians and parties during the 2009 elections in Estonia.

The paper is divided into the following sub-sections. The introduction provides a short background to the development of an information society in Estonia. The first sub-section introduces the topic of e-voting in more detail and presents some Estonian statistics. The following sub-section presents the case of local elections held last year in Estonia, focusing on how the environments of new media were used. The last, theoretical subsection discusses whether the changed society (networked, wired) has facilitated citizens' chances of getting adequate and balanced information to fulfil their civic duty and if and which barriers hinder their activism. The last chapter concludes and highlights some issues to be explored and discussed in future studies.

1. E-voting in Estonia – some background and statistics

Although Internet voting itself is not a focus point in this paper, the following presents some background and statistics about e-voting³ in Estonia and the possible impact of e-voting on e-democracy.

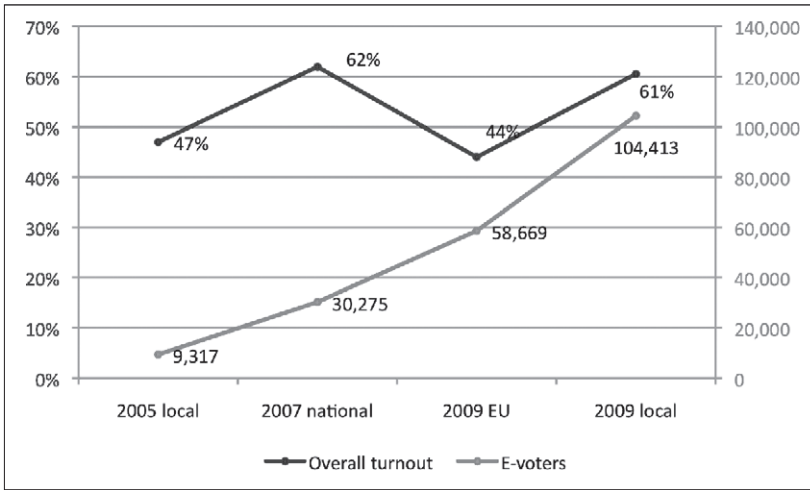
In October 2005, Estonia became the first country in the world to have nationwide local elections where people could cast their binding votes over the Internet. This world premiere was followed by national parliamentary elections in 2007 where the number of Internet voters reached 3.4% of the total number of eligible voters. In the following European Parliament elections in 2009, the number of e-voters increased to 6.5% and in the local elections of 2009 to 9.5% of eligible voters.

3 Estonia was the first country in the world where statewide Internet-based elections took place. By now, e-voting has taken place twice in Estonia – in the 2005 local elections and in the 2007 Riigikogu elections.

Figure 1 presents the growth in e-voters numbers and the overall turnout in elections (Trechsel and Vassil 2010).

Figure 1

Turnout and the number of Internet voters (Source: Trechsel and Vassil 2010).



E-voting and its influence on the development of democracy in general have been much discussed by various authors. E-voting has been approached with the aim of establishing the criteria by which to classify the different views on Internet democracy. For instance, Macintosh views e-voting as a definite part of Internet democracy; as one form of participation (Macintosh 2004). Pippa Norris (2002) emphasises that although it is a form of representational democracy, it is an inevitable stage in e-participation which is the aim of Internet democracy. In addition to that, there are more radical opinions stating that such a representational democratic form as e-voting is unnecessary, that e-participation should be an alternative to representational Internet democracy, not merely a complementary element (Fuchs 2008). There has been too little research carried out into e-voting in Estonia to draw definitive conclusions in terms of its actual influence. Nevertheless, according to Vassil’s analysis (Vassil 2007), it can be said that the availability of Internet voting has helped increase citizens’ involvement. As Vassil’s analysis of e-voters demonstrates, the number of people whose participation depends on e-technologies is small but present: 10% of e-voters claimed that they would not have voted if Internet voting was not an option and 95% of e-voters were convinced that they would not like to vote in the traditional manner if e-voting continues to be available (Vassil 2007).

2. Case study: 2009 elections in Estonia

In 2009, there were two elections in Estonia – European Parliament elections in June and local elections in October. Local elections are kept as the focus of the paper at hand and European elections are explored as background information and a source for concluding remarks. The main reason for doing so is the fact that voter activity was much higher in the local elections than in the European Parliament elections. Overall, the participation in the 2009 local elections was one of the highest in recent elections – a fact that has been partly attributed to the activity and increase in online campaigning. Also, on the level of local governments, the mutual impact of different processes and the links between democracy, participation and services is much more visible, as Estonian people have closer contact with this administrative level.

The analysis of the elections concentrates on the central questions in the present paper: whether and how has the Internet changed the political discourse in Estonia and, especially, whether the possibilities of citizens to obtain adequate, updated and balanced information to educate themselves about the issues, parties and candidates in the elections have improved noticeably? In addition to that, the question of interactivity is discussed.

2.1 Estonian local elections in 2009

Local elections are held once every four years in Estonia. There are 227 local governments in Estonia. Eight political parties and 15,322 candidates participated in the last elections.

Methods used to answer the research questions were straightforward. During the pre-election period, all online environments were visited and analysed before specifying the exact criteria, which differed slightly depending on the specific environment. Altogether, 227 official web pages of local governments, 472 items of social media (including Facebook, Twitter and blogs) and 29 online newspapers were looked at. The period for analysing the online environments was 5–18 October (Estonian local elections were held on 18 October 2009⁴).

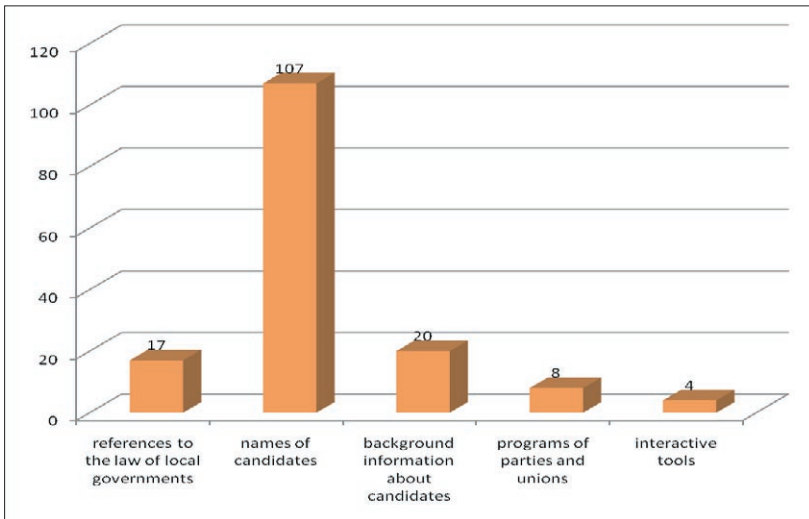
On the **official websites of local governments** the structure (information on main page or on sub-pages); content (names of candidates, programmes) and interactivity (references to blogs, special topics in forums and so forth) of the presented election information were analysed.

It can be stated that the information presented on these websites does not support the rise in citizens' awareness of the choice and consequences, neither are there opportunities for interactivity.

4 The research team included the author's colleagues from the e-Governance Academy and partner organisations – Nele Leosk, Hanna Šein, Marko Palo.

Graph 3

Information presented on the official web pages of local governments.



162 web pages out of 227 (there are 227 local governments in Estonia) had created a separate sub-page for the election period. From there, citizens mostly obtained logistical information (how to get to the polling station) or procedural information (which law regulates elections, when will elections be held etc.). As Graph 3 illustrates, the information was limited to very basic information and really crucial facts (What was the background of the candidates of my region? What have they been doing until now and what are they going to do for me during the coming period of four years before the next elections if they are elected?) was not presented to the electorate. The information about the programmes of parties or unions was available only to a very limited extent. There is a central election portal in Estonia where basic information about parties and candidates is presented, and some web pages of local governments referred to this. However, in order to enhance citizens' activism, this information has to be brought as close as possible to the voters and it should be presented on the web pages of local governments.

Only 3–4 forums were found on official websites where specific elections-related topics were raised, but there were surprisingly well-argued discussions taking place.

On the **official websites of parties**, the transfer of messages was rather entertainment oriented – in the form of games, videos or audio clips. Interactivity was minimal because there was no place for citizens to ask questions or initiate discussions. All parties used Youtube or Flickr in one way or another, but their official websites did not refer to them. Links to social networks were only seen in the

blogs of parties. Blogs, however, likewise do not allow for very active discussion. The average number of commentaries is “0” and only the blogs of party leaders are sometimes commented upon (an average of 10–20 comments per blog).

Regarding campaigns in **online newspapers**, the conclusion is that these environments were also dominated by colourful slogans and banners of the biggest parties in the largest cities, but the weak point was the lack of content. In terms of people who live in small towns or parishes, the campaigns on online portals and newspapers were non-existent.

Different from the forums of local governments, forums of online newspapers were very actively used, but mostly the commentators were commenting on the personal past record of the candidates and no serious discussion about programmes or future plans took place. This can be partly explained by the already mentioned lack of information about platforms and personal programmes. The opinions of the candidates themselves are not very noticeable on the forums; the only ones publicly attaching their names to the comments were independent candidates and peripheral political forces.

Finally, **social media networks** were analysed. Almost every 10th candidate was present in social media, mostly on Twitter and Facebook. The social network Orkut is considered to be a fading forum. It becomes fairly apparent in the use of social media that one of the most important discussion topics during the elections is e-voting. There is a broad overlap between the people who use social media and the people who e-vote. Twitter was surprisingly well-used – there are certain people, opinion leaders, whose twitter feeds have large numbers of followers. At the same time, there is the danger that due to the huge amount of information on Twitter (if one follows many sources), interesting or important information can easily go unnoticed. On Facebook, it can be seen that after the elections, the politicians’ Facebook pages have become much less interesting.

3. Theoretical considerations

Fuchs (2008) claims that in the development of Internet democracy one can begin with the phase of participatory democracy and that e-voting, which is the so-called “killer application” of this phase of Internet democracy in Estonia, has no impact on increasing e-participation. Although the paper at hand does not fully support Macintosh’s enthusiasm (Macintosh 2004) either, it is still an important phase in participatory democracy. It is visible in Estonia that with its openness and receptiveness to information technology, representative or institutional democracy as a technical application has increased the number of people who vote, involving people whose general political activity is low and who would not have voted otherwise (see *e.g.* Vassil 2007). It is also important to view the matter as a process, as with every new e-voting, the space of communication surrounding it has also changed. In 2005,

e-voting was really just another technical possibility in the local elections and the election process itself and the discussion surrounding it still mainly took place on traditional media channels.

In the 2007 parliamentary elections it was already visible that most of the debating occurred on the very active blogosphere. Still, the communication largely occurred in a unilateral form, being essentially a monologue.

In the 2009 elections, a more active mutual communication could be observed than in previous elections, but what is ground for some concern is the fact that the information that is distributed to citizens through the different environments has not improved in quality or diversity. Voters are not truly viewed as partners in the discussion, but rather as customers to whom different policies are, so to say, sold. This tendency was especially evident in the various online environments.

Due to the rapid and simultaneous occurrence of several processes, such as the development of civic and political cultures, the implementation of technology in the public sector and the strong impact of the new public administration model, Estonia serves as an interesting case for empirical studies into the implementation of Internet democracy. Some general tendencies in the development of Internet democracy can be witnessed in the e-development in Estonia.

Internet democracy has three broad stages of development: representative Internet democracy, consumer Internet democracy and participatory Internet democracy.

By the end of the first Internet democracy stage, users have access, share a common space and have applications necessary to fulfil their elementary civic duties. By the end of the second phase, people's trust in technology has ideally grown with the help of the services that meet their needs and they have accepted technology as an everyday part of their life. The third and last stage, the stage of participatory Internet democracy, has not truly been reached in Estonia or probably anywhere in the world.

The technological opportunities for involving citizens have not been applied fully and most of the opportunities for people to voice their opinion are illusory. One has to admit that there is a contradiction between the normative ideal that Habermas and his colleagues (*e.g.* Habermas 1989; Dahlgren 2001, 2005) had of public spheres and today's reality. The possibility of Habermas's public sphere today is challenged by the fact that corporate power and consumerism are more prevalent today than ever before.

Similar to the Estonian transitional process, which rapidly developed through the first stages of reforms and has, by now, reached high levels of consumerism and individualism (Kalmus et al. 2009), the development of Internet democracy is likewise characterised by a relatively fast progression through the first stage of technology-driven development and by reaching the second stage that has here been

labelled *consumer Internet democracy* using the terminology proposed by Bellamy and Taylor (1998).

Although next to Bellamy and Taylor (1998), there have been others who have written about this new stage of democracy (e.g. Ridell 2002) it has not been discussed in detail in terms of its evolution and nature. This new model of democracy differs from the previous ones and the main question is whether this consumer democracy could be the first and inevitable stage on the way towards the ideal of democracy – participatory democracy – or is there, conversely, a drifting away from this ideal through consumer democracy?

It can be concluded that this kind of *consumerism* is very much present in the online campaigns for elections in Estonia in 2009 as well. Citizens are seen as customers, rather than partners who might contribute to the debate.

4. Conclusions

The major findings of the study can be summarised as follows.

First, the use of Internet in election campaigns has plummeted since the 2009 European Parliament elections in Estonia. Whereas campaigns on the web pages of parties and personal blogs of politicians have become fairly common, the 2009 campaign had remarkably transferred to social media networks. One reason for that can be the great influence of the presidential campaign in the United States which was a living example from the recent past on how one can benefit from these environments. Also, Estonia had its own success stories similar to those of the European Parliamentary elections. For example, Indrek Tarand, the independent candidate in the European Parliament elections, who campaigned only on Twitter, Facebook, Youtube⁵ and spent only about EUR 2000 on the campaign, gathered 25.8% of the votes, which is only 0.3% less than the winner of the elections, the Estonian Centre Party.

As Trechsel and Vassil (2010) suggest, Internet voters bring their ICT skills to all aspects of the electoral process, not just the process of voting. There are small but important differences between advance polling station voters and Election Day voters, with advance voters being more likely to use the Internet to learn about politics and the elections. Comparing the results of the questions from the 2007 Estonian Parliamentary election with those from the 2009 European Parliamentary elections, slight shifts across various categories can be seen. Voter interest differed between the two elections, and there was a clear increase in voter use of the Internet to gather information in 2009.

It is fair to say that no substantial political power neglected the Internet as a means of electioneering in the 2009 European Parliament elections and the 2009

⁵ <http://www.youtube.com/watch?v=MwHlaIN-5CY> (accessed June 2010).

local elections in Estonia. A number of new political communication and campaign instruments emerged, for example, hijacking the campaign of a competitor, addressing young voters with more appealing and relaxed political messages and so forth.

However, the technical limits of these environments, the strong focus on marketing and on visual form, a kind of superficiality led to a situation where there is even less substantial information about elections (programmes, background of candidates, etc.) for voters than there was before.

Second, instead of a digital divide in the classical sense, one can now unfortunately talk about the huge gap in the quality of political information and possibilities for interaction with politicians and local governments for people living in different areas of Estonia.

Third, during the 2011 general election, politicians can be expected to exploit the Internet much more frequently, particularly the social networking sites such as Facebook, Twitter, Orkut and so forth. They are examples of consumer technologies that offer simple, cheap and efficient ways of telling the general public what the politicians are doing at any point in time and what ideas and thoughts they are having. The advantage of these technologies is that communication with the individual citizen is perceived as being more direct and personal. These technologies are capable of creating a sense of community, belonging and dialogue around the political agenda, the political party and the government on the one hand, and the citizenry on the other (Brandtzaeg and Lüders 2008). The use of this form of communication also enables politicians themselves, rather than the mass media, to steer the dialogue and the agenda.

Still, it is important to bear in mind that the use of all the new social media environments, despite their seeming simplicity, requires great effort and high quality from the politicians in terms of the content and communication with the public. Some relatively unsuccessful attempts at blogging, using Twitter, Facebook groups and videos on YouTube during the 2009 Estonian elections are an example of how important it is to understand the nature of these forms of communication. One Estonian Party, Pro Patria and Res Publica Union which to this day presents itself as one of the most conservative parties, decided to use all the possible new social media channels. They were especially active on Twitter⁶ but their election results were not as good as expected. There may be two reasons why this did not produce a better outcome. First, their average voters were not users of these environments or they were not ready or sufficiently aware of them to follow the campaign online. Second, the party was not following the rules and formats of that particular channel; their campaign was not entirely intrinsic to Twitter.

6 Twitter is a free social networking site and/or microblogging service, on which users can continually post updates about what they are doing (known as «tweets»; text-based posts up to 140 characters in length) to Twitter's web-site via SMS, instant messaging, or third-party applications such as Facebook or Twitter.

Another tendency is likely to emerge by the next elections – the increased use of electoral compasses.

To describe it briefly, electoral compass is an Internet-based means for voters to gain an unobstructed view of the political landscape and their own place within it. Voters who want to gain an overview of the parties' position on a number of salient political issues could inform themselves by positioning themselves on 30 statements in a simple questionnaire. This allows them to compare their stances to those of the parties' and to grasp, not only the promises of their national, but of the European parties as well. With easy to understand analyses and visualisations, the user gains knowledge about what is at stake in the elections and which parties are closest to his or her preferences. The first Europe-wide tool of its kind was EU Profiler voting advice application (VAA) for the European Parliament elections in June 2009.⁷

In Estonia, one of the leading daily newspapers *Postimees* put the electoral compasses to use in 2005 already. Whereas in 2005 only 7,136 people used them, in 2009 already 25,303 people in Tallinn used the electoral compass to form their decision. This clearly demonstrates citizens' readiness for dialogue and interactivity. According to Boogers (2008), in Europe generally, 48% of the respondents who have used the compasses admit that their decision was influenced by the answer they received when using the compass.

In conclusion, Estonia has proved its position as one of the leading countries in Europe in terms of its ICT infrastructure and the availability of online public services and certainly in terms of the rapid growth in e-voting throughout the four recent elections. However, the focus of the institutions responsible for the development of an information society (the government, municipalities, Civil Society Organisations) should now be turned from the technical side, infrastructure and practical e-services to the substantial side, namely, to the civic and political participation beyond elections.

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Digital Governance (in Romanian Municipalities) and its Relationship with IT Education: A Longitudinal Assessment of Municipal Websites in Romania

Catalin Vrabie¹

Abstract

The present analysis aims to analyse the status of the official Websites for each of the municipalities in Romania and, together with the data collected from the educational system (with special reference to education in the field of IT&C), verify if there is a connection between these and the development of e-Government in Romania. It should be understood that the existence of well-maintained web platforms does not automatically imply that they are also used by citizens or by the business sector. The new methods of administration do not only need innovative solutions but also “intelligent citizens”. It is not only public administration personnel who need to benefit from IT&C education, but also those to whom these platforms are addressed (the citizens).

For the correct development of a system, whatever that might be, its actual status must first be closely examined. This is why analysing it, in its dynamics, begins with a horizontal analysis carried out with maximum accuracy. The data obtained in this manner can be used to create optimum models for development.

In the future, this analysis will be transformed into a longitudinal analysis, the interest being in repeating it at regular intervals (every 2 years) and to observe the changes that may appear and the reasons which led to these changes.

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1. Introduction

Computers and the Internet have changed significantly the way in which citizens can access public services. The informational society is very present in all activities of the public sector, including through complex applications of electronic governance.

For the municipalities in Romania, electronic governance is a relatively new practice (the first national project on this theme was initiated in 2003 – www.e-guvernare.ro²) and it includes digital governance (the offering of public services through electronic means) as well as digital democracy (citizen participation in governance activity); (Holzer and Kim 2005).

Today, to interact with the public administration, a computer connected to the Internet is usually enough. Connecting from a browser to the web page of the institution you need to contact is (generally) sufficient to obtain and send information to/from the public administration. Scientific literature presents 5 pillars of interaction of the PA with its environment (Pardo 2000; Baltac 2008; Vrabie 2009).

Pillar 1. Displaying information on the Web pages – one-way communication.

This is the easiest form of interaction – the posting of information on the official web page of an institution with the purpose of informing citizens.

Pillar 2. Two-way communication. Through this method, the public administration can collect data from the environment which it addresses, be it through e-mail or more evolved systems of data transfer using intranets or extranets.

Pillar 3. Financial systems and Web transactions. The website available to the public offers the possibility of effectuating a complete public service through, or including, the decision to use the service and the actual supply of it. For the applicant there is no need for another official procedure through which he must use documents written on paper. This type of government is partially possible through offering access to citizens and the business environment to on-line databases.

Pillar 4. Vertical integration (inter-department) and horizontal (intra-department) of public services available on-line. This level of interaction is dependent on the speed with which the synchronisation of information is realised for on-line IT systems to provide, in time, the data required by the users.

Pillar 5. Citizen participation in government activity. In this phase, participation is promoted through electronic systems such as: discussion forums, blogs,

2 Law no.161/2003 sets the legal basis of the National Electronic System, with the declared purpose of ensuring access to “public information and provision of public services towards physical and juridical persons.”

electronic voting systems (not necessarily electoral), electronic questions, or any other method of direct and immediate interaction.

The conceptual frame marked by these 5 pillars is necessary only for the understanding of the evolution of e-Government. In Romania, at this moment in time there are 41 districts and 103 municipalities, from which only 96 (93.20%) are present on the Internet (December 2009–January 2010). From these, only a few of them (we will find in the following pages more detailed information) have a website sufficiently developed to allow communication as described in pillars 3, 4 and 5. Practice has shown that there is no lineal evolution and this is a good reason to expect that during the next analysis, the number of municipalities that use well-developed Web platforms will be greater.

The elements taken into account in the analysis were: *the presence of transparency elements, the management of electronic documents, useful content, methods of bi-directional communication and some general elements regarding the website taken into consideration (graphic interface, ease of navigation, the richness of the information connected to the municipality etc.).*

2. Research Methodology

Although there are numerous Romanian initiatives for connecting to Internet, even in the smaller communities, such as small towns or communes (one example would be the project www.ecomunitate.ro³, whose ambition is to connect to the Internet 255 communes and medium to small size towns in Romania), I have chosen the municipalities due to the positive relationship between the number of inhabitants and the local public administration's capacity to install e-Government (Moon 2002; Moon and Leon 2001; Musso et al. 2000).

Most of the elements used in this research are taken from previous studies, adapted afterwards to take in relevant values (Table 2.1). We can observe, as an example, the study "Digital Governance in Municipalities Worldwide (2007)" realised by Mark Holzer and Seang-Tae Kim in 2007, where Bucharest, the only Romanian municipality, was in 37th position, much higher compared to 2005, when it was 64th.

Obtaining the data was carried out through the individual accessing of each official Website of the municipalities, just after these were found on the Internet, with the help of the well-known search engine Google (this intermediary step was necessary due to the lack of a standard model of Web address; for example the may-

3 The institutions involved in the project are: the Ministry for Administration and Internal Problems, the Ministry for Education, Research and Innovation, the Ministry for Culture, Cults and National Patrimony and the Ministry for Small and Medium-Sized Enterprises, Commerce and the Business Environment with the support of the World Bank and the European Union.

or's office in the capital city has the address www.pmb.ro and the mayor's office in the city of Iasi has the address www.primaria-iasi.ro). This research was carried out during the December 2009–January 2010 period.

Once the website was accessed, the elements presented in Table 2.1 were followed and values from a scale of 1 to 5 were attributed (according to Table 1 – C5 section) to those elements that presented a potential risk of subjectivity from the observer, such as: *ease of browsing*, *attractive design* etc. In the remainder (for sections C1 to C4 – see the exceptions described below, Box 1.1) the attribution of values was made by 0 or 1 (0 = it does not exist; 1 = it exists) for every element submitted to the research, for example: “Can you submit petitions on-line?” or: “Is there an electronic map of the municipality?”

Box 1.1 Exceptions

We can find two exceptions to these rules, and these are:

1. In the case of the chapter “Transparency”, especially with regard to the presence on the website of employees’ CVs. If the CVs of all employees are included, the value that must be introduced is 2 (C14 = 2); if there are only CVs from the leaders of the institution, then the value 1 must be used (C14 = 1), and if none of the CVs can be found then the result is 0 (C14 = 0); (amazingly, but in this last situation we find 37 municipalities from Romania, including the mayors’ offices in Baia Mare, Ramnicu Valcea, Sibiu, Targoviste, etc.);
2. In the case of the chapter “E-DOC”, if we find on the website documents for on-line completion (C211 = 1), as well as in standard electronic format .doc and/or .pdf (C212 = 1), then C21 will have the exceptional case value 3, or else C21 will be equal to the sum of C211 and C212, which obviously will be equal to 0 or 1.

The study used 24 instruments for the analysis of the Website⁴, grouped into 5 distinct classes (C1, C2, C3, C4 and C5 as they are presented in the same Table), each with a different number of sub-classes according to the relevance it had in the analysis. The 5 classes have the same weight in the final classification. The grade in each class is given by the sum of the point's weight obtained at each sub-class, so that the sub-class will have a value of between 1 and 5. In Appendix 1, a model of calculus is presented using the example of the mayor's office in Bucharest.

⁴ Undertaken and adapted after The Rutgers – SKKU E-Governance Survey Instrument, that can also be found in Holzer and Kim 2007.

Table 2.1
Elements submitted to the research

The research element	The values that can be registered	Codification
TRANSPARENCY		C1
Declaration of fortune	0 or 1	C11
Organisation chart	0 or 1	C12
Minutes/meetings published on the Website	0 or 1	C13
CVs of the employees	0, 1 or 2	C14*
Legislation	0 or 1	C15
E-DOC		C2
Authorisations/certificates/electronic forms		C21**
.pdf, .doc, .rtf format	0 or 1	C211
On-line completion of forms	0 or 1	C212
On-line follow-up of submitted request, electronic or otherwise (after registering no.)	0 or 1	C22
On-line petitions	0 or 1	C23
Public announcements for: acquisition projects, concessions, renting	0 or 1	C24
COMMUNICATION		C3
The possibility to send an e-mail directly to the mayor (or his cabinet)	0 or 1	C31
The possibility to send suggestions (other than those regarding the website)	0 or 1	C32
Discussion forum between/with the citizens	0 or 1	C33
USEFUL CONTENT		C4
Electronic map of the city	0 or 1	C41
Map of public transportation	0 or 1	C42
Possibility to search within the Website	0 or 1	C43
Mayor's office news	0 or 1	C44
Electronic map of the city	0 or 1	C45
Webcam	0 or 1	C46
GENERAL		C5***
Attractive design	Between 1 and 5	C51
Easy browsing	Between 1 and 5	C52
Presents information of a general nature (taxi phone no., hotel, shows etc.)	Between 1 and 5	C53

Explanations:

0 not found on the Website;

1 found on the Website;

* Exception 1 (described on page 5);

** Exception 2 (described on page 5);

*** see Table 3.8 (page 17).

Presented below are the calculus formulae for each class and for the final result:

$$C1 \text{ (TRANSPARENCE)} = \frac{N_{max}}{P_{max}} * \sum_{i=1}^5 C1i$$

$$C2 \text{ (E - DOC)} = \frac{N_{max}}{P_{max}} * \sum_{i=1}^4 C2i$$

$$C3 \text{ (COMMUNICATION)} = \frac{N_{max}}{P_{max}} * \sum_{i=1}^3 C3i$$

$$C4 \text{ (USEFUL CONTENT)} = \frac{N_{max}}{P_{max}} * \sum_{i=1}^6 C4i$$

$$C5 \text{ (GENERAL INFO)} = \frac{\sum_{i=1}^3 C5i}{N_{elem}}$$

$$P_{final} = \frac{\sum_{i=1}^5 C_i}{N_{cls}}$$

Where:

C1, C2, C3, C4, C5 – analysis classes (for C1 and C2 we must bear in mind the exceptions described previously);

C1i, C2i, C3i, C4i, C5i – sub-classes (elements) of analysis, the values obtained after receiving the answers;

N_{max} – maximum grade that can be obtained, (5 in this case);

P_{max} – maximum points that can be obtained through summing up the maximum values that can be given to each element;

N_{elem} – number of elements submitted to the analysis;

N_{cls} – number of classes, (5 in this case);

P_{final} – the points obtained on the website under analysis (on a scale of 1 to 5).

3. Obtained Results

All 103 Romanian municipalities have been analysed and the results obtained can be presented by class and by final results. As was expected, the municipality of Bucharest is at the top, if we judge according to the final result, but we find drawbacks in the chapters of “Transparency” and “Generalities” (details in Appendix 1).

Table 3.1
The stage of e-Gov development in Romania

Grade	Municipalities	%
Very good	3	2.91
Good	28	27.18
Satisfactory	46	44.66
Low	16	15.53
Very low	10	9.71

From those 103 municipalities only 96 (93.20%) had, at the end of the year 2009 (beginning of 2010), an active page on the Internet⁵, from which – after the final results – 3 have obtained the grade *very good* (final points situated between 4.01 and 5.00), 28 *good* (points between 3.01 and 4.00), 46 *satisfactory* (points between 2.01 and 3.00), 16 *low* (points between 1.01 and 2.00) and 3, to which I added the 7 that did not have an on-line page at the moment the research was realised, *very low* (points under 1.01).

In this way we can see that almost half of the Romanian municipalities of the country have a *satisfactory* web page (information about which we cannot say is satisfactory from the point of view of the citizen or the business environment) and a third is *good* or *very good*.

⁵ The 7 municipalities which are missing are: Falticeni, Toplita, Calafat, Gheorghieni, Targu Secuiesc, Sebes and Moinesti.

Further, I took the averages for each county and created a chromatic map (Image 3.1) displaying the level of implementation of web technologies from the municipalities of the analysed county.

Table 3.2
The level of e-Gov development divided by counties

Grade	Counties	%
Very good	2	4.88%
Good	7	17.07%
Satisfactory	27	65.85%
Low	5	12.20%
Very low	0	0.00%

We can see, after analysis of the counties (Table 3.2), that the level of e-Government development in Romania is mostly *satisfactory* – two-thirds of Romania's divisions have received this grade (points between 2.01 and 3.00), while only 2 obtained *very good*: Bucharest (together with Ilfov county) and Arad. It should be noted that none of the counties received the grade *very low*.

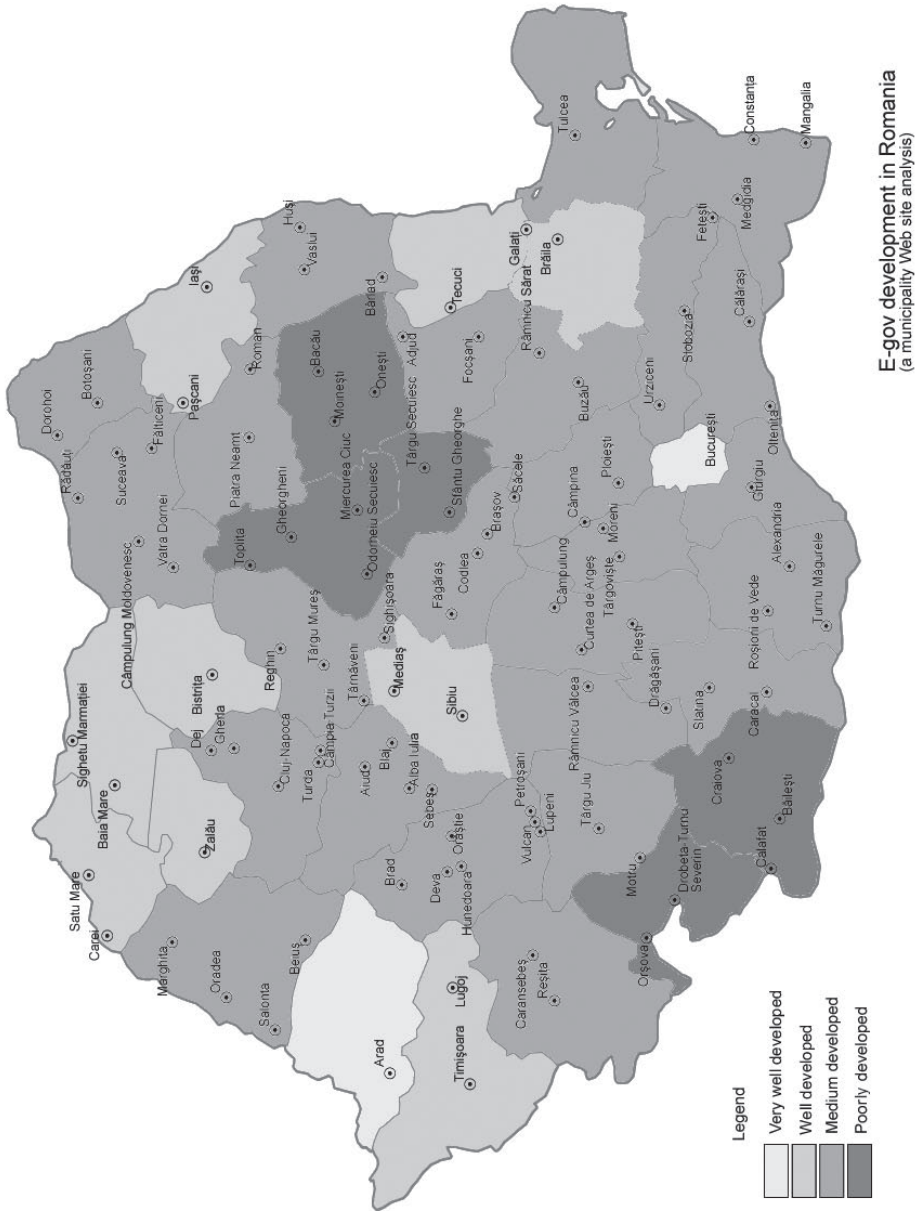
3.1 Transparency elements

Law no. 52 from 21 January 2003, regarding decisional transparency in public administration⁶, governs the way in which the local public administration authorities must relate to the communities in the legislative process, especially to involve interested parties, be it members of the communities, associations or others (stakeholders). The normative act determines, as its objective, the following 3 principles: previously informing, *ex officio*, the people regarding issues of public interest that will be debated; consulting citizens and legal constituted associations in the process of elaborating normative act projects, and the active participation of citizens in administrative decision-making and in the process of elaborating upon these decisions. (Septimius Pârnu)

In the procedures of elaborating normative acts, the authorities are obliged to make a public announcement, within a minimum of 30 days prior to submitting it for analysis, notification and adoption by the authorities, which must publish it on *its own Internet Web page*, post it on its notice board (in a space accessible to the public) and to send it to the mass media. The announcement must include a foundation note, an exhibit of reasons or a paper of approval regarding the necessity for

⁶ Issued by the Romanian Parliament, published in the Official Monitor no. 70 on 3 February 2003.

Image 3.1
E-Gov development in Romania



adopting the proposed normative act, the full text of the project as well as its deadline, place, and how citizens can submit written proposals or recommendations. Normative act projects are transmitted to all those people who have submitted a request to receive information on the topic.

Part of the transparency elements can also be found in the C4 analysis (*Useful content*) sub-class C45 (*Mayor's Office news*).

The weight of this information category (C1 class) is 20% in the calculation of the final result and in its structure we can find 5 elements: *declaration of fortune, organisation chart, minutes that are accessible through the institution's web site, Employees' CVs or legislation available for informing the citizens interested in the activities of the local elected leaders.*

At the top of the chart for the most transparent mayors' offices we find Piatra Neamt and Giurgiu, which have obtained the maximum, followed by 28 municipalities with 4.17 points. Sadly, there were 3 municipalities (Sighisoara, Odorheul Secuiesc and Beius) to which, if we add the ⁷⁷ that did not have a website, we have 10 municipalities in this class, with less than 1 point.

Table 3.3
The municipalities' status at the Transparency chapter

Grade	Municipalities	%
Very good	30	29.13
Good	37	35.92
Satisfactory	17	16.50
Low	9	8.74
Very low	10	9.71

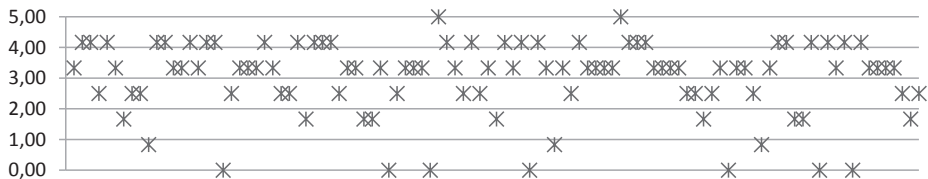
From all 103 municipalities, only 4: Piatra Neamt, Giurgiu, Slobozia and Miercurea Ciuc, had on their Website, CVs for all its personnel. The rest either did not have any CVs on the Website or they only had CVs for the leading personnel.

The average score obtained in this chapter is the highest – 3.01, but probably this high number of points is obtained due to legislative obligations rather than the interest of the officials. We will see that in the E-DOC chapter, where the legislation is not so compelling, the average is much lower.

The graphic displayed above shows us that the score of most of the municipalities (65, meaning 63.10% of their total) is situated between 3.33 and 4.17, which is above average. This may show that in the future, those below average will go up.

⁷ Idem, 4.

Graph 3.1
Dispersion graph in the Transparency chapter



3.2 Electronic document management

The E-DOC section includes the documents to which the citizens can have access through the digital environment, whether they are destined to downloading for future completion, or for completing directly on the web page. In the same section we included checking for announcements on acquisitions, franchising or renting, that the mayor’s office publishes on its website.

Electronic authorisations/certificates/forms. This category can include documents in .pdf, .doc, or .rtf format that can be downloaded for diverse purposes from the mayor’s office website. Most often these represent forms destined to be handed in to the public institution after previous completion. From the 103 Websites analysed, 80 (77.67 %) presented documents meant for downloading, such as the ones presented above, 34 municipalities (33.01 %) benefit from an on-line completion system for forms – from which only 14 (13.59 %) allow on-line tracking of the form’s progress (an easy-to-implement system from a programming point of view). For example, the mayor’s office in Bucharest has implemented on its Website an on-line system for tracking the paying of taxes and contributions, as well as tracking of citizens’ petitions (in this case a user account must be created by every citizen who wishes to use this service).

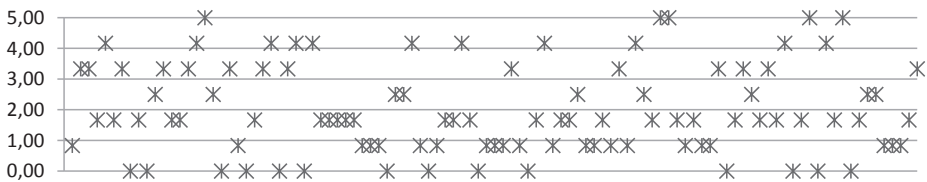
The most developed websites from this point of view are those from Bucharest, Timisoara, Targu-Mures, Reghin and Ramnicu Valcea, each of them obtaining a full score. It is also worth mentioning that 23 municipalities (22.33 %) have obtained a score lower than 1 point, a finding not so encouraging, considering the fact that through these on-line services the mayor’s office can get closer to the citizens.

In this chapter we find the lowest average of the entire study (1.99), a fact that shows how many issues the municipalities’ Websites have on the delivery of on-line public services.

Table 3.4
The municipalities' status on the E-DOC chapter

Grade	Municipalities	%
Very good	16	15.53
Good	14	13.59
Satisfactory	9	8.74
Low	28	27.18
Very low	36	34.95

Graph 3.2
Dispersion graph at the E-DOC chapter



In the graph above we can observe that most of the municipalities (63 – 61.16%) are below average. To avoid a further decrease, the authorities should “force” the mayors’ offices – through an adequate legislative frame – to post on their Websites, electronic forms/materials for citizens’ access.

3.3 Electronic methods for bi-directional communication

Citizen participation in the act of governance continues to be the most recent area of study for e-Government. Very few public agencies offer on-line opportunities for their citizens to actively participate in the governance process. This could be carried out through the presence of electronic voting forms when a public decision must be made (a procedure so rarely found that it is has not been introduced in the study for the purpose of not diluting the research results), or through discussion forums with and between citizens. In this way, the present part of the analysis stops at the research of the mechanisms through which the users can send on-line comments or can generate feedback to the institution or its officials. A mayor’s office can display on its website a considerable amount of documents and information of public interest, but the lack of possibility for the citizen to contact the public institution (for questions, as well as for suggestions) damages the citizen – administration communication.

Table 3.5
The municipality's status on the *Contact* chapter

Grade	Municipalities	%
Very good	14	13.59
Good	46	44.66
Satisfactory	0	0.00
Low	26	25.24
Very low	17	16.50

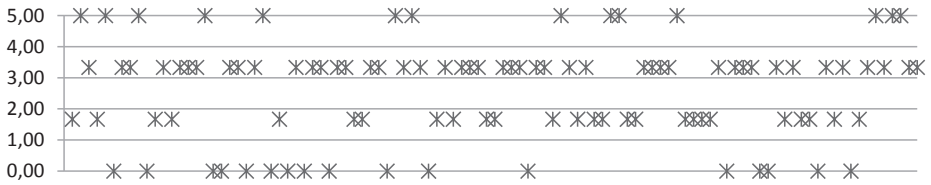
The indicators used for measuring the website's capacity for allowing its users to interact easier with the administration were: *the possibility to send an e-mail directly to the mayor (or his cabinet), the possibility to send suggestions (other than referring to the Website) and the presence of a discussion forum between/with the citizens.*

The possibility to send an e-mail directly to the mayor or his cabinet was encountered in 61 cases (59.22%) and the possibility to send different suggestions to the authorities occurred in 74 cases (71.84%). We can observe that only 25 (24.27%) have implemented a discussion forum. In some rare cases, I encountered institutions that facilitate communication with citizens through applications of instant messaging (Yahoo Messenger) or situations where on-line discussions are structured according to a certain topic (e.g. public politics), more or less successful ideas, depending on the total number of participants (directly proportionate to the population of the community).

The average score obtained in this chapter was 2.59. The maximum number of points was gained by 14 municipalities (13.59%) – here in this chapter, I encountered the largest number of municipalities which obtained maximum points. Sadly, this number is balanced by 10+7⁸ municipalities (16.50%) which obtained 0 (zero) points on this subject, a fact that considerably decreased the average score under expectations, at a value of 2.59.

We can gather from this graph that the scale is slightly out of balance in favour of those with a score of above average results: 60 municipalities (58.25%) are above and 43 (41.75%) below, pointing to a possible growth.

Graph 3.3
Dispersion graph at the *Contact* chapter



3.4 Useful content of the Websites studied

The content is an essential component for a website. It is irrelevant how advanced the technologies used are, if the content is not up-to-date, if it is difficult to navigate on the web site or if the information is hard to find or inaccurate. In this scenario the Website does not fulfil its purpose.

Table 3.6
The municipalities' status on the *Useful content* chapter

Grade	Municipalities	%
Very good	13	12.62
Good	15	14.56
Satisfactory	22	21.36
Low	19	18.45
Very low	34	33.01

Useful content can be considered as being the information presented on the Website such as news, or other useful information about the city for its citizens (through an on-line city map, a map of transportation means or the webcams installed in key points of the city). This type of content is not only related to the external elements of the mayor's office, but also to the ease with which one can access the information on the website, the possibility to choose between languages or the option to search within the site.

The results on this chapter show that Bucharest, Alba Iulia, Sibiu and Satu Mare are the top cities on the chart, with a maximum score equal to 5. Unfortunately, 27+7⁹ municipalities (33 %) have reached a score below 1 (about the same situation as in the chapter E-DOC – where it was 29+7), which can be interpreted as a situation where the mayors' offices' websites are not oriented towards satisfying citizen's needs, but rather towards legislative regulations in the field.

⁹ Idem, 4.

The average obtained is 2.10, which shows that there is an unbalanced situation between the number of municipalities which do not offer information on the website about the city and those that present this information. Only 35 websites (33.33 %) allow citizens to choose between several languages and 19 (18.44 %) have the option of viewing live images through webcams. The map for transportation means is available only on 14 websites (13.59 %) and the map for the entire municipality (a very important element) is presented on 53 websites (51.46 % – a little over half).

The category with the higher website performance is the *News about the mayor's office*. 81 of them (78.63 %) have a section especially designed for this purpose. It should also be noted that this section also belongs to the chapter on *Transparency*, signifying that there are legislative norms which oblige the mayors' offices to make information of this sort available on their websites.

Graph 3.4
Dispersion graph in the *Useful content* chapter



Graph 3.4 shows a concentration of municipalities in the lower part, rather than in the upper part (as would be desired). 53 municipalities (51.46 %) are rated below average. It is possible that legislative intervention, or a higher interest from the local authorities, would increase the values obtained in this category.

3.5 General information about the Websites on view

This research also examines the level of accessibility of the website. In other words, I wanted to see how user-friendly the websites are. To measure this, I used mostly the same techniques applied to website analyses carried out in the private sector, studying how attractive the design is, how easy it is to work inside the website and the quality and quantity of information about the municipality.

This is the chapter where none of the municipalities (except those 7¹⁰) obtained a score lower than 1 point, a fact that increases the average to 2.94, very close to the maximum obtained in this analysis (3.01 in the *transparency* chapter, but in this case, the result is not due to legislative constraints). These results indicate that there is nevertheless an interest from the municipalities to be visible on the Internet,

10 Idem, 4.

and this visibility should lead to a pleasant visit (e.g. for tourism, the website of a city is its business card).

The results are balanced between the three sub-classes analysed (Table 3.7). We can observe that maximum points were obtained by 11 municipalities (10.68 %) for *design*; 15 for *easy browsing* (14.56 %) and 10 for *general information* (9.71 %). Despite this, only 5 municipalities can be found in each sub-class (Sibiu, Arad, Bistrita, Botosani, Craiova).

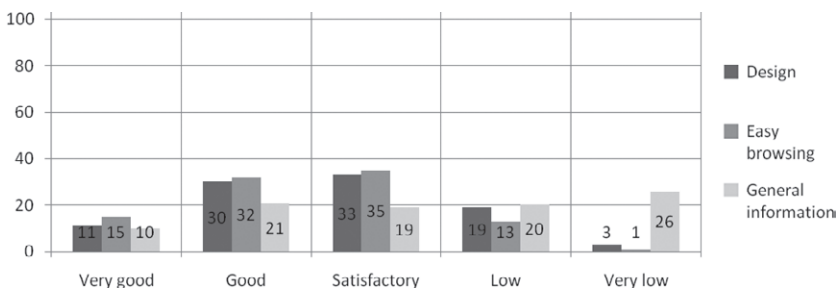
Minimum rating (*Very low* – 1 point) was obtained by:

- 3 municipalities for *design* (Rosiorii de Vede, Roman, Motru);
- 1 municipality for *easy browsing* (Sighisoara);
- 26 municipalities for *general information*;

Table 3.7
Results balance for the chapter *General information*

Grade	<i>Attractive design</i>		<i>Easy browsing</i>		<i>General information</i>	
Very good	11	10.68 %	15	14.56 %	10	9.71 %
Good	30	29.13 %	32	31.07 %	21	20.39 %
Satisfactory	33	32.04 %	35	33.98 %	19	18.45 %
Low	19	18.45 %	13	12.62 %	20	19.42 %
Very low	3	2.91 %	1	0.97 %	26	25.24 %

Graph 3.5
The balanced results of the chapter *General information*



The scale, according to the Table presented below, registered values commencing at 1 – very bad, to 5 – very good:

Table 3.8Description of the evaluation scale in the 5th class – *General information*

<i>Value</i>	<i>Description</i>
1	The design of the website is very unprofessional, unattractive, probably the municipality realised it with its own resources. Difficult inside browsing, the website is developed in .html and did not present dynamism and the maximum number of clicks needed to reach the last page in a branch is greater than 4. Does not present information of general interest to those who are visiting the municipality (e.g. phone nos. for taxis, hotels etc.)
2	The design of the website is unattractive, probably the municipality realised it with its own resources. Difficult inside browsing, the website is developed in .html and does not show dynamism. Presents too little information of general interest for those who visit the municipality.
3	Design with a satisfactory aspect; the page is still too crowded. Difficult inside browsing, overweighed menus, hard to identify the place where certain information is located. General information about the city is displayed in the manner "let's put that here".
4	Attractive contrasts, structured pages. Easy browsing, but with overweighed menus, even if these are programmed in advanced programming languages such as ASP, PHP, etc. Information about the municipality is rich and easily accessed.
5	The web site is designed in a professional manner, with structured pages. Dynamic and intuitive navigation. Information about the municipality is rich and easy to find.

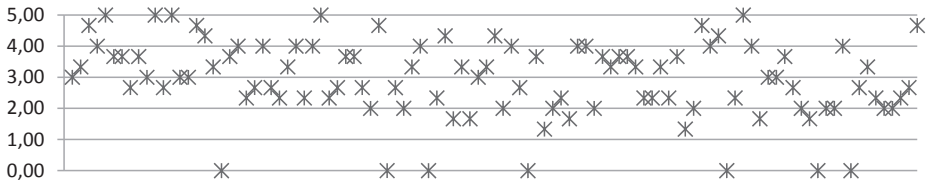
As an example, I have analysed how visible the links are, if the presence of chromatic elements is not clumsy, if the number of clicks that must be made to reach the last page of the Website is not too great etc.

The general information section includes two information categories. One refers to the website itself, to the degree of difficulty found in using it and accessing the information presented on it – finalised in appreciating the website's design and the ease of browsing it. A second category refers to information of general interest presented on the website: telephone nos. for taxis, hotels, shows/events).

Table 3.9The municipalities' status on the *General information* chapter

Grade	Municipalities	%
Very good	14	13.59
Good	34	33.01
Satisfactory	30	29.13
Low	18	17.48
Very low	7	6.80

Graph 3.6
Dispersion graph in the *General information* chapter



From the graphic above we can conclude that most of the municipalities (55 in absolute measure, 53.40% in relative measure) have obtained a rating superior, or very close to the average (11 cities, meaning 10.67% out of the total, have obtained the rating 2.67). The “concentration”, contrary to the previous chapter, is found in the upper region of the graphic, with an obvious inclination towards an attractive design rather than utility.

4. Best Practice – Models Worth Following

Seoul – South Korea

The Internet is a means of assuring transparency and reducing corruption. Chile, Colombia, Mexico and – from the European area – Austria, have published acquisition procedures on-line. These allow public access to information related to public acquisitions. The system was also applied in the case of big cities such as Seoul (which occupies first place in the study conducted by Mark Holzer and Seang-Tae Kim in 2007). Although it is not a European city, the Korean case is worth mentioning to emphasise the utility of such systems. In the case of the Seoul municipality, the system is called On-line Procedures Enhancement for Civil Applications (OPEN), an application which benefited from great success, offering the possibility to citizens to monitor requests for approval and offering them the right to raise questions if illegalities were observed. For example, if a citizen submits a building request, he can follow all the stages of the approval or rejection of the request from any computer connected to the Internet – an initiative that can be found in 14 municipalities from Romania (according to Section C22). The Seoul web page has over 2000 visitors daily¹¹.

¹¹ Online Procedures Enhancement for Civil Applications. The presentation of the application is available at the Web page: <http://english.seoul.go.kr/government/down/OPEN.pdf>.

Tampere – Finland

Another model that is worth following is the e-Tampere Programme¹², implemented in the city of Tampere in Finland. The e-Government system includes an on-line discussion platform on various themes, a citizen consultation system regarding development priorities, an especially designed section where citizens have the possibility to comment on the administration's plans and their financing, and e-cabins on the system of questions and answers that assures obtaining an answer in an interval of several days.

Blagoevgrad – Bulgaria

An e-service project was launched in 2006 in Bulgaria, which materialised in a system for exchanging documents between the administration and the institutions. The 14 municipalities from the region of Blagoevgrad are the partners with a regional administration and six central institutions represented at regional level (e.g. the regional inspectorate for prevention and control in public health). The project aimed at unifying the separate administrative services from the municipalities, reducing the time needed for exchanging documents, cutting down expenses in postal taxes, decreasing the number of contacts between the citizens and multiple authorities and in conclusion, decreasing the possibilities of acts of corruption.

Another aspect in regard to spreading information through electronic means is the presence of information cabins. These can be present inside institutions, as well as in public places, and have the purpose of offering the possibility for citizens to obtain information about practices in the public administration, without interacting with civil servants. This method is used intensely in Greece and Portugal.

Timisoara – Romania

The project “Together for Transparency”, implemented by the mayor's office in Timisoara, offers a system through which the meetings of the Local Council are broadcast via radio. West City Radio transmits the extraordinary and ordinary meetings, as well as events. The citizens can submit suggestions to the forum@westcity.ro e-mail address or can transmit messages that are recorded by a telephonic robot. In addition, the members of the Local Council are invited weekly for a direct dialogue with the citizens, hosted by the “Castana de foc”¹³ show, broadcast each Thursday, between 1pm and 2 pm.

Best practice instruments can be: consulting citizens through dedicated e-mail addresses, where citizens can send opinions or complaints regarding a specific field;

12 www.etampere.fi/english.

13 The fire chestnut.

information sources such as newsgroups, as well as through chat instruments. In the new-media era the means through which local authorities can make themselves visible are extremely diverse, varying from posting information on social networks such as MySpace, Twitter or Facebook, to the Web page and blog creation and sending information through newsletters and other forms of electronic subscriptions. An instrument already used by several public administration authorities in Romania is the on-line broadcasting of their meetings.

5. Study Conclusions

In this study the present situation in the level of implementing e-Government through the mayors' offices websites in all Romanian municipalities has been evaluated. As we can observe from the map displayed earlier (img. 3.1) or from Table 3.1, and Table 3.2, the situation is *medium*, which signifies that there are still multiple steps to be taken in order for us to be able to speak about electronic governance in Romania, as we know it in other European countries (and others).

Graph 5.1

Dispersion chart obtained by using the final results of the study



This can also be seen in Graph 5.1, by the fact that the “concentration” can be found around the average value (2.52), with 56 municipalities (54.37 %) obtaining a rating above average and 47 below (45.63 %).

Fearing a dilution effect which probably would have appeared in the final results, I have not introduced in this study any elements that can be found in similar studies conducted in other countries, such as: the possibility to perform on-line pay (a situation rarely found in Romania) or the participation of citizens in governance activity through electronic voting or electronic referendum (also rarely found), and on-line questionnaires to gather citizens' opinions with regard to possible actions by the mayor's office. This is the reason why a comparison of the best results obtained (that of the mayor's office in Bucharest) with the best results worldwide, or from Europe, would not be quite accurate. But for reasons of diversity, this information is presented briefly in Box 5.1.

Box 5.1

Bucharest vs. Cities of the world

In 2007, the mayor's office in Bucharest held the 37th place worldwide on e-Governance (nevertheless, better than in 2005, when it was 64th), outmatching cities such as Brussels (38th place), Athens (52nd place), Kuala Lumpur (64th place), Budapest (67th place) or Chisinau (69th place). In the same study, this time in a continent comparison, Bucharest occupies 19th place in Europe, after Helsinki (1st place), Madrid, London and Vienna; but also in front of the Danish capital, Copenhagen, (22th place) or other cities such as: Oslo (27th place), Lisbon (28th place), and Warsaw (34th place) etc.

SOURCE: Digital Governance in Municipalities Worldwide (2007) – A Longitudinal Assessment of Municipal websites Throughout the World, 2007 – Marc HOLZER, Seang-Tae KIM

In comparison with most cities (even when these were outmatched by Bucharest) we can say that the biggest limitation found in this study, in relation to the Romanian municipalities, is civic participation. It is here that the deficiencies in the relationship between the authorities and the citizens are highlighted. The reasons can be diverse, from a lack of information concerning electronic means of communication, a lack of methods for communicating, to a lack in interest by the authorities or the civic qualities of the citizens.

As I pointed out at the beginning, I will repeat this study every 2 years in order to observe the adjustments which have taken place and for a possible comparison with other cities of the world. I expect to see a substantial improvement in the ratings obtained.

6. IT&C Education in Romania

About 20 years have passed since the computer was introduced in the education system. If, at the beginning, the computer was considered a work instrument in so-called *IT laboratories*, where pupils learned how to deal with computers, during the last years, a real conceptual revolution has been generated in the education sector and the computer became a study tool for almost all disciplines in school. The step made from *users* – specialists in IT – to *users* as the term is perceived today, was slow and without notice. After that, or perhaps at the same time, the Internet has exploded, transforming itself into a global network. In all the media in which man is present, there are computers. It began with commerce, education, public administration and has extended itself to social networks (e.g. Facebook, hi5).

The lack of education will certainly limit access to those new technologies. Each of us must have an IT&C education in order to be able to live in the 21st century. A critical point has been reached even compared with the end of the last century

with our information society surpassing the status of forecast to becoming a state of facts for the present time (Galdwell 2002).

The task of education for using the new technologies is not meant to demonstrate that these have superior results in a competition with other types of systems (this fact has already been demonstrated) but rather for replacing part of the present structures with new ones, which register higher performances, and meet the inherent changes which take place in our culture and civilisation (I refer here especially to the classic methods of governance versus the modern which I have mentioned in the pages above).

It is understood that the IT&C field will make available instruments of universal utility, for this is a necessary new way of thinking and behaving which will allow public institutions to meet any type of request. Each civil servant will have to master competences in this field, a matter which was already covered legislatively through the Governmental Decision no. 100/2001¹⁴ in which is mentioned the preparation of civil servants as users of informational technologies:

The courses for initiating and perfecting IT skills will follow the design of the 'European Computer Driving Licence' (ECDL) which was adopted as a standard by the governments of multiple countries [...] ECDL was proposed to all member states of the EU as a standard certificate for basic qualification in using the computer. [...] The courses will consist mostly of practice on the computer and will necessitate adequate structures in the entire territory of the country. Centres, consisting of laboratories for ECDL instructing and certificating will be founded in all the municipalities which are county residences and in many high schools, as well as in several university departments. In the first stage of this programme about 250,000 public employees will be involved.

The governmental decision no. 1007/2001 was supplemented by the Order no. 252/2003¹⁵ from the Minister of Public Administration for the approval of the Methodological Rules regarding the instruction and specialisation of civil servants in the field of IT, which requested the use of the ECDL standard at the level of primary training.

The Ministry for Education, Research and Innovation follows through its programmes with the use, on a large scale, of information technology in the process of education, constantly initiating programmes of supplying IT instruments for educational institutions, correlated with the introduction of assisted instruction on the computer.

According to the government decision no. 97/2009¹⁶, within the exams for Bachelor degrees, the evaluation of digital competences is introduced. “*The results*

14 Published in the Official Monitor no. 705 from 6 November 2001.

15 Published in the Official Monitor no. 432 from 19 June 2003.

16 Published in the Official Monitor no. 618 from 14 September 2009.

of the evaluation are expressed through the level of competence in relation to the European standards acknowledged in the field.”¹⁷

The enclosure 3 to the O.M.E.C.I. no. 5794/29 October 2009 stipulates in Art. 2 that “*They are recognised and they are added to the test in digital competences – test D in the Bachelor examination – the results obtained in the ECDL exams, finalising with the ECDL Start or the ECDL Complete certificate.*”¹⁸

We can observe, in this way, how dynamic this field is, even from an educational perspective.

6.1 IT&C education in the academic environment

Regardless of the university’s profile, it prepares young people to later either fill a place in the civil service (e.g. the public administration faculty, social sciences) or to interact with the public administration (nobody “gets away” with this). This is the reason why it is important for students to know how to use a computer as soon as they finish their studies. Sadly, the older generation does not have the same opportunities. It is important that, at least from now on, steps will be taken in order that this digital divide between the younger and the older population, will be eliminated. At present, all 107 universities in Romania have, in their educational programme, at least one IT course, and more than one course assisted by computer.

If we look at the map presented above (Img. 6.1) we see many white areas. The reason for this: not all of the Romanian counties have a university centre – only 22. The other colours represent the ratio between the population of the county and the number of universities in the county. The smaller the ratio, the bigger the rating received was (I took as a landmark the average value – 201,723 inhabitants/university).

Results:

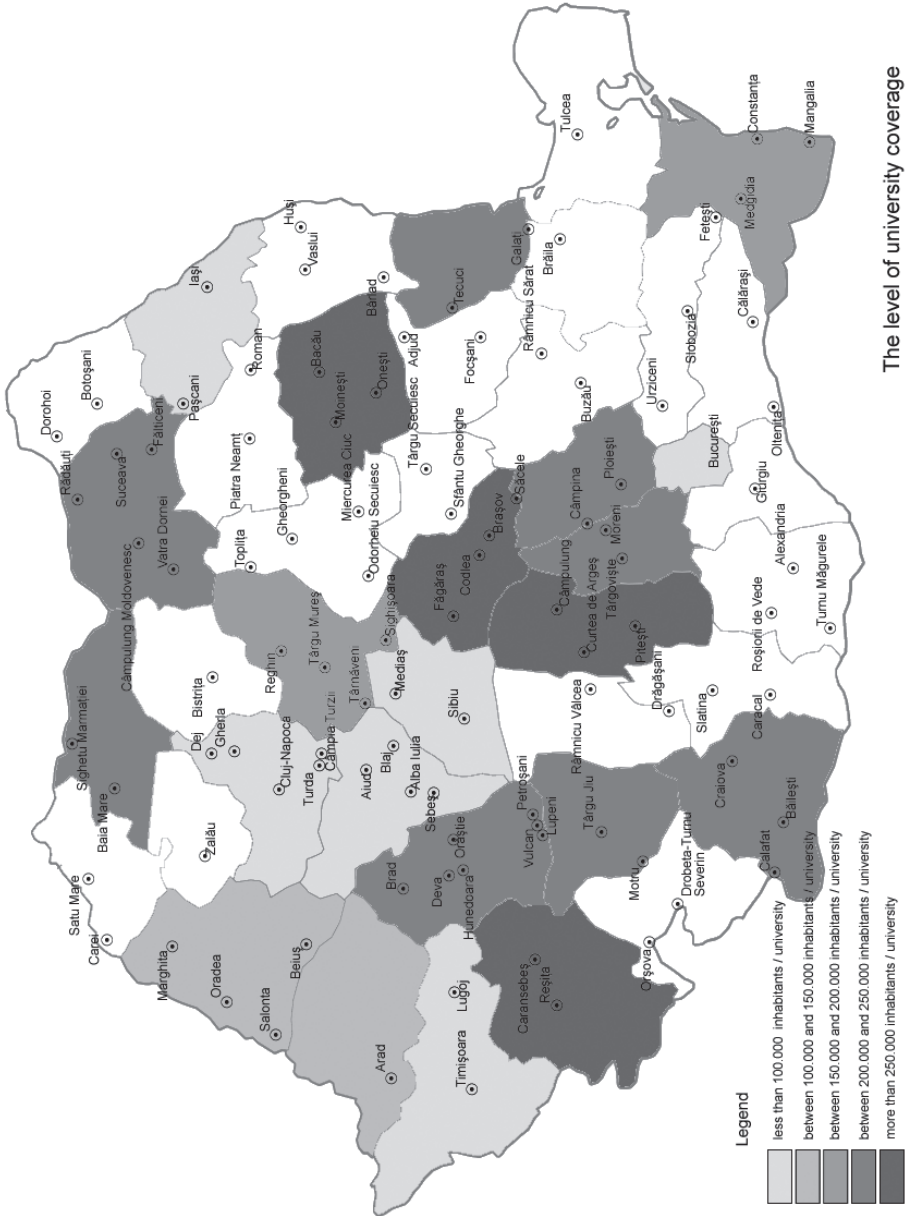
- 6 counties have obtained a very good rating, with less than 100,000 inhabitants/university;
- 2 counties between 100,000 and 150,000 inhabitants/university;
- 2 counties between 150,000 and 200,000 inhabitants/university;
- 8 counties with poorer results, between 200,000 and 250,000 inhabitants/university;
- 4 counties with very poor results, more than 250,000 inhabitants/university;
- 19 counties do not have an academic centre;

Students do not always choose universities in the city they live in (there are cases where students leave home to attend a university far away even if they have a large academic centre in their vicinity).

17 <http://www.edu.ro/index.php/legaldocs/12797>.

18 <http://www.edu.ro/index.php/legaldocs/12982>.

Image 6.1
The level of university coverage



The level of university coverage

Universities are, as we all know, mostly an educational colossus which slowly adapted to the environment (Velea 2009). It would be ideal if each of these could create branches in the counties which are uncovered. Some have done this (the data discussed here are not included in the study), but most of them have not even tried. The speed at which they respond to educational market requests is low (Luca 2009). The success is due to on-line classes or distance education which most of them provide to potential students. In this case, more and more people have access to education (and I do not mean only IT education).

If we look at the degree of computer use by students, it is obvious that after completing their classes they will know how to use a computer (of course, students who follow on-line classes or distance learning education programmes are forced by the very nature of the course to use on-line education platforms).

In one of my previous articles¹⁹ I conducted research in which I have shown, through empirical analysis, that all young students nowadays use the computer and the Internet. They are the people who, in the future, will need these on-line governing platforms because they simply do not understand the old “sitting in a row” interaction, or the bureaucracy.

6.2 European Computer Driving Licence

Do you know how to use the computer? This is the question that is heard more and more often at international level, in an expanding number of areas, and probably, each of us finds ourselves in this position. For an affirmative answer to this question and for inspiring credibility, the Council of European Professional Informatics Societies (CEPIS²⁰), the most important IT&C European association has created the European Computer Driving Licence, a standard for certification abilities in using the computer.

The European Computer Driving Licence (ECDL) is the standard document for basic knowledge in using the computer, recognised at international level and proving its holder’s ability in efficiently using a computer²¹.

The value and representation of ECDL are shown by the fact that ECDL is a certificate conceived by professionals in IT and the testing is carried out under the supervision of national professional organisations, according to a common European standard, accepted even at global level.

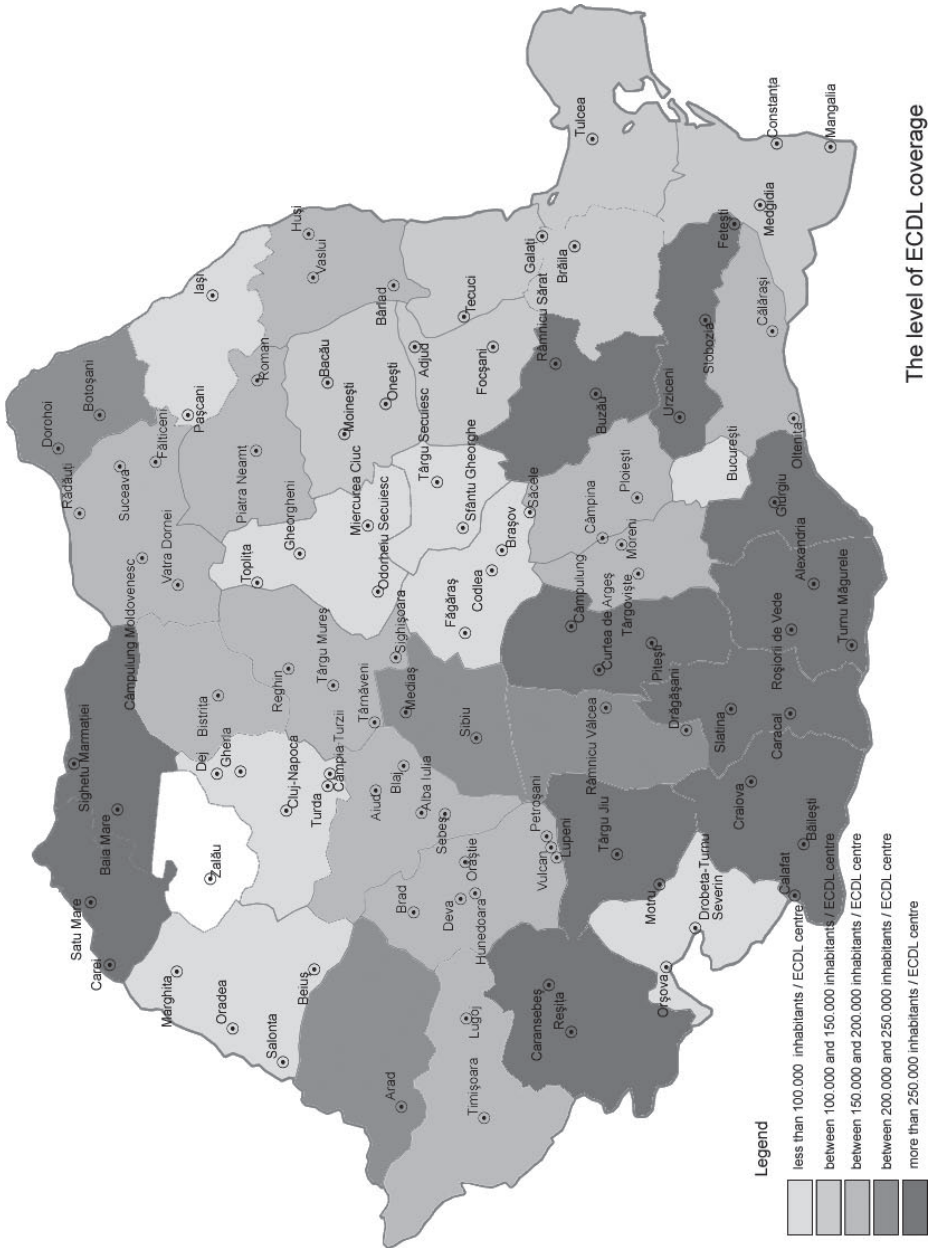
ECDL ROMANIA has created a national network of testing and accreditation centres, which is still in full development, aimed at covering all the counties of the

19 Developing e-government in reforming Romania, IIAS 2009 Conference in Helsinki – “The history and future of nation building, the role of public administrations, civil servants and public finances”.

20 <http://www.cepis.org/>.

21 <http://www.ecdl.org.ro/>.

Image 6.2
The level of ECDL coverage



country with a total today of over 500 centres. Among these centres we find education institutions (universities, high schools, and schools), training centres for administration, and professional training centres from all the large cities of Romania.

Results:

- 8 counties have obtained a very good rating, with a little below 100,000 inhabitants/centre;
- 6 counties between 100,000 and 150,000 inhabitants/centre;
- 11 counties between 150,000 and 200,000 inhabitants/centre;
- 4 counties with a weaker result, between 200,000 and 250,000 inhabitants/centre;
- 11 counties with very weak results, more than 250,000 inhabitants/centre;
- 1 county (Salaj) that does not have an ECDL centre.

As in the analysis of the degree of coverage with universities, we counted how many ECDL centres are in each county and we compared this to the number of inhabitants of the county. First, we can observe that besides Salaj, all the counties in Romania have at least one centre of this type (ECDL Romania has a more dynamic evolution compared to the large universities, for reasons which are not the subject of study in this analysis).

The ECDL programme contains applications on which the development of e-Government in Romania (and not only) depends. The licence obtained attests to the fact that its owner has promoted the 7 modules: a theoretical test which evaluates IT basic concepts and 6 practical tests which evaluate basic competences of the owner in using a personal computer and in using the applications met in current activities (computer using and file organising, text processing, table calculus, databases, presentations, information and communication). Each civil servant must know how to use them and be able to foresee the opportunities that these applications offer.

7. Is Education the Development Engine for E-Government?

I will present in the following paragraphs several reasons which I consider important for the development of the educational component – in the first place – in order that an e-Government implementation be successful afterwards.

I will begin with the connection between *IT education and citizens*, because they must understand the structure of an on-line government system in order to use it efficiently. In the first chapter of this paper I spoke about the 5 pillars of e-Government. If the citizen is not aware of the fact that the web application accessed by him through the website makes available the elements that he needs, or does not trust it, then he will still go to the office, making this investment useless.

The importance for the civil servant. They should concentrate on understanding the technology's basic concepts. Civil servants are not IT specialists, but they

must know what questions to ask the specialists. They are the ones who best understand the way of working of a public institution, not the IT engineers and not the programmers. The 2 work groups must have a common language when they work towards developing a system of electronic governance.

Another relevant element is *the importance for public managers* and for others who hold key positions in the public system. They must understand the role of education and the computer; they must also understand the fact that future civil servants *must* have IT competences. At present, in Romania, in order to obtain a place in a public institution an exam is organised which is based especially on the juridical part of the activity. This is not sufficient and it must be adapted to the new communication technologies for a capable team to be created to work efficiently.

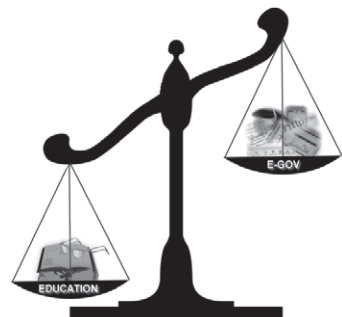
In 2003, (when e-Government began to be a *talked about* subject in Romania, with the introduction of the e-governare.ro project) we can presume that Romania (all its counties) would have received the rating *very weak*. Today, thanks to the investment in these systems, things are looking better. If we look at Table 3.2, we can see a completely different situation, which promises a good evolution of events.

Bucharest has obtained the highest rating in all 3 studies; Arad (also in the chart) received the rating *good* in the study on *universities* and *weak* in the study for *ECDL centres*. This confirms the fact that IT education is responsible for the development of e-Government. Further, we can consider other cases such as that of Mures county, which received the rating *satisfactory* in all 3 studies. With very few exceptions, (Iasi, Cluj, Salaj counties) the data are very close, which means that education in the field is directly responsible for the development of e-Government at local level.

Obviously, the two situations analysed worked together, arriving at the situation presented in Figure 3.1, the reason for which I would propose in future, partnerships between ECDL Romania and the Ministry for Education, Research, Youth and Sports or even with the Ministry for Administration and Internal Problems. This type of partnership can only be good and would complement the i2010 initiative and the strategy for IT development of the public administration. Education certainly represents the engine for these projects.

As has been said, Evolution will be served, one way or another, and so why shouldn't it be faster and with fewer side effects.

In the Figure presented next, I placed in the balance education and electronic governance; the heavier education becomes (investing more in this field) the higher the e-Government systems go up; they will be used more and, as a consequence, will be more efficient.



Appendix 1

Example of Research: The Municipality of Bucharest Website (www.pmb.ro) Home page of the portal:

The screenshot shows the website interface for the Municipality of Bucharest (PMB.ro). The browser window title is "PMB.ro - București - Administrația Locală". The address bar shows "http://www.pmb.ro/".

Navigation and Header:

- Home - [Pmb.ro](#) - Primăria municipiului București - pe internet din 1996
- FORUM / Informatii - [cauta pe site](#) - [glosar](#)
- Orășul - [Primarul](#) - [Instituții](#) - [Servicii](#) - [Hărți](#) - [Cultură/Agrement](#) - [Contact](#) - [Adrese utile](#) - [Diverse](#) - [Pagini asociate](#)

Main Content Area:

- București Administrația Locală** (with coat of arms)
- Bilanțul de activitate al PMB pentru anul 2009** (highlighted)
- De actualitate:**
 - Acte normative
 - emise de Primarul General sau Consiliul General al municipiului București
 - Procese pe Rol
 - procese - dosare pe rol, în care Primăria Capitalei este parte
 - Legea 10
 - despre situația cererilor de retrocedare făcute către PMB
 - Infrastructură
 - situația lucrărilor de infrastructură (tehnico-edilitare și stradale)
 - Urbanism, Autorizații de construire și Certificate de urbanism
 - Informații de interes public
 - Legea 544, Formulare tipizate, Venituri, HG 145/2008
 - Anunțuri, Achiziții, Investiții, Angajări
 - anunțuri de interes public, angajări
 - Spații comerciale, Spații cu altă destinație, Spații medicale
 - Locuințe sociale-Centrul Istoric.

Left Sidebar:

- NOU pe site-ul PMB
- Comunicate de presă PMB
- UTILITARE
- Sedința Consiliului General
- DATA ROOM-proiecte PMB
- Date conf. H.C. 145/2008
- Taxi
- TAXE LOCALE
- Ghișeu Virtual de Plăți
- Proiectul Pasajului Suprateran Basarab
- Situația solicitării depuse la registratura PMB (CIDRC)
- București **12°C**
- Cer seara
- Vreme frumoasa
- La ora: 16:00

Center/Right Content:

- 0800.800.882
- Dispecerat Integrat de Urgență
- 021 9PMB (021 9762)
- Dispecerat pentru Monitorizare și Control Trafic
- ISO 9001 and ISO 14001 certification logos

Footer:

- Vizitatori (extensi) pe site: **1048103** începând cu 1 Ianuarie 2009
- Ultima actualizare: **5 Mar 2010**
- Legături: Președinte; Guvern; Prefectură; P.Sect.1; P.Sect.2; P.Sect.3; P.Sect.4; P.Sect.5; Sect.6; E-guvernare.ro; Inspectoratul Scolar; Transport; TAROM; Căi Ferate; Auto Interurban; RATB; Metrou; Direcția Generală de Evidență Persoanelor a Municipiului București;
- intranet
- ATENȚIUNE - Site-ul conține și fișiere PDF, care pot fi citite cu Adobe Reader
- Pagini realizate de Direcția Sisteme Informatic și Centrul de Calcul . Pentru sugestii sau comentarii puteți contacta webmaster [www.pmb.ro](#)

The form used for research

Bucharest municipality	
Website: http://www.pmb.ro	
Elements research element	Points obtained
TRANSPARENCY	
Declaration of fortune	1
Organisation chart	1
Minutes/meetings published on the Website	1
CVs of the employees	1
Legislation	1
E-DOC	
Authorisations/certificates/electronic forms .pdf, .doc, .rtf format	1
On-line completion of forms	1
On-line following of submitted requests, electronic or not (after registering no.)	1
On-line petitions	1
Public announcements for: acquisition projects, concessions, renting	1
COMMUNICATION	
The possibility to send an e-mail directly to the mayor (or his cabinet)	1
The possibility to send suggestions (other than those regarding the Website)	1
Discussion forum between/with the citizens	1
USEFUL CONTENT	
Electronic map of the city	1
Map of public transportation	1
Possibility to search within the Website	1
Mayors' office news	1
Web cam	1
Electronic map of the city	1
GENERAL INFORMATION	
Attractive design	3
Easy browsing	5
It presents information of a general character (taxi phone nos., hotels, shows etc.)?	5

Calculating results:

$$C1(\text{TRANSPARENCY}) = \frac{N_{max}}{P_{max}} * \sum_{i=1}^5 C1i = \frac{5}{6} * (1 + 1 + 1 + 1 + 1) = 4,17$$

$$C2(\text{E - DOC}) = \frac{N_{max}}{P_{max}} * \sum_{i=1}^4 C2i = \frac{5}{6} * (3 + 1 + 1 + 1) = 5,00$$

$$C3(\text{COMMUNICATION}) = \frac{N_{max}}{P_{max}} * \sum_{i=1}^3 C3i = \frac{5}{3} * (1 + 1 + 1) = 5,00$$

$$C4(\text{USEFUL CONTENT}) = \frac{N_{max}}{P_{max}} * \sum_{i=1}^6 C4i = \frac{5}{6} * (1 + 1 + 1 + 1 + 1 + 1) = 5,00$$

$$C5(\text{GENERAL INFO}) = \frac{\sum_{i=1}^3 C5i}{N_{elem}} = \frac{3 + 5 + 5}{3} = 4,33$$

$$P_{final} = \frac{\sum_{i=1}^5 Ci}{N_{cls}} = \frac{4,17 + 5,00 + 5,00 + 5,00 + 4,33}{5} = 4,70$$

Case study discussion

From all 103 municipalities submitted for research, the capital has ranked first, obtaining the highest score, the reason for which was taken as the example of calculus. As presented above, to the results contributed:

- Transparency – 4.17. It was surpassed only by Piatra Neamt and Giurgiu, and shared its place with another 27 municipalities from Romania. The average of the category: 3.01;
- E-DOC – 5.00. It obtained a maximum rating together with another 4 municipalities: Ramnicu Valcea, Timisoara, Reghin and Targu Mures. The average for the category: 1.99;
- Communication – 5.00. It is also in this category that it obtained the maximum rating, together with 12 municipalities. The category average: 2.59;

- Useful content – 5.00. Again, maximum rating – it is here that Bucharest’s mayor’s office excels: GIS maps, other means of public transportation (in great detail) made up the 5 points obtained but failed to reflect its real value. Sibiu, Satu Mare and Alba Iulia have also obtained the maximum rating in this field of study. Category average: 2.10;
- General information – 4.33. Ten municipalities surpass Bucharest in this chapter, and this is especially thanks to the completely unattractive design where it obtained only 3 points from a maximum of 5. Category average: 2.94;
- Final result – 4.70. The highest rating obtained in this study, followed by Arad with 4.50 and Alba Iulia with 4.10 points. The average of the final results: 2.52.

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Section V

Public Administration in Poland



In Search of Recognition and Compromise: Civil Service Reforms and the Evolution of Polish Politico-Administrative Relations (1989–2010)

Tatiana Majcherkiewicz¹

Abstract

The aim of the paper is to investigate the evolution of Polish politico-administrative relations in the last two decades and their impact on civil service development. Three main arguments are raised in the article. First, it is assumed that post-communist politics have played a critical role in reaching compromise in the area of politico-administrative relations, with politicians gradually resigning from direct control over administration, overcoming the communist legacy of the *nomenklatura* system and recognising administrative autonomy. The primary impact of this has been the opportunity it offered for the creation of a politically neutral and professional civil service. In this process of defining politico-administrative relations five main phases are recognised:

1. The absence of civil service reform and regulations in the division between political and administrative positions (1989–1993);
2. The introduction of a spoils system and the initial reform of the civil service (1993–1997);
3. Tensions between professionalisation and politicisation of administration, including the critical impact of the civil service reform of 1998 (1997–2005);
4. The blurring of politico-administrative divisions (State Personnel Reserve) and the threat of a *nomenklatura* system (2005–2007);
5. The Civil Service Act of 2008 – a new beginning, or continuity?, and its impact on politico-administrative relations.

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Second, despite serious drawbacks, the evolution of Polish politics in the last two decades has resulted in a gradual increase in its effectiveness and stability. During the period under investigation, the negative impact on administration had instability in the political sphere, the three main challenges being: fragmentation of the party system, frequent changes and low cohesiveness of Cabinets, and the limited professionalism of politicians.

Third, it can be argued that the maturation of the political system around 2010 should have a positive effect regarding the prospects of further development of the civil service corps. In addition, despite serious drawbacks, civil service reforms, to some extent, have accumulated, leading to increased autonomy of administration, greater stability and relatively wide recognition among politicians and society of the need for a professional administration.

Introduction

In the early stages of transition, the main challenge to reform of the civil service was the rather low recognition of the need to establish a professional and apolitical civil service among both politicians and society. Administrative officials were neither liked nor appreciated. According to Rokita (1998, 145) they were ranked along with cleaners at the bottom of the Occupational Prestige Scale. Under communism in Poland (and in other Eastern European countries) there was extensive bureaucracy and an absence of a civil service. The establishment of the *nomenklatura* system in relation to personnel policy meant that political criteria predominated in appointments to managerial positions in administration and other state institutions. Moreover, decision-making took place in the Central Committee of the communist party, and the role of the Cabinet was limited to implementation (Erlich 1991, 25–33).

Finally, the coherence of Cabinet policies was low, due to the fact that the influence of the Prime Minister and ministers was determined by their party status (whether they were members of the Central Committee or only deputies, or had reached the prominent position of members of the communist party's Politburo). The diversification of political positions of members of the Cabinet, as well as extreme centralisation, led to fragmentation of the Cabinet structure and ministers began to focus on their own narrow economic branches, which prevented integration of their actions (Izdebski and Kulesza 2004, 160).

In consequence, also after the fall of communism, politicians have been accustomed to direct interference and control of public administration in relation to their activities, as well as promoting their own personnel. Two decades can be regarded as a relatively short period for a change in their attitudes and recognition of the importance of a professional and apolitical civil service. In other words, professionalism in the political sphere is of critical importance to the development of the

civil service. Maria Gintowt-Jankowicz, Director of the National School of Public Administration (1990–2006), who **was** engaged in the training of senior civil servant cadres, supports this diagnosis, as the following quotation shows:

What is important is that the experience of countries with long democratic traditions shows that among others things one cannot expect improvement of administrative performance without improvement of competence of political class. It is a necessary requirement although it is not sufficient (Gintowt-Jankowicz quoted by Bereś and Burnetko in *Tygodnik Powszechny* 14/200)

Thus, discussion of the development of a civil service corps and politico-administration is preceded by an analysis of the evolution of Polish politics.

I. Evolution of Polish politics

The investigation of Polish politics in the last two decades will focus on three main challenges, which are assumed to have had a serious impact on politico-administrative relations and which, to a large extent, have recently been overcome:

1. Fragmentation of the party system (and a large number of coalition parties in Cabinets),
2. Frequent changes and low cohesiveness of Cabinets (with political leaders not being Cabinet members in the early stages of transition),
3. Low professionalism of politicians.

1. Fragmentation of the party system: It can be argued that at the core of the problem regarding stabilisation of the Polish executive was the fragmentation of the Polish party system. The Round Table Agreement, which began the dismantling of the communist system, approved semi-democratic elections to be held in June 1989. The political scene formed following this election was divided into two main blocks: post-communists and Citizens Committees (which were formed as an electoral platform for the former anti-communist opposition *Solidarity*).

Very early on, in the middle of 1990, the Citizens Committees began to fragment into several political parties. The extreme political fragmentation after the period of forced uniformity of the opposition during communism is illustrated by the data from the end of 1990, when 154 parties were legalised (Dudek 2007, 87–88). Changes also took place at the opposite extreme of the political scene, with the communist party transforming itself into the Social Democratic Party of the Polish Republic at the beginning of 1990. In contrast to right-wing post-Solidarity parties, during the first decade of this transition, the post-communist left avoided serious political divisions. However, since 2002, following various corruption scandals, the post-communist party has lost its prominent position. It began to drift and its very

existence was seriously endangered (with questions over whether it would be able to pass the required parliamentary threshold).

After the initial political fragmentation, culminating in the period 1991–1993² when 24 parties and electoral committees were represented in parliament, the number of parties every parliament since, has not exceeded six. However, this data could be misleading. For example, the 1997 election led to the selection of only 5 political parties and electoral blocks. However, the winner was the Solidarity Electoral Action (AWS) formed by several tiny parties and its internal fragmentation³ had serious political consequences. Indeed, it was one of the factors that led to the split of Buzek's coalition Cabinet in 2000 and the formation of a minority Cabinet. Political fragmentation also had an impact on the expansion of positions within politics⁴ and the pool of spoils in administration, with each tiny organisation having expectations of expanding their sphere of influence.

The political fragmentation, especially in the case of post-Solidarity parties, translated into a large number of coalition parties in the Cabinet (see details in Table 4). This problem was most evident in the case of Suchocka's Cabinet (July 1992–October 1993), which had seven and then eight parties in the coalition (Dudek 2007, 220). After the 1993 parliamentary election, the number of coalition partners reduced substantially, never exceeding three. However, the political fragmentation of the right-wing post-Solidarity parties (especially the internal divisions of Solidarity Electoral Action – the senior coalition partner) and in consequence the low coherence of Cabinets was also characteristic of the period 1997–2000.

The last decade shows the increased Cabinet cohesiveness resulting from stronger party discipline and lower party fluctuation (since 2001 the political scene has been more or less “frozen”, with no new political party appearing). It can be argued that the case of Solidarity Electoral Action was the last such radical example of political disintegration. Having been the senior coalition partner in Cabinet (1997–2000), it became the only party in the minority Cabinet and then, in the 2001 general election, was not even able to pass the parliamentary threshold. Despite se-

2 Political integration was also enhanced by the results of parliamentary elections in 1993, when 35% of votes “were lost”, as the parties which voters selected did not pass the parliamentary threshold.

3 In autumn 1996, in the early stages of Solidarity Electoral Action, it was formed of the Solidarity Trade Union and nearly forty tiny parties and organisations. Three years later, a certain amount of integration took place and it was divided into five main organisations (Dudek 2007, 339 and 376).

4 For example, Raciborski (2006: 38) underlines that Buzek's Cabinet, formed in 1997, was one of the largest, comprised of 23 ministers, in contrast to the previous Cabinet of Cimoszewicz, with four ministers less. According to Mojak's calculations (2007, 131) the Cabinets of Mazowiecki and Suchocka had the largest number, at 25 ministers. As mentioned, it was in Suchocka's Cabinet that political fragmentation was greatest. Moreover, as indicated by Raciborski, the political expansion took the form of a mushrooming of deputy minister positions in the Prime Minister's Chancellery (Raciborski 2006; see also Majcherkiewicz 2009, 96).

rious drawbacks (the split of Miller's coalition Cabinet in 2003 and the Law and Justice Cabinets in the period 2005–2007 shifting between minority Cabinets and the formation of majority Cabinet coalition with two populist parties the Self-defence party and League of Polish Families) the internal discipline of parties in Cabinets has been increasing.

2. Frequent changes and low cohesiveness of Cabinets: In the last two decades there has been an evolution from frequent changes of Cabinets towards their increased stability. At the beginning of the transition period, 1989–1993, there were four Cabinets, and in the parliamentary term 1993–1997, three. However, these three Cabinets were more cohesive, enjoying a substantial majority in parliament and preserving the same two-party coalition throughout the term. After the Constitutional reform of 1997 and the introduction of a constructive no-confidence vote, the durability of Cabinets increased: Buzek's Cabinet ruled for a four-year term and his successor, Miller, for three years. (However, its side effect was often the formation minority Cabinets). Similarly, the current Cabinet of Tusk, should last until the end of its term and furthermore it is quite probable that he will be reappointed after the parliamentary elections expected next year.

Since the 1993 parliamentary election, multiparty coalitions have been replaced by coalitions of two or three partners. However, this did not lead automatically to increased cohesiveness of successive Cabinets as during the first decade a serious challenge was posed by the main political division arising from the historical origins of political parties. As a result, until recently, coalitions were only possible within post-Solidarity parties or the post-communist block. Thus, Cabinet coalitions were formed by parties with serious differences in their political agendas (Rydlewski 2000, 19–21). This limited opportunity for senior coalition partners to form alternative Cabinet coalitions meant that the position of junior coalition partners was disproportionably strong. (This could explain the split of Miller's Cabinet coalition in May 2003). However, the recent drift of the party system towards domination by two main parties substantially decreased the political strength of junior partners.

This low cohesiveness of Cabinets was the main cause of serious internal conflicts, and this was reflected in the nineties in some cases of open criticism by ministers of official Cabinet policy or Prime Ministers. After the introduction to the Constitution in 1997 of a constructive no-confidence vote, the internal conflicts in coalitions led to their demise and the formation of the minority Cabinets of Buzek in 2000, Miller in 2003, and in the period 2005–2007 the senior coalition partner, the Law and Justice party, shifted between a coalition with two populist parties and a minority Cabinet. (After parliamentary elections the minority Cabinet was formed and only six months afterwards the coalition was established. However, five months later it broke up only to be revived two months later, this time lasting for nine months after which an early election was called). The low cohesiveness of

Cabinets (in addition to the high frequency of Cabinets in the early nineties) had very serious effects on the continuation of Cabinets' policies. In the case of the civil service, the relevant reform was seriously delayed. In addition, other administrative reforms, for example territorial reform was only implemented in January 1999 due to differences in the coalition partners' agendas. Finally, the Cabinet cohesiveness was also decreased by the fact that sometimes the decision-making took place in party headquarters, as the Prime Ministers were weak institutionally, lacking the full-hearted support of their parties.

In 1991, for the first time, a party leader, Jan Krzysztof Bielecki (presidential Cabinet), became Prime Minister: and, again in 1993, Prime Minister Pawlak was the leader of the junior coalition partner, the Peasant party. The situation changed radically in 2001 in Miller's Cabinet. All coalition leaders were Cabinet members; the Prime Minister represented the senior party and the deputy Prime Ministers were the leaders of the junior partners. A similar approach was taken in 2006 in Kaczyński's Cabinet and again in the current Cabinet of Prime Minister Tusk, formed in 2007. In addition, Cabinet cohesiveness has been increased by making the Prime Minister's position prominent (constructive no-confidence vote) and allowing him to adapt the Cabinet structure to his own preferences (deciding on the formation or liquidation of a ministry and transferring competencies among them).⁵

3. Low professionalism of politicians: The professionalisation of Polish politics has a relatively short history of two decades. Having been under communism for more than forty years, politics and the public sphere were reserved for the *nomenklatura*, and the majority of society who were critical of communism tried to distance themselves from politics. Compared to other Eastern European countries, for example in GDR, 13.8 per cent, Czechoslovakia 10.8 per cent and Bulgaria 10.4 per cent, support for the communist party in Poland was very low 5.7 per cent (Grabowska 2006, 246). However, the negative approach towards political parties in general continued after the fall of communism. Poland has the lowest party membership in Europe (measured by percentage of the electorate in political parties in twenty countries), and a lower party membership than any other post-communist country of Central Europe (Mair and Van Biezen 2001) Undoubtedly, this low social participation in politics hinders its professionalisation.

5 In the Polish political system the president has a very strong negative veto power, which can be a serious challenge during cohabitation, hindering policy implementation. However, it is argued that tense relations with the president during the period under investigation did not have a serious impact on administrative transition and civil service reform. The exception was President Kwaśniewski's decision to send the Civil Service Act of 18 December 1998 to the Constitutional Court. Thus, its implementation was delayed until 1 July 1999 (Rydlewski 2002: 161). Similarly, in December 2000, Kwasniewski vetoed the Act on the formation of the Chairman of the Main Office of Public Administration. The aim of this legislation was to separate administrative issues from the Ministry of Internal Affairs and Administration, and for the ministry to focus only on internal affairs, which were seen as distinctive from the management and supervision of public administration (Chorażewska 2008, 233).

One of the main reasons for this low professionalism was the fact that the former Solidarity oppositionists, unexpectedly for them, entered politics in 1989 and became MPs and only gradually (often around 1991 when they were re-elected) began to overcome the negative legacy of communism and define themselves as politicians (Pańków 1994, 163–183). Furthermore, another serious challenge to the professionalisation of Polish politics was the high turnover in senior positions. In all Polish parliaments the number of “freshmen” – new MPs – was above 50 per cent. For example, in 1989 this proportion rose to 90 per cent while in 1991 it was exceptionally low for Polish conditions at 51 per cent. Thus, even positions, which should be taken by more experienced politicians, for example the chairmen of parliamentary commissions, have to be taken by “freshmen”. This has serious negative consequences such as discontinuity and poor quality legislation (as well as over-regulation and excessive attention to detail) (Wesołowski 2004, 29–30 and Zubek, Stecker and Goetz 2009). Furthermore, despite the fact that after the collapse of communism more than half the MPs in successive parliaments had Master’s degrees, and above ten per cent PhDs, in relation to type of professional education the number of lawyers was relatively low, at between ten and twenty per cent (Wesołowski 2000, 121–122).

Similarly, there was a high rate of change in ministers’ positions, especially in the period 1989–1993: 77 ministers (own calculation according to data from Leszczyńska 2005, 331–339). At the end of 2003 it reached 180 people, despite the longer period of Cabinets after the Constitutional adoption in 1997 of the constructive no-confidence vote. Moreover, the high frequency of changes was often observable in ministerial positions critical to the post-communist economy. For example, there were six ministers of privatisation in the period 2001–2004 (Wesołowski 2004, 31–32). In contrast, ministers of foreign affairs can be positively singled out. Although, when they started to work in the foreign ministry it often meant a radical shift in their professional careers, and in general they only began to work in administration after the collapse of communism, they were first-grade professionals. Before their nomination these ministers often had extensive administrative experience in senior positions, as ambassadors, deputy ministers or ministers, and in one case, Prime Minister (Cimoszewicz). Furthermore, changes in these positions were relatively rare. For example, the minister Professor Krzysztof Skubiszewski was in office for 49 months (September 1989–October 1993), (see details Majcherkiewicz forthcoming 2011).

This low professionalism of politicians was, to some extent, also typical of Polish Prime Ministers, especially in the early stages of the transition. In Polish politics – promotion to the position of Prime Minister has often been preceded by parliamentary experience as an MP or senator but rarely by ministerial or other administrative apprenticeship. Of 13 Prime Ministers, just four had previously been ministers (Oleksy, Cimoszewicz, Miller and Belka), all of them representing the post-communist option. There is only one case of a Prime Minister of post-Solidar-

ity origin who had a similar previous experience, and that was Marcinkiewicz, who had been a deputy minister. However, gradually, the professionalism of Polish politicians has increased. For example, despite ministers in the current Cabinet generally not being well known to the public, Pytlik's (2008, 166–172) analysis indicates that they have a relatively high and extensive administrative experience and he makes references to numerous previous professional achievements.

II. Politico-administrative relations

1. The absence of civil service reform and regulations in the division between political and administrative positions (1989–1993)

A particular feature of successive post-Solidarity Cabinets (1989–1993) was the informality of the politico-administrative relations of the early transition (see Table 4). This can be recognised as typical of revolutionary or transitional periods, when the rules are not yet settled. In relation to Poland's politico-administrative relations this means that the boundary between politics and administration was not yet defined. For example, the Prime Minister's political advisers were employed in administrative positions until 1996 (Rydlewski 2002, 153).

However, despite the fluidity of politico-administrative relations, the aim was to limit political appointments in administration – to break with the former approach – the *nomenklatura* system. For example, the position of regional governor (*voivode*) was assumed to be an administrative one. (This approach was strengthened by the introduction of an evaluation scheme by Suchocka's Cabinet in spring 1993). Rokita (1998, 170), one of the ministers at that time argued that this approach of limiting personnel changes and promoting professionalism sometimes resulted in the preservation of communist cadres when there were no Solidarity professionals with administrative apprenticeships, but he questions whether the communist *appatchiki* were really experts. However, the preparation of Solidarity cadres was slow. The National School of Public Administration, which enrolled its first students in 1991 aimed at preparing officials for senior administrative positions, had only a minimal effect as the yearly number of graduates was around sixty.

The conscious policy aimed at avoiding political purges, was especially significant after the fall of communism. The geopolitical uncertainty directly after the formation of the first non-communist Cabinet in Eastern Europe can explain the cautious personnel policy of Prime Minister Mazowiecki. For example, it was symbolic that former communist leaders and generals (Kiszczak and Sawicki) became Ministers of Internal Affairs and Defence and stayed in these posts for the next nine months. However, the limited personnel changes were also a result of the Prime Minister's conviction about this personnel policy. The scale of political changes in senior positions was minimal (38 new appointments to positions of deputy minis-

ters and director generals). This was not generally interpreted positively but rather as his political weakness (especially in the Ministry of Defence and in the security forces) (Dudek 2007, 58 and 79–80).⁶

In addition, to the informality of the early transition mentioned above, the second factor of particular importance was political instability. This had a fundamental impact on the redefinition of politico-administrative relations. The frequency of Cabinet changes was the highest of the whole period under investigation, with four Cabinets in four years (see Table 1). This was prompted by the high turnover in the position of ministers.

The first Cabinet of Mazowiecki can be defined as non-party, and the next of Bielecki as presidential. Both enjoyed strong support among MPs, irrespective of their political background (Chmaj 2006: 57). The political parties at that time were *stautus nascendi*. The support of the opposition enabled Mazowiecki to introduce radical economic reform (“big bang”). After the presidential Cabinet of Bielecki, the next two Cabinets were multiparty coalitions: acting at the turn of 1991 and 1992 Olszewski’s being comprised of four parties at and his successor, Suchocka’s of seven. The coherence of Cabinet policies was rather low and there were examples of ministers, and even deputy Prime Ministers, publicly criticising the official Cabinet agenda (for example, ministerial attacks by some ministers in Bielecki’s Cabinet [Podolak 1998, 69] and by deputy Prime Minister Goryszewski in Suchocka’s Cabinet [Dudek 2007, 220–222]). Despite the formation of multiparty coalitions, Cabinets such as Olszewski’s and Suchocka’s were the minority. Finally, the Prime Minister’s position within the Cabinet was relatively weak.

Political instability, in general, hindered the implementation of reforms and the continuation of predecessors’ policies.⁷ This was the case with the public administration, which after the collapse of communism required a complete institutional transition. Despite various reformatory blueprints only a few attempts proved successful. In 1990, the legacy of extreme centralisation of administration was broken by the re-establishment of autonomous local government. In 1990 the National School of Public Administration was created. Unsuccessful attempts were made in four areas (Izdebski 2001, 228–233): **decentralisation**⁸, **central administration reform**⁹, **defin-**

6 For details on personnel changes at that time, see Majcherkiewicz 2005, 76–116.

7 The exception was economic transition. The recognition of critical economic conditions after socialism and the fact that the Minister of Finance, Balcerowicz, had a comprehensive vision of reforms at the time of his appointment enabled this to occur in 1990. Moreover, Balcerowicz stayed in office for two years (in Mazowiecki and Bielecki’s Cabinets).

8 Proposals for regional reform by Bielecki and for districts by Suchocka.

9 Bielecki’s proposals suggested streaming of the ministerial structure, and a more flexible approach to Cabinet structure [formation or liquidation of a ministry]. His bills on the formation of a Ministry of Public Administration, as well as his attempt to form the Cabinet Chancellery, as the supporting institution, were rejected by the Sejm. In addition, Suchocka’s Cabinet attempted to enhance the administering the summit. Finally, Olszewski focused on restructuring the central administration structure and its cooperation with local administration.

ing politico-administrative relations (in ministries by Bielecki and Olszewski) and **civil service reform** (proposals by Bielecki, Olszewski and the set of legislative bills by Suchocka). In relation to public administration, the reformatory efforts in general proved unsuccessful, which confirms the argument about the critical importance of the stability of the political sphere for the development of the civil service.

2. Introduction of a spoils system and initial reform of the civil service (1993–1997)

After the parliamentary elections in autumn 1993, the politico-administrative relations were substantially modified in three main areas. First, the evolution of the political system indicates that it was already relatively stable at that time; second, the introduction of the spoils system and the arrival of the former communist cadres; and third, the definition of politico-administrative relations and the introduction of the first Civil Service Act of 1996.

The development in the political system shows that although the frequency of Cabinet changes was high – three in four years – the same Cabinet coalition ruled for the whole parliamentary term. The number of parties in coalition was also reduced substantially to two. Finally, the Cabinets were majority ones. The stable support of parliament for Cabinet policies enabled them to be much more successful in implementing reforms; for example, central administration reform in the middle of the term and in particular passing the first Civil Service Act. However, the post-communist – Alliance of the Democratic Left (SLD) and the Peasant party did not manage to introduce administrative reform aimed at the decentralisation of the extremely centralised administrative system that was the legacy of the communist system. This was due to the fact that despite the reduction in the number of coalition partners, the internal coherence of Cabinets was still rather low. (The decision to form a Cabinet coalition was not decided on the basis of similarity in political agendas but was based on the historical division going back to the socialist period. The political scene was divided into two main blocks: post-communist and post-Solidarity, the former anti-communist opposition [see details Rydlewski 2000, 19–21]). As a result, the Peasant party, the junior coalition partner could block certain reforms, as was the case with administrative decentralisation, due to its opposition to territorial reform and the re-establishment of districts.

The radical change of personnel policy affected managerial positions in central administration directly after the parliamentary election, as self-restriction was replaced by a spoils system. The wide-scale personnel changes illustrate the situation with regard to regional governors (see Table 1).

A change of approach in personnel policy is also indicated by the pace at which it was implemented. For example, during the eighteen months of Mazowiecki's tenure, 44 out of 49 *voivodes* were dismissed, but in the first eight months only 23 were. The Prime Minister was even attacked for not automatically dismantling the whole

nomenklatura staff, as some people remained in the Prime Minister's Chancellery (at that time its official name was the Office of the Cabinet – URM) who had worked there before. On the contrary, during the first hundred days of Prime Minister Pawlak's rule, 19 *voivodes* were dismissed (Koral, 1994). Furthermore, since the 1993 election the former communist administrative officials and also the senior party *apparatchiki* were reappointed to managerial positions despite social disapproval of these appointments (Dudek 2007, 279–280). An illustration of this type of appointment of senior *apparatchiki* in 1993 is that of the Minister of Labour and Social Policy, Leszek Miller, who was the regional secretary of the communist party (in 2001 he became Prime Minister). In addition, Józef Oleksy, who was Prime Minister in the period March 1995–January 1996, was a former regional secretary of the communist party.

Table 1

Appointment of regional governors by successive Prime Ministers (1989–1995)

Prime Ministers	Appointment of Regional governors	Appointment Deputy regional governors
Tadeusz MAZOWIECKI	44	appointed 43 (dismissed 149)
Jan Krzysztof BIELECKI	12	17
Jan OLSZEWSKI	8	6
Waldemar PAWLAK	2	0
Hanna SUCHOCKA	8	0
Waldemar PAWLAK	32	34

Source: Frydrykiewicz and Reszka 1996.

Also introduced in the 1996 Civil Service Act was the promotion of former communist cadres, whereas post-Solidarity professionals were discriminated against. The fact that a seven-year apprenticeship was required for promotion to senior positions, in effect, meant that positions were reserved for those who had worked in administration before the collapse of communism, a condition which was not fulfilled by Solidarity former communist opposition cadres.

Finally, the division of the pool of spoils was also a source of severe conflict within coalitions. First, Prime Minister Pawlak, despite being the leader of the junior coalition partner,¹⁰ tried to extend his sphere of influence by breaking the earlier coalition agreement and appointed 19 regional governors (*voivodes*) who were members of the Peasant party and gave only two to the senior leader, the post-communists. For the first time, the minister responsible for territorial administration, Michał Strąk, officially declared that positions of regional governors and their deputies should be defined as political (Dudek 2007, 279). The conflict over the division of the pool of

¹⁰ The Left Alliance received 20 per cent of votes and 37 per cent of seats and the Peasant Party 15 per cent of votes and 28 per cent of seats.

spoils caused the SLD to threaten to leave the Cabinet. As a result, after the appointment of the new Prime Minister Oleksy, in Spring 1995, representing the Left Alliance, the senior coalition partner regained its political influence and extensive personnel changes took place in senior administrative positions of deputy ministers and director generals (145 positions), (Dudek 2007, 300). The third wave of purges preceded the 1997 parliamentary elections and was concentrated mainly on director generals who, according to the Civil Service Act of 1996, filled the most senior administrative positions in ministries, central agencies and regional offices. In the most radical form the spoils system was implemented in regional offices (49), as 48 newly appointed director generals were active politicians,¹¹ who abruptly transformed themselves into civil servants. This approach was to guarantee that these new position holders would be in office, even if the ruling party lost the elections, which, as they predicted, happened.

The third issue, which was critical to that period, was the definition of politico-administrative relations and the passing of the first Civil Service Act of 1996. In 1996 central administration reform was introduced aimed at improving its performance. It was mainly planned to overcome socialist-style fragmentation of ministries into narrow branches, especially in the economic sphere. However, as some of its critics emphasised, it only achieved partial reform, as it did not assist the transformation of the whole administrative system. For example, Izdebski (1996: 317) recognised decentralisation as a prerequisite for improved performance of central administration, which was overburdened after socialism with numerous unnecessary tasks. The second area of reform was to improve Cabinet performance by modifying the Cabinet support structure. Accordingly, the Prime Minister's Chancellery was established. Furthermore, the central administrative reform distinguished the political positions within the administrative structure. In ministries and the Prime Minister's Chancellery, political advisers were gathered in political Cabinets (see details in Kulesza and Barbasiewicz 2002, 37–59 and Majcherkiewicz 2009, 268–292). Moreover, within ministries and the Prime Minister's Chancellery political positions included posts of deputy ministers (secretaries and undersecretaries of state) and in regional offices those of regional governors (*voivodes*) and their deputies (see Figure 1). The most senior administrative positions, according to the Civil Service Act 1996, became director generals in ministries, regional offices and central agencies. As a result, an extensive spoils system was established for around two hundred people. This did not, however, limit successive political encroachments into senior administrative positions.

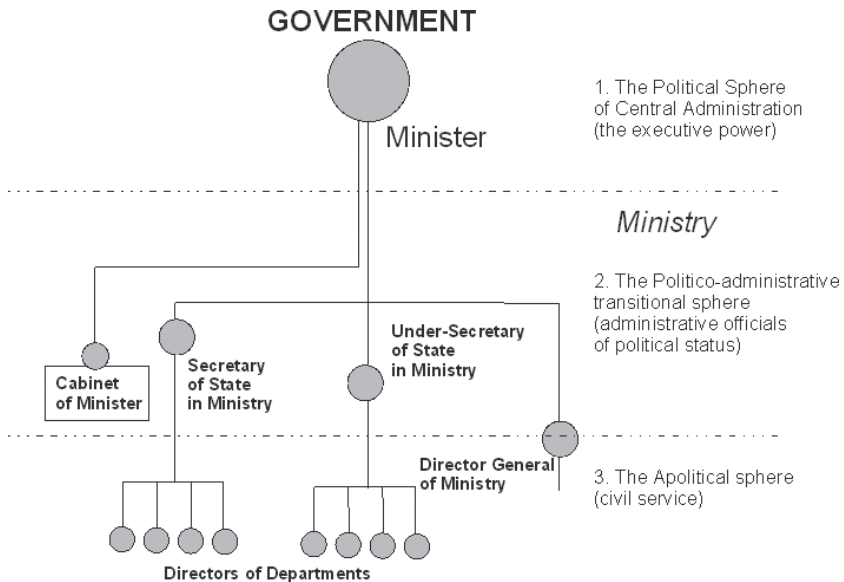
The central administrative reform also dealt with the issue of personnel policy in the Civil Service Act 1996. The Act was praised by experts for its clear separa-

11 Among them were party members who, prior to their appointment, resigned from party membership; 11 were members of the Peasant party and 4 represented the post-communist Social Democracy of the Polish Republic [SdRP]). However, despite the fact that only a minority of them were formal party members, they were politicians, the majority of them former communist *appatchiki* (Subotić 1997).

tion of political positions and creating the basis for a politically neutral civil service (Nunberg and Barbone 1999, 44). However, its implementation was seriously politicised, biased and speeded up before the election. In the first stage, the Act was at a standstill, the Qualification Commission responsible for promotion into the civil service was formed only eight months after the Act came into force. Nevertheless, a month before the general election a few rounds of the qualifying exams for senior civil servants were conducted (“Raport z przeprowadzonej analizy i oceny tworzenia służby cywilnej” 1998). As a result, more than one hundred senior civil servants were nominated (before the Act was replaced by the new one after the election).

On 2 April 1997 the new democratic Constitution was adopted. The Constitution guaranteed the professionalism and political neutrality of the civil service in Article 153, which states: *A corps of civil servants shall operate in the organs of government administration in order to ensure a professional, diligent, impartial and politically neutral discharge of the State’s obligations.* The Constitution also made reference to politico-administrative relations by forbidding the combination of positions of MPs and senators with work in administration, except in the case of holding political positions of ministers and their deputies (secretaries and under-secretaries of state).

Figure 1
Politico-administrative relations in ministries



Adopted by author from Izdebski and Kulesza (2004, 184)

Furthermore, the Constitution strengthened the position of the Prime Minister, as a constructive no-confidence vote was introduced, which hindered the dismissal of successive Cabinets by parliaments. In the Polish situation this regulation proved only partially successful. Although the durability of Cabinets increased substantially, the low coherence of political parties in Cabinets led to the formation of minority Cabinets (successive Cabinets of Buzek, Miller, Belka, Marcinkiewicz and Kaczyński. For details see Table 4).

3. Tensions between professionalisation and politicisation of administration (1997–2005) and the critical impact of the 1998 civil service reform

In this quite heterogeneous period, there were three Cabinets, those of Buzek, Miller and Belka. As a result of the introduction of a constructive no-confidence vote under the 1997 Constitution, the political parties winning elections stayed in power for the whole parliamentary terms: post-Solidarity, Solidarity Electoral Action (1997–2001) and the post-communist Democratic Left Alliance (2001–2004). Both the majority coalition Cabinets of post-Solidarity (Buzek) and post-communist (Miller) ended as minority ones. In addition, after three years in office Prime Minister Miller resigned. Despite their different political origins and approach towards the civil service all of them acted within the same framework of politico-administrative relations under the Civil Service Act 1998, which was passed by parliament on 18 December and was implemented on 1 July 1999.

In consequence of experts' evaluation of the implementation of the 1996 Act, the introduction of a new Act was suggested to show a new beginning and a break with the irregularities of the previous one ("Raport z przeprowadzonej analizy i oceny tworzenia służby cywilnej" 1998). The new Civil Service Act generally preserved the politico-administrative relations established by the 1996 Act, with director generals being the most senior positions in administration, which ensured the work of the office, and it implemented personnel policy in relation to the civil service corps (Article 20). The second similarity to the previous Act was the focus on the professionalisation of its cadres, starting with senior positions. Appointment to these positions had to be preceded by the qualifying examination (*mianowanie*). Whereas the first Act assumed four categories of civil servants (and set differentiated exams for each of them) the Civil Service Act 1998 introduced a new one for those wishing to apply for senior positions.

The Civil Service Act 1998 specified that those wishing to take the qualifying examinations (*mianowanie*) had to: (1) be civil service employees, (2) have completed six months of preparatory service, (3) have at least two years' work experience within the civil service, (4) hold a master's degree, (5) have command of at least one foreign language, and (6) be a reservist soldier or otherwise no subject to conscription. The other important difference in relation to senior positions between these two pieces of legislation was that the 1998 Act recognised the high qualifications of

graduates of the National School for Public Administration (KSAP) for whom the fast track was created. They only had to submit documents and did not have to pass the qualifying exams. Furthermore, the professionalism required in senior positions was intended to guarantee the competition procedures, which, in the period under investigation, were seriously politicised, especially during Miller's tenure. It was only in the last period in which the Civil Service Act 1998 was functioning that its supervision improved, thereby limiting irregularities (Paradowska 2007).

However, ambitious plans to professionalise the civil service, especially the final aim of establishing 15,000 nominated civil servants (those who successfully achieved *mianowanie*), (among 116,000 public administration officials) proved extremely unrealistic in the early stages under Buzek's Cabinet. The number of 15,000 civil servants was to guarantee that there would be about ten possible candidates for each of around 1,700 senior positions (Burnetko 2002, 35). The snail's pace of the implementation of reform due to potential candidates' reservation and the fact that only a minority of them were able to fulfil the criterion of speaking a foreign language, is reflected in the fact that there were only 200 plus nominations (for non-KSAP candidates [see Table 3]) in the three years from 2000, despite the Cabinet plan for around 2500 nominations each year in that period. Interest in taking the exam gradually increased, but fluctuated downwards during the period of serious politicisation of administration (especially during Miller's tenure 2001–2004 and during the Law and Justice's Cabinets 2005–2007).

Table 2

The pace of Poland's civil service nominations in the period 2000–2008

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Candidates Taking Exam	458	324	374	633	1,406	4,176	3,456	718	897	1059
Non-KSAP Candidates Receiving Nominations	204	218	229	395	552	1,440	1,784	159	597	530
KSAP Graduates Receiving Nominations	261 ¹²	58	62	52	48	58	61	60	56	59

The other difference between the Civil Service Acts of 1996 and 1998 was the extent of the civil service corps. According to the 1996 Act the civil service corps incorporated only those who were to be professionals – civil servants. The Civil Service Act 1998 extended its regulations to all civil service employees and included them in the civil service corps. Thus, two categories were established: ordinary bu-

12 In March 2000, 208 NSPA alumni who graduated in previous years received nominations.

reaocrats who were civil service employees and those who were the reformatory core – the professionals – the nominated civil servants, who passed the qualifying exams (*mianowanie*).

The Civil Service Act of 1998 was in force for seven years, the longest-lasting legislation. This gradually created a certain degree of stability within the civil service corps and the number of nominated civil servants began to increase. After five years of temporary regulations in action, since the second half of 2004, senior positions in administration have been reserved only for civil servants. This restriction improved prospects of limiting politicisation at this level. However, it is important to stress that the Prime Minister's attitude had a serious impact on the implementation of the Act. Buzek's tenure (he was the first Prime Minister) can be defined as its initial phase with the first qualifying exams organised only in 2000. By the time he left office, the number of nominated civil servants reached 825. Similarly, with regard to competitions for senior positions the pace of change was slow. In 1999 only 8 competitions were publicly announced, and in the following year 123. However, no positions were filled in 1999 as a result of competition and just 21 were filled in 2000, out of around 1,700 positions (*Sprawozdanie Szefa Służby Cywilnej*, 2005 see also Majcherkiewicz 2008, 148–152). Finally, Buzek's Cabinet can be criticised for filling two senior positions without applying the competition procedures (director generals in the Committee of European Integration and the National Committee of Science) [Potkaj 2002 and Burnetko 2002, 34–35]). However, in general, this Cabinet's policy was ambitious and aimed at the formation of a professional and apolitical civil service, at least in the long term.

The opposite was the case with Buzek's successor, Miller. The Prime Minister, officially recognising the necessity of having a professional civil service corps, did not reject the Act as Buzek had done earlier (and Marcinkiewicz and Tusk did later). Instead, he created a loophole, which enabled him to achieve the serious politicisation of senior administrative positions. An especially critical period for the civil service was the introduction of Article 144a in December 2001, which led to the facilitating omitting of competition procedures. This was exploited to appoint political nominees as acting directors. There were extensive dismissals of director generals, for example, 15 out of 30 in central agencies. Furthermore, the replacement of director generals caused further personnel changes at lower levels. The scale of appointments of acting directors reached the level of nearly 50 per cent. (For example, in December 2001, two months after the formation of the Cabinet, there were 1700 senior positions and 500 acting directors, and in the second half of 2002 the proportion of these types of appointments reached 660 among 1400 senior positions (see details in Czaputowicz 2004/2005, 37–41 and Majcherkiewicz 2006, 122–126). The highly respected institution of the Supreme Chamber of Control, after monitoring central administration, officially declared that senior positions had become the preserve of a spoils system, replacing the required competition procedures. Article 144a was in force for a year before being cancelled by the Constitutional Court

for breaching the Constitution. In the verdict it was emphasised that competition procedures were there to guarantee the professionalism and political neutrality of nominees. Thus, not implementing them was unconstitutional.

Furthermore, the civil service was undermined during Miller's rule by organisational restructuring of ministries and regional offices, which were assisted by a reshuffling of senior positions. Another organisational approach used to limit the scale of the civil service was the transformation of some institutions into so called "national budget units", in which the civil service was not established. The key example of this was the case of the Office for Registering of Medicines and Biological Types of Poisoning. Finally, the graduates of the National School of Public Administration had difficulties finding jobs relevant to their qualifications.

An optimistic period for the civil service began with arrival of Prime Minister Marek Belka, who declared that development of the civil service would be his priority. In the political sphere, Belka tried to limit expanded spoils irritating the ruling party by appointing some professionals from the opposition. The number of participants taking the qualifying exams (*mianowanie*) **increased** substantially. The raise in the number of competitions conducted for senior positions was also positive, although there were still serious irregularities. For example, descriptions of positions favoured certain candidates (Henzler 2005 and Majcherkiewicz 2008, 148–152). Finally, the positive developments were expected to include new legislations. In May 2005, the amendment to the Civil Service Act extended the number of senior positions for which competitions were to be applied, including 34 chairmen of central agencies, and work was also advanced on the radical rewriting of the Civil Service. The issue of strengthening director generals was particularly critical. (A special group was created to overcome ministerial resistance and their defence of the *status quo*, and the deadline for the Civil Service Act to be ready was set) (Paradowska 2007). However, all these ambitious projects had limited effects. Some met strong resistance and were not implemented and others proved short-lived. The fate of these reformatory projects underlines the critical importance of the political sphere. It should be remembered that it was a minority Cabinet and the Prime Minister's political position was weak. (He even distanced himself from the party, which officially supported him. For example, he participated in the meetings and showed sympathy for opposition party.)

4. The blurring of politico-administrative divisions (State Personnel Reserve) and the threat of a *nomenklatura* system (2005–2007)

During the period when the Law and Justice party ruled (2005–2007) there was a radical setback in politico-administrative relations. Senior administrative positions were defined as so-called "senior state positions" and incorporated in the spoils system. Furthermore, the civil service corps was limited to lower positions according to the Civil Service Act of 2006. However, the starting point, which should

be mentioned, was the instability of Cabinet politics *per se*. The Cabinets formed by the Law and Justice party ruled for only two years and ended with the call for early parliamentary elections due to its inability to form a stable majority coalition. The instability of this period is indicated by the frequency of Cabinet changes: two Cabinets in two years. However, the shifts between minority Cabinets and the coalition ones are especially striking. After the parliamentary election in autumn 2005, a minority Cabinet was formed but after just six months of inefficiency in the implementation of its policies the Law and Justice party decided to form a Cabinet coalition with two populist parties: the Self-defence party and the League of Polish Families, which lasted for five months, when it was broken again by Prime Minister Kaczyński after an accusation made against the deputy Prime Minister, Lepper. However, just two months later he was reappointed to his former post. This time, the coalition lasted for nine months and after this second breaking of the coalition, Kaczyński, convinced of the inability of the minority Cabinet to perform effectively, called an early election.

The decision to enter a coalition with the Self-defence party and the League of Polish Families had a serious impact on personnel policy in politics. For example, the deputy Prime Minister and minister of agriculture became the Andrzej Lepper, the leader of Self-defence party, who made his political career on organising of farmers protests. The professional qualifications of deputy Prime Minister were A-level certificates and being an MP in the period 2001–2007. Until his ministerial appointment Lepper was a party leader and a farmer without any previous work experience in public administration. Also, other candidates of this party for senior positions in public administration usually only had A-level certificates and lacked administrative experience. Interestingly, these appointments at political positions in administration were in sharp contrast to those taking up senior positions in administration (which until SPR was introduced were required to have formerly been civil servants [having passed the qualifying exam, *mianowanie*, holding a Master's degree and with proven knowledge of a foreign language]). The appointment of Self-defence cadres was assisted by wide-scale purges. In the Ministry of Labour and Social Policy 150 senior servants were dismissed during the two-year term of Self-defence minister Kalata. The intensity of personnel changes also included the fact that there were five director generals in that period (Winnicka 2007). Finally, the deputy positions were often formed to extend the spoils system (for example, deputy positions in regional offices of the Agricultural Social Insurance Fund (KRUS) (Kącki and Kaminiński 2007).

In addition, in the case of the second junior coalition partner, political criteria of appointment predominated as it was short of relevant professional cadres. Among ministers and deputy ministers from the League of Polish Families those in their twenties predominated (for example the minister of Maritime Economy [the ministry especially formed for the junior coalition partner] was headed by 28-year-old Rafał Wiechecki (Korzycki 2006)). Furthermore, none of the League's ministers

had in their previous professional careers anything in common with the portfolio for which they were made responsible (Pytlik 2008, 163). In comparison, the qualifications held by politicians of the senior coalition partner, the Law and Justice party, were much higher as there were a few professionals, for example those who had worked earlier as experts for Polish Cabinets and parliament as well as for the EU Commission or the World Bank (Pytlik 2008, 162).

However, probably the most characteristic feature of the politico-administrative relations at that time was the officially declared distrust towards the civil service among the Law and Justice leaders. For example, during the parliamentary debate Kuchciński declared: “the state does not need a civil service but does need political *nomenklatura* – political cadres” (according to Paradowska 2006). The deputy Prime Minister and minister of internal affairs and administration, Ludwik Dorn, accused civil servants of all the worst attributes: being incompetent and lazy, former communist *apparatchiki*, drunkards and saboteurs, making reference to the numerous Miller’s appointees in senior positions Paradowska 2006 and Dziobkowska and Stec 2006). Thus, it could be argued that personnel purges at this time were the most extensive of the whole two decades since the fall of communism, and they expanded into the media and economy, especially in the state companies. However, the priority for these “revolutionary” Cabinets was an emphasis on security and supervision, resulting in extensive reshuffles among prosecutors and security forces. Finally, until then the spoils system had not expanded into certain appointments in which professional criteria predominated, for example the appointment of the chairman of the national bank, but this changed (Paradowska 2007 and Pytlakowski 2005).

In relation to the development of the civil service corps, two Acts were adopted: the Civil Service Act of 2006 and the State Personnel Reserve Act. These projects required the dismantling of the previous civil service system for senior positions and replacing it with the State Personnel Reserve (SPR), starting from the positions of deputy directors of departments in ministries, central agencies, regional offices and extending to director generals and chairmen of central agencies, altogether accounting for around 3,000 positions (according to Skiba, director general of the Prime Minister’s Chancellery in Góra 2006). State Personnel Reserve members who passed the relevant exam and fulfilled the other criteria were potential candidates for senior positions, and ministers and the Prime Minister could choose them as suitable candidates. However, they could also sack them at any time if they wished.

Candidates for the State Personnel Reserve had to pass the relevant exam organised and supervised by the National School of Public Administration and had to fulfil certain criteria: 1. Hold a Master’s degree; 2. Be a Polish citizen; and 3. Have command of at least one working language of the EU. Additionally, entrants were required to have five years’ work experience (in May 2007 this was decreased to

three years), but nothing was mentioned about work in public administration. The exam was to be valid for five years and quickly expanded to ten years. The chairman of the Council of the Civil Service called these actions, aimed at the formation of the SPR: “the total liquidation of the civil service” and “a project driven by narrow partisan interests” (Stec 2006).

The revolutionary personnel policy, applying the State Personnel Reserve to senior positions, proved much less radical at the time of its implementation. **Despite** distrust of civil servants, the Law and Justice Party did not have sufficient partisan cadres and was also not able to attract potential candidates even offering their favourable treatment.¹³ As a result, after a year, more than 500 candidates entered the exam and 300 passed. Similarly, the new additional group of those awarded PhD was not attracted to the offer of automatic membership of SPR. The State Personnel Reserve was originally comprised of four main categories: 1. those who passed the relevant exam; 2. those who won a competition organised by the Prime Minister; 3. certain categories of diplomats; and 4. civil servants (see Table 4). Seven months later a fifth category was added: all those who had been awarded a PhD, irrespective of the subject and their former professional experience, could become members of the SPR. This policy was strongly criticised by experts, who argued that a PhD and academic expertise are not sufficient to guarantee professionalism in public administration (for example, Hryniewicz, director of NSPA in Góra 2007a). Furthermore, this amendment got rid of the five-year work experience requirement for civil servants.

Nevertheless, the personnel policy of the Law and Justice Party had a serious impact on civil service employees’ interest in improving their qualifications and entering the qualification exam – *mianowanie*. For example, in 2005, the number exceeded 4,000 but by 2007 this had dropped to just over 700 (compare with Table 3). Furthermore, under the regulations of the Civil Service Act 2006, a radical shift of demand towards potential candidates was introduced. As a result, exams for senior positions (the State Personnel Reserve exams¹⁴) were easier than those for lower positions in the civil service (Góra 2007b).

To sum up, had this “experiment” lasted any longer it could have had very serious or even devastating effects. However, it was cut short due to the political instability of Cabinets wishing to implement it. Another important factor limiting

13 For example, the exams for the SPR were organised every two months compared to the annual qualifying exams.

14 In contrast to previous regulations it was not enough to achieve 120 out of 200 marks (60 per cent), an additional requirement was to gain at least half the possible marks in each part (knowledge test, essay and general ability analysis). Under the previous requirements, 76 per cent of candidates would have passed the exam. In striking contrast, to pass the State Personnel Reserve exam it was only necessary to achieve above 33 per cent in each of the three parts: managerial abilities, foreign language knowledge and ability test, in addition to an overall minimum result of 60 per cent.

its effect was the unpopularity of this idea among potential candidates and thus the shortage of candidates for the SPR exam. (In addition, potential candidates fulfilling the required criteria did not enrol on the SPR list.) As a result, civil servants and position holders predominated in the Reserve at the time of its establishment.

Table 3
The composition of the State Personnel Reserve

Main categories	Potential candidates	Those who enrolled on the SPR list
Civil servants (with five years' work experience) NSPA graduates	6158 661	Civil servants 3149
Successful candidates in the SPR exam	229	191
Competition winners	1	0
Diplomats	36	2
Holders of PhD titles	121 000	837
Position holders	19462 ¹⁴	1946
Others	12	1

Source: According to data from the Prime Minister's Chancellery

5. The Civil Service Act of 2008 – a new beginning or continuity and its impact on politico-administrative relations

The current Cabinet of Tusk, formed after the 2007 parliamentary election, acts in political conditions radically different from those in the early nineties. The stability of the political system can be recognised in the relative durability of the main political parties in successive parliaments from around 2001. The Cabinet can be singled out from all its predecessors due to the stability of the coalition – it will probably be the first coalition Cabinet to last the whole four-year parliamentary term. The position of the Prime Minister within the Cabinet, enhanced by the Constitution of 1997, and political developments have created a high chance that Tusk will be the first Prime Minister to stay in office for four years and rule a majority Cabinet. (The only predecessor who ruled for a whole parliamentary term was Buzek. However, for the last year, he headed a minority Cabinet.) Political stability has reached the point where it is probable that the main coalition partner, Citizens Platform, and its leader Tusk, will be in power after the next election (in 2010 or 2011). Finally, a positive development is that the coalition party leaders, Tusk, who is the senior partner, and Pawlak, of the Peasant party, combine political positions with ministerial ones, and thus, political negotiations take place within this institution. The

15 Except civil servants and those holding a PhD title.

political stability should have a positive impact on the continuation of Cabinet policies in general and create opportunities for the development of a professional and apolitical civil service. However, it cannot be guaranteed that good use will be made of this chance. The quotation below by a senior civil servant, taken from the official civil service electronic journal, also indicates current challenges: the lack of communication between politicians and bureaucrats, and the distrust of civil servants:

Current actions of politicians create the impression that they treat the administration as one of the main forces, which hinder their performance (Marchlewski 2009, 33).

In November 2008, the new Civil Service Act was passed, restoring the politico-administrative relations, as crystallised in the middle of the nineties. The director general became the most senior position in administration. This also meant that the State Personnel Reserve (SPR) was liquidated. Surprisingly, the personnel changes were more limited as nearly all position-holders (93 out of 107) appointed according to the SPR were re-selected under the new procedure (Góra-Ojczyk, *Dziennik, Gazeta Prawna* 24 March 2010). Although the introduction of the Civil Service Act could be regarded positively due to its withdrawal from the previous 2006 model of the civil service, its implementation raises doubts. Despite extensive vacancies for senior positions, (the legacy of the SPR) and the plan that until the end of March (a year since the Act was implemented) 156 competitions for senior positions would be conducted, the results were much more modest. In fact, just two months before the deadline only 40 competitions had been advertised and 26 had ended (Góra-Ojczyk *Dziennik, Gazeta Prawna* 26 January 2010).

An important dimension affecting the shape of politico-administration has been the influence of New Public Management. The catchphrases became personnel management, actions aimed at the quick response of the administration, efficiency and the inflow of information (the use of the Internet as the means of internal communication). A fundamental change is that opportunities for promotion into senior positions, which were formerly available only to members of the civil service corps, who were nominated civil servants (a cornerstone of the Civil Service Act 1998) have been extended to all employees of state institutions if they are approved by their political supervisor after being one of the two candidates with the best results in competition. In the case of director generals, candidates had to fulfil criteria of six years' employment in state institutions, with at least three years' work in managerial positions. In relation to positions, which can be defined as "medium" positions (directors of departments in: ministries, the Prime Minister's Chancellery, central agencies, regional offices and deputies of those directors) one year's managerial experience in the public sector is required, in addition to three years' work experience.

Conclusion

After the fall of communism, the formation and development of an apolitical and professional civil service were not immediate, as the administrative reform and, in particular, its personnel policy, were not recognised as priorities among transitional projects. Development of the civil service corps also required compromise in politico-administrative relations, which were rather fluid due to the repeated direct encroachment of politicians on administration.

In the last two decades, the five main stages in the development of politico-administrative relations have been recognised. In the first early transition stage (1989–1993), the division between political and administrative positions was not yet defined and despite Cabinets' attempts, civil service reform was not introduced due to the lack of parliamentary backing and Cabinets' instability. The second stage (1993–1997) began with the introduction of a spoils system, directly after the post-communists came to power in 1993 and all subsequent Cabinets have continued this. Furthermore, the initial and short-lived reform of the civil service began to be implemented. In the third stage (1997–2005) the critical event was the introduction of civil service reform in 1998. This is the most important reform of the last two decades in relation to this area as it created a relatively stable framework for civil service functioning, despite the snail's pace of implementation in its early phase and Miller's attempt to make political appointments to senior positions in administration as working acting directors. Nevertheless, gradually, the number of candidates wishing to take the qualifying exam, *mianowanie*, increased (this was a prerequisite to be appointed, after a five-year transitory period, to a senior position, after winning a competition). The next stage (2005–2007) should be singled out for the radicalism of the proposed reform, in which direct references to socialist *nomenklatura* were very strong. This meant that the civil service corps was to extend only to lower administrative positions. Above that level, appointed members of the State Personnel Reserve were to fulfil so called senior state positions, which meant a blurring of politico-administrative divisions. The last stage began with the coming to power of Tusk and the implementation of the Civil Service Act of 2008. However, a question can be raised about whether it is a new beginning or continuity, as the current legislation is a return to the framework of politico-administrative relations defined in the middle of the nineties. Nevertheless, it can be argued that it is a radical change, more so than it may seem at first glance, that not only can nominated civil servants apply for managerial positions, but so too can all employees of state institutions after fulfilling certain criteria.

It is argued that the slow progress in the civil service was caused by the fact that in the case of post-communist countries, it has to be preceded by the transition of politics. The three main challenges were the fragmentation of the party system, frequent changes and low cohesiveness of Cabinets and limited professionalism of politicians. In all three areas, substantial progress was made and, in 2010, the Polish

Table 4
Parliaments, Polish Cabinets and politico-administrative relations in the period 1989–2010

Parliaments	Prime Ministers and Cabinets	Months in Office	Status	Number parties in Cabinet	Coalition parties	Politico-administrative relations periodisation	Civil Service Acts
1989–1991	Czesław Kiszczak 2 August–17 August 1989	1	Cabinet never approved by Sejm	–	–	The absence of civil service reform and regulations on the division between political and administrative positions	
	Tadeusz Mazowiecki (OKP) September 1989–December 1990	16	Non-party	–	(formally OKP, ZSL, SD)		
1991–1993	Jan Krzysztof Bielecki (KLD) January 1991–October 1991	11	Presidential	5	KLD, PC, ZChN, UD, SD	None	
	Jan Olszewski (PC) December 1991–June 1992	6	Minority	4	PC, ZChN, PChD, PL		
	Waldemar Pawlak (PSL) June 1992–July 1992	1	Cabinet never approved by Sejm	–	–		
	Hanna Suchocka (UD) July 1992–May 1993 Caretaker May 1993–October 1993	16	Minority	7	UD, ZChN, PL, KLD, PChD, SLCh, PPG		
1993–1995	Waldemar Pawlak (PSL) October 1993–March 1995	16	Majority	2	PSL, SLD	Introduction of a spoils system and initial reform of the civil service	Civil Service Act of 5 July 1996 24 December 1996 appointment of the Chief of the Civil Service 8–10 September 1997 First qualification exam
	Józef Oleksy (SLD) March 1995–January 1996	11	Majority	2	SLD, PSL		
	Włodzimierz Cimoszewicz (SLD) February 1996–October 1997	21	Majority	2	SLD, PSL		

Table 4 (continuation)

1997–2001	Jerzy Buzek (AWS) October 1997–June 2000	31	Majority	2	AWS, UW	Civil Service Act of 18 December 1998 Implementation 1 July 1999 Amendment 144a (December 2001–December 2002)
	Jerzy Buzek (AWS) June 2000–September 2001	16	Minority	1	AWS	
2001–2005	Leszek Miller (SLD) October 2001–March 2003	16	Majority	3	SLD, UP, PSL	between profession-alisation and politi-cisation
	Leszek Miller (SLD) March 2003–May 2004	14	Minority	2	SLD, UP	
	Marek Belka (SLD) May 2004–May 2004	1	Cabinet never approved by Sejm	–	–	
	Marek Belka (SLD) May 2004–October 2005	16	Presidential	2	SLD, UP	
2005–2007	Kazimierz Marcinkiewicz (PiS) October 2005–May 2006	6	Minority	1	PiS	Civil Service Act of 24 August 2006 State Personnel Reserve Act of 24 August 2006
	Kazimierz Marcinkiewicz (PiS) May 2006–July 2006	2	Majority	3	PiS, Self-Defence party, LPR	
	Jarosław Kaczyński (PiS) July 2006–August 2007	12	Majority	3	PiS, Self-Defence party, LPR	
	Jarosław Kaczyński (PiS) August 2007–October 2007	4	Minority	1	PiS	
2007–present	Donald Tusk (PO) October 2007–present	44 (in June 2011)	Majority	2	PO, PSL	Civil Service Act of 23 December 2008 Implementation 24 March 2009

Source: Jednaka 2004, 271 and 296; Migalski, Wojtasik and Mazur 2006, 215–216; Zubek 2005, 86; and Szczerbiak 2001.

Note: AWS: Solidarity Electoral Action; KLD: Liberal-Democratic Congress; LPR: League of Polish Families; OKP: Solidarity Citizens' Parliamentary Club; PC: Centre Agreement; PL: Peasant Agreement; PiS: Law and Justice Party; PChD: Party of Christian Democrats; PO: Citizens Platform; PPG: Polish Economic Programme; PSL: Polish Peasant Party; SD: Democratic Alliance; SLD: Democratic Left Alliance; SLCh: Peasant-Christian Party; UD: Democratic Union; UP: Labour Union; UW: Freedom Union; ZChN: Christian National Union; ZSL: United Peasant Party.

party system is much more stable and efficient than previously, which should have a positive impact on the development of the civil service. However, whether this opportunity, created by progress in Polish politics, will be appreciated, is not certain. Probably, further development of the civil service will be evolutionary in nature and a certain period of time will be required to appreciate it. Equally meaningful will be maturation and the increased independence of civil servants, which should make them less vulnerable to political pressure in the future.

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Crisis Procedures in Polish Public Law

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Abstract

In Poland, as in other countries, public administration is carried out under both normal and crisis conditions. In the face of a crisis, public administration is compelled to take on activities, which diverge from those which are standard routine activities. In a democratic state, under the rule of law, public administration operates on the basis of the law. The consequence of this constitutional principle is the inclusion of the activities of the administration into procedures governed by the law. The subject of our paper is to present the crisis procedures stipulated in the existing Polish public law, being the basis for the activities of the public administration.

In ordinary terms, a crisis is the antimony of normality. In a normative view, the problem of a crisis is presented through the prism of the applicable legal procedures. Under Polish law, several crisis situations have been quite extensively regulated by commonly applicable normative laws. The Constitution of the Republic of Poland, of 2 April 1997, contains legal regulations for the most serious crisis, namely “extraordinary state of affairs”. In this way, a state of war, a state of emergency and a state of natural disaster are regulated. The constitutional provisions have subsequently been expanded in specific regulations dealing with each of these states. In crisis situations of a lesser importance, those that do not meet the conditions of enacting one of the extraordinary state of affairs, the regulations of the Act of 26 April 2007 on Crisis Management are applied. This Act regulates the tasks of the administration of the central and regional governments concerning crisis management. According to this Act, a crisis situation is “a situation that is the outcome of an endangerment and leading, as a consequence, to the breakup or considerable disturbance in the social order, combined with a serious disturbance in the functioning of public institutions.”

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From a methodical point of view, the approach to the article was multi-dimensional, with a particular acknowledgement of the formal-dogmatic method and the conceptual apparatus of Polish administrative law. The use of this method allowed for conducting an analysis of the legal statutes regulating the actions of public administration undertaken during situations of emergency.

From the results of the research conducted, it was established that a particular kind of legal procedure can be isolated under Polish public law, regulating the functioning of public administration in crisis situations. These procedures are characterised by features which are different from those governing the functioning of public administration in times when there is no indication of a crisis. Special emergency procedures have been foreseen for extraordinary states of affairs as for other emergency states. The procedures regulated by Polish law and used by organs of public administration in situations of crisis can be divided into two types. The first covers procedural directives foreseen by the law for the enactment of an extraordinary state of affairs or for the identification of a crisis situation (primary procedural directives). The second type of procedure covers directives for proceeding with regard to the function of the appropriate public administration organs during the extraordinary state of affairs or in the face of a crisis situation (secondary procedural directives).

1. Introduction

Public law is the most commonly separated part of a country's legal system due to the criterion of the protected interest. Public administration, which is the main recipient and enforcer of legal regulations derived from public law, operates on the basis of this law. In modern democratic countries, the execution of public law is often identified with the execution of public administration and, in the most extreme interpretations, even with the public administration itself in its substantive meaning, thus understood as a particular type of action, different from actions characteristic of the legislator, as well as actions characteristic of the courts. The legal construction of the activities of the public administration consists of the regulation by the currently binding provisions of the positive law of the actual state which defines the tasks set before a particular administrative body and equipping this body with competences, as well as legal forms of activity, for the performance of these duties and competences. In a somewhat different interpretation, the administrative authority is not only equipped with legally prescribed functions, but also particular means of actions for the operation of these functions. This interpretation of the public administration is executed under regular conditions (ordinary course of actions) as well as extraordinary situations. Such extraordinary situations are often defined as a crisis. Critical situations set a specific context for the public administration to operate under. In the face of the crisis, public administration authorities are forced to undertake actions which are otherwise not adopted. In a democratic state of law,

public administration tasks are performed on the grounds of law and its regulations which are strictly adhered to. The formulation of administrative actions under the law-regulated procedures is a consequence of the principle above, resulting from Article 7 of the Constitution of the Republic of Poland dated 2 April 1997. Polish law stipulates special procedures enforced in critical situations which are characterised by features different from those of the procedures adopted in administrative actions when there are no signs of a crisis.

2. The definition and types of crises

In colloquial language, the term “crisis” means “the turning point”, “the period of economic breakdown”, or “breakthrough”. (Skorupka, Halina and Zofia 1989, 320) In English it is termed as “*a turning point in illness, life, history, etc.; time of difficulty, danger or anxiety about the future.*” (Oxford Advanced 1988, 204) A Polish popular dictionary of foreign words defines the word “crisis” in accordance with its Greek origins (*krisis*) as a “superior force”, “economic turmoil”, or “emergency”. (Kopaliński 2007, 268) On the other hand “crisis” is regarded as “a system of external forces and state of affairs beyond the control of an entity, different from internal or intrinsic forces or states of affairs that are called subjective circumstances (...) crisis situation that entails maximum input and effort to avoid imminent threat or risk.” (Pszczółowski 1978, 239) Apart from other quoted definitions, colloquially “crisis” may mean extraordinary circumstances under which the public administration is required to undertake actions other than routine ones. Within this meaning, crisis may be deemed as an antinomy of normality. Finally, it can range from a crisis of civilization to different types of local and passing anomalies.

The approach towards the problem of defining a crisis, as well as the definitions of crisis in the Polish legal system has been evolving through time. It may be noted that until recently, the word “crisis” did not even exist in Polish positive law, while the legal language did not even contain the legal definition of the term itself. The definitions of the word were originally derived from the field of military sciences. According to the view presented in this doctrine, “crisis” was defined as “a national or international situation which poses a risk to the material priorities, interests and targets of the parties involved, as well as a set of violent and inevitable events which cause an increasing influence of destabilising forces in the overall system exceeding the accepted (standard) norm with the increasing risk of violent occurrences.” (Gołębiewski 2003, 10) On the basis of this definition, criteria were formulated which enabled to designate a situation as critical. These criteria involve: 1) actual or probable threat, 2) the applicable range and necessity of making prompt decisions, 3) sudden, surprising, and unpredictable in character, 4) pressure of events and time deficit, 5) absence of certainty as to the development of the situation, as well as the methods and techniques of counteraction, and 6) escalation of the events. (Pieprzny 2008, 151) It should also be noted that recently there has ap-

peared in science new definitions of the term “crisis” as well as different contexts for a critical situation, including those which are even more complicated and a lot less unequivocal. M. Zdyb emphasises, for example, that “the economic crisis which has hit today’s world economy is usually considered in its economic dimension, both when it comes to its causes and its effects. Such an approach, obstructing a proper diagnosis and treatment of the economy, should be considered as highly simplified. There are probably no more theoreticians who would unequivocally profess the excessively optimistic Smithsonian idea of governance or the invisible hand of the market. They were based on the belief in the virtues of the system of moral freedom which was embodied by the market. Within this frame of reference the state was to be neutral, simply called the ‘night watch’” (Zdyb 2009, 795)

An observation of the legal status in relation to the regulation of the issues of crisis in Poland, allows us to draw the conclusion that not all crises were treated equally by the legislator. Whilst some of the emergency states are regulated by the legislator in a complex and exhaustive manner through generally applicable normative acts, others have been definitely less significant in the legislative order. It is particularly important to distinguish crises termed by the legislator as an extraordinary state from other crises. Under Polish law, some states of emergency are comprehensively governed by commonly binding normative acts of law. The most serious crisis – the extraordinary state of affairs is governed by the Constitution of the Republic of Poland of 2 April 1997. In Section XI of the Constitution of the Republic of Poland, a state of war (Article 229), a state of emergency (Article 230) and a natural disaster (Article 232) are stipulated. Legal regulations in the form of Acts of law that govern the aforementioned crises have taken the form of the Act of 18 April 2002 on Natural Disaster, the Act of 21 June 2002 on State of Emergency, and Act of 29 August 2002 on State of War and Powers of the Supreme Commander of the Armed Forces and the principles of his subordination to constitutional bodies of the Republic of Poland.

All other crises which are not considered extraordinary states were not regulated by provisions of the Constitution of the Republic of Poland. Generally, applicable normative Acts, such as regulations, decrees and local law Acts as well as Acts of the authorities of the European Union, are the basis for the formulation of particular procedural rules adopted in crises. The governing role of the above legal regulations is constituted by the Act of 26 April 2007 on Crisis Management.

3. Crisis management authorities

Crisis management authorities are defined in literature as “the system of public entities responsible for ensuring security”. (Pieprzny 2008, 149) The entities, which in the systemic or functional sense are administrative bodies, are competent with respect to the realisation of critical procedures stipulated by the legislator for very

particular type of crises. This system is comprised of both bodies, competent in matters related to undertaking actions in the event of extraordinary states, and bodies competent in matters related to undertaking actions in the event of a crisis which is not an extraordinary state.

In the case of extraordinary states, the bodies competent to undertake actions (the realisation of particular crises procedures stipulated within the scope of such states) are the bodies designated in the Acts on extraordinary states – the President of the Republic of Poland, the Cabinet, the Supreme Commander, the Minister of National Defence, the Minister responsible for internal affairs, the Minister responsible for public finance, the Minister responsible for communications, the voivodship Governor and local government unit bodies as well as other bodies and institutions such as the Public Prosecutor's Office, the Police, the Internal Security Agency, the Border Guard, the Military Police and the Military Counter-intelligence Service.

The body competent for crises management is, pursuant to the Act on crisis management, the Council of Ministers and, in urgent matters, the Minister responsible for internal affairs who shall immediately report all his/her actions to the Prime Minister. Pursuant to Article 8 of the Act on crisis management, the consultative-advisory body competent for the initiation and coordination of the actions undertaken within the scope of crisis management to the Cabinet is the Governmental Team for Crisis Management. The organisation, as well as work procedures for the Team, is specified in Regulation No 86 of the Prime Minister dated 14 August 2008, concerning the organisation and work procedures of the Governmental Team for Crisis Management. In conformity with Article 10 of the Act on crisis management, the appropriate service of the Council of Ministers, the Prime Minister, the Team for Crisis Management as well as the Minister responsible for internal affairs, are ensured by the Government Security Centre. The Centre remains, at the same time, the national centre for crisis management and, as a state budgetary unit, is subordinate to the Prime Minister who issues a regulation defining its organisation and work procedures. This regulation is dated 10 July 2008. The functions designated within the scope of crisis management pursuant to the provisions of the Act on crisis management at regional level are realised by the voivodship governor with the help of the voivodship team for crisis management and the voivodship centre for crisis management. The competent body within the same scope, but at a district level, is the starost of the district, acting with the help of the district team for crisis management, as well as the district centre for crisis management. The competent body at the local level is the administrative officer of the commune (mayor, president of a city) acting with the help of the local team for crisis management and the local centre for crisis management.

4. Crisis procedures

The theory of management traditionally distinguishes between regular actions of an organisation and the actions undertaken in the face of a critical situation. Typical, routine procedures, based on the law in force in a particular organisation, are implemented under regular, non-critical conditions, whereas, in a critical situation, prerequisites require suspending routine procedure-based actions and replace them with extraordinary solutions and actions. Such a transition in the character of the actions undertaken by an organisation may be justified for various reasons, including the cultural aspects of management. Studies which describe the way in which the transition from the routine-based action of an organisation (steady state) to a critical situation (crisis) causes the transition of the organisational culture prevailing in an organisation from a “role” culture to a “power” culture, provide an example. The departure from the application of the role culture in the event of a crisis brings about a suspension of the realisation of standard procedures of actions prescribed to this culture. (Handy 1993, 201–202) The crisis designates a specific situation requiring actions which differ in their character from actions undertaken in regular, standard conditions when it concerns the actions of public administration and other organisations. However, unlike other organisations, when it comes to public administration, the determination of the occurrence of a critical situation does not entail the resignation from the application of action procedures regulated by law and it does not automatically give consent to execute any other standards of proceedings not permitted by law.

Literature on the subject emphasises the fact that “the activities of bodies of public authorities in critical conditions constitute a part of security management which must be considered in a wider meaning.” (Pieprzny 2008, 151) In a democratic state, under the rule of law, the course of management processes under critical conditions is regulated by particular procedures stipulated by applicable provisions of the law in force. The very term “procedure” is used here *sensu largo* as “a legal regulation of the managing and settling of a certain matter”. (Skorupka, Halina and Zofia 1989, 631) Procedures stipulated by Polish law, applied by bodies of public administration, can be divided into two types with respect to a particular crisis. The first one comprises the procedural directives stipulated by the law for the implementation of the extraordinary state or the identification of a critical situation (primary procedures). The second type appertains to the procedural directives in reference to the actions of the competent bodies of public administration under the extraordinary states or in the face of critical situations (secondary procedures).

4.1 Primary procedural directives

Pursuant to the act on martial law, the prerequisites justifying the introduction of martial law, in part of or in the entire country are external threats, including those caused by terrorist actions, armed assaults on the territory of the Republic of Po-

land or, where there exists an obligation of mutual defence against aggression under international agreement. The procedure for the implementation of martial law has been regulated by Article 2 of the Act on Martial Law. Martial law is introduced by the President of the Republic of Poland after a motion of the Cabinet. This motion specifies the causes and the area in which martial law is to be introduced, as well as the types of limitations of freedom and human and citizen rights adequate to the scale and the character of the threat within the range stipulated by this Act. The President immediately examines the motion of the Cabinet and either issues a regulation on the implementation of martial law, or decides to refuse to issue such a regulation. The regulation on the implementation of martial law is presented by the President to Parliament within 48 hours of its execution. The President specifies in the regulation the reasons for the implementation of martial law, the area to which the law is applied as well as the types of limitations of freedom and human and citizen rights imposed within the provisions of the Act.

In accordance with the Act on extraordinary state, the prerequisite which justifies the implementation of an extraordinary state is a situation of imminent threat to the constitutional state system, the security of citizens or public order, including situations caused by terrorist actions which cannot be eliminated through the use of ordinary constitutional means. Extraordinary state is introduced by the President upon the motion of the Cabinet, addressed pursuant to the Act on the referral to the President of the Republic of Poland of the motion for the implementation of extraordinary state. The President of the Republic of Poland immediately examines the motion of the Cabinet and either issues a regulation on the implementation of extraordinary state for a specified time no longer than 90 days, or decides to refuse to issue such a regulation. The regulation on the implementation of martial law is presented by the President to the Parliament within 48 hours of its execution. The President specifies in the regulation the reasons for the implementation of martial law, the area in which the extraordinary state is applied, as well as the types of limitations of freedom and human and citizen rights imposed within the provisions of the Act.

Whereas a state of natural disaster may be implemented in order to prevent the results of natural catastrophes or a technical failure, which shows the features of a natural disaster, as well as in order to avoid them. Natural catastrophe is an occurrence connected with the actions of the forces of nature in particular (...). Technical failure is violent, unpredictable damage or destruction of a building, technical device or a system of technical devices which causes a break in their usage or the loss of their specific features. Natural disaster is a natural catastrophe or a technical failure, the effects of which pose a threat to the lives and health of many people, possessions in great proportions or to the environment in considerable proportions, while the help and protection can only be effectively undertaken with the use of extraordinary measures necessitating the co-operation of various authorities and institutions as well as special forces and formations, united under common leader-

ship. Pursuant to Article 4 of the Act on the state of natural disaster, this state may be implemented within the area of the natural disaster as well as within the area likely to feel the effects of such a disaster. A state of natural disaster is introduced for a specified time, no longer than 30 days, deemed to be necessary to prevent or eliminate the effects of the natural disaster. The Cabinet introduces a state of the natural disaster by means of the regulation. Such a regulation is issued on the initiative of the Cabinet or upon the motion of the competent voivodship governor. The regulation stipulates the causes, the date of introduction, the area and duration of the state of the natural disaster, as well as, within the limits permitted by the provisions of the Act, the necessary limitations of freedom and human and citizen rights. The regulation is announced in the Journal of Law of the Republic of Poland and is moreover made public through a proclamation of the competent voivodship governor by means of putting up posters in public places, as well as by other usually adopted means. The editors of journals and news are obliged to make public, immediately and free-of-charge, the regulation of the Council of Ministers on the implementation of the state of natural disaster, referred by the competent voivodship governor. The state of natural disaster may be perpetuated for a specified time by means of the regulation of the Council of Ministers with the consent of the Parliament of the Republic of Poland.

Whereas the Act on crisis management does not directly regulate the implementation procedures or the identification of a critical situation, it contains the legal definition of such a situation, justifying the realisation by the competent authorities of crisis management procedures. Pursuant to Article 3, item 2, of the Act on crisis management, a critical situation is a situation which negatively affects the level of security of the people, possession to a great proportion, or the environment, causing limitations in the actions of the competent bodies of public administration due to the inadequacy of forces and measures.

4.2 Secondary procedural directives

According to the general procedure, public administration tasks are performed in a state of emergency within the existing organisational structures of the State exercising the powers vested within them for the purpose of ordinary course of actions (non-emergency cases). Specific procedures are governed by Acts of law applicable to respective states of emergency. Such acts of law govern the codes of conduct and procedures for authorities in the case of respective states of emergency. They are set out on a case-by-case basis under the Act of law enforcing a state of emergency – Regulation of the President of the Republic of Poland in the case of a state of war or state of emergency and Regulation of the Cabinet in the case of natural disaster. In a state of war, the Cabinet orders the State defence system to be launched, orders the public administration to abide by the state-of-war related procedures, determines procedures for the public administration to adhere to in the military zone upon the motion put forward by the Supreme Commander of the Armed Forces, may

suspend operations of the public administration in the military zone and may vest the powers and responsibilities of the public administration with the military authorities in the military zone. The Act also governs specific procedures for the State Defence Minister, Voivod and municipalities, districts and regional authorities applicable in a state of war. Decisions issued by the public administration issued under the Act on State of War or related specific regulations are subject to execution with no delay. In a state of war, specific procedures may be implemented in relation to the right of freedom, human rights and citizens' rights that may be limited in conformity with the Act. This includes, but is not limited to, procedures for suspending human and citizens' rights, seizure of assets, search, preventive censorship, inspection of contents of parcels, inspection of contents of letters and e-mails, and emission of signals disturbing radio transmissions, television transmissions or telecommunication transmissions. Specific procedures may also be applied to the organisation of assemblies and public events, associations, public meetings, possession of identity cards, entering or leaving facilities or areas, freedom of economic operations, telecommunication systems, possession of arms, ammunition and explosives and access to public information. In a state of war, the common duty to perform work by individuals referred to in the Act may be imposed. Editors-in-chief and radio and television broadcasting stations may be obliged to publish or broadcast communications, decisions and regulations issued by the public administration in relation to state defence and public security, free of charge and without any delay. In a state of emergency, specific procedures for suspending the right to organise assemblies, public events, strikes, riots, associations, and public meetings may be implemented. In relation to the individuals referred to in the act, they may be exposed to procedures of exclusion and warning interviews. Similar to a state of war, procedures of censorship and mail inspection, as well as other procedures set out in the Act as far as limitation of the rights of freedom and human rights and citizens' rights may be implemented. The Act on Natural Disaster governs specific procedures for the Minister, Voivod, Starost, Voyt (Officer-in-Chief, Mayor) for the purpose of preventing results of natural disasters or removing results of natural disasters and issuing binding instructions to the authorities and services referred to in the Act. Furthermore, the Act governs specific procedures for limitation of freedom and human rights and citizens' rights in a state of natural disaster. The aforementioned Acts of law on states of emergency are not the exclusive prescriptive Acts of law that serve the grounds for specific procedures referred to in the Acts of law enforced by the law makers, which apply to states of emergency. They also include procedures arising from other specific Acts of law e.g. the Act on Common National Defence Duty in the Republic of Poland – those particularly related to the co-operation between the civil service and military services in a state of peace to the extent of defence performed in the form of registration and drafts, personal allowance and benefits-in-kind. (Zawadzki 2009)

Pursuant to Article 2 of the Act on Crisis Procedures, the extent of crisis procedures (execution of secondary crisis procedures) covers the operations of the public administration, being the element of state defence system. The operations include crisis prevention, taking control of the crisis through action plans, reactions to the crisis, removal of crisis after-effects and restitution of resources and critical infrastructure. Crisis procedures cover four stages that correspond to specific crisis procedures governed by law and its regulations. The stages are referred to as the preventive stage, preparatory stage, reaction stage and the restitution stage. The preventive stage covers procedures diminishing the probability of crisis. The preparatory stage covers procedures for action plans to be developed at every level of the public administration. Such procedures provide for the development of crisis action plans at national, regional, district and municipal level. Each and every crisis action plan includes a master plan, crisis reaction procedures, and operational attachments. The master plan contains descriptions of threats and the related risk assessment, description of forces and measures and the related use potential, analysis of the public administration capabilities in view of any crisis, option analysis and plan revision procedures. Crisis reaction procedures determine a group of actions undertaken in the case of a crisis. The procedures cover risk monitoring, payment requests for measures to remove crisis after-effects and co-operation rules and methods for mitigation of losses. Operational attachments of the master plan determine standard operational crisis procedures, communication procedures, risk monitoring procedures, warning and alarm procedures, public announcements, evacuation procedures, social care and medical care procedures including the provision of rescue forces, radiation, biological, chemical hazard procedures, loss evaluation and documentary proof procedures. The crisis reaction stage covers procedures of support for the aggrieved as a result of the crisis and in order to stop the occurrence of crisis risks as well as to counteract loss and damage. The restitution stage is based on the execution of procedures aimed at the restitution of reaction capabilities, restitution of rescue resources, and redevelopment of critical infrastructure in the respective areas – power engineering, oil, telecommunication, transport, food and water supplies, health care and public administration facilities.

The Act on Crisis Management provides for the procedure of subordinating the Armed Forces of the Republic of Poland to the Voivod (at the Voivod's motion) by the State Defence Minister, together with employing them in the performance of crisis management related tasks. Such subordination is the case with a crisis in which the application of other forces and measures is out of the question or insufficient.

The Act also sets out specific regulations contained in Article 26 that govern funding procedures for crisis management at the national, regional, district, and municipal level.

5. Conclusions

The review of commonly acceptable and binding public law and its regulations governing procedures for the public administration (within the functional and structural meaning) to be applied in a crisis allows the provision of several conclusions. They refer to the regulations that govern the crisis procedures implemented by the Polish law making bodies. It is worthy of note that the procedures are represented in law and its regulations to a diversified extent. The procedure for a specific kind of crisis being an extraordinary state of affairs is most grounded in Polish law. Those regulations governing a state of war, extraordinary state of affairs and natural disaster are referred to, both in the Constitution of the Republic of Poland and the related Act of law. Due to the specific significance of the category of public interest that is protected as a result of an announcement of an extraordinary state of affairs, crisis procedures are characteristic of the most extensive intervention into freedom and human rights and citizens' rights. Statutory regulations governing crisis management in the case of states other than extraordinary states of affairs provide first of all for public security, security of assets and environmental protection. The specific context for the development of such procedures derives from terrorist attack hazards. The Act on Crisis Management does not provide for procedures that could be applied to the public administration in the case of economic turmoil. It seems that the need for such procedures may be more widely identified e.g. as far as the operations of the public administration addressed to the economic entities are concerned. In Polish law and its regulations the context of the current global economic crisis is partly represented exclusively in the Act of 1 July 2009 on the Mitigation of the After-effects of Economic Turmoil affecting Employees and Employers with applicable regulations of the European Commission governing public state aid available for entrepreneurs. In view of the global financial crisis, the European Commission has enforced two regulations referring to public state aid awarded by the Member States. One of them is the Communication of 17 December 2008 – Temporary Framework for State Aid measures to support access to finance in the current financial and economic crisis. These regulations govern public state aid award horizontal procedures – for all economic entities, regardless of the sector in which they run business operations. The other regulations concern the permissibility of state aid in view of the financial crisis that may be awarded to financial institutions. The European Commission issued the Communication of 12 October 2008 – Applying State aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis. (Stefaniuk 2009, 241)

Legal regulations concerning the procedures applied by the public administration in crises of various natures may also serve as the grounds for arguing the case in on-going deliberations on the essence of public administration. Such regulations provide for a distinct differentiation between the public administration authorities and public administration offices in the state of law, which distinguishes them from

other organisations, the operations of which, during a crisis, are not covered by procedures governed by a commonly binding and acceptable law and its regulations.

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Legislation

1. Constitution of the Republic of Poland of 2 April 1997, JoL No 78, item 483 with subsequent amendments.
2. Act of 18 April 2002 on Natural Disaster, JoL No 62, item 558 with subsequent amendments.
3. Act of 21 June 2002 on State of Emergency, JoL No 113, item 985 with subsequent amendments.
4. Act of 29 August 2002 on State of War and Powers of Supreme Commander of the Armed Forces and principles of his subordination to constitutional bodies of the Republic of Poland, JoL No 62, item. 558 with subsequent amendments.
5. Act of 26 April 2007 on Crisis Management, JoL No 89, item. 590 with subsequent amendments.
6. Act of 1 July 2009 of on Mitigation of After-effects of Economic Turmoil affecting Employees and Employers Jo L No 125, item. 1035.
7. Regulation No 86 of the Prime Minister dated 14 August 2008 concerning the organization and work procedure of the Governmental Team for Crisis Management, The Polish Monitor. No 61, item. 538.
8. Regulation of the Prime Minister dated 10 July 2008 on the organization and work procedures of the Government Security Centre, JoL No 128, item. 821.
9. Communication of the European Commission of 17 December 2008 – Temporary Framework for State Aid measures to support access to finance in current financial and economic crisis. Official Journal of the EU item 16 from 22 January 2008, 1, amended on 25 February 2009, consolidated version in the Official Journal of the EU Item 83 from 7 April 2009.
10. Communication of the European Commission of 12 October 2008 – Applying State aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis Official Journal of the EU C 270 from 25 October 2008, 8.

These papers represent a collection of the best papers presented at the annual NISPAcee conference in Warsaw in 2010. The theme of the conference was public administration in crisis, and a number of these papers address the main theme. Other papers reflect many of the continuing interests of Working Groups within NISPAcee, as well as some general themes within public administration. The papers are primarily drawn from scholars working in Central and Eastern Europe, but some papers also were written by scholars from other areas interested in the development of public administration in this area. Taken together these papers provide interesting perspectives on a number of different aspects of administration in the CEE countries.

In addition to the papers coming from the regular NISPAcee panels in Warsaw our Polish hosts organized a number of panels that dealt more thoroughly with the issues of public administration in Poland, involving almost entirely Polish scholars. These papers on Poland are presented as a separate section in this volume and taken together provide a very useful picture of Polish governing in a period of crisis. As one of the largest countries in Europe, Poland has substantial resources but also confronts very real problems in governing, and these papers provide interesting insights into these issues.



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